The Hanover Insurance Group, Inc.

Second Quarter 2017 Results

August 2, 2017

To be read in conjunction with the press release dated August 2, 2017 and conference call scheduled for August 3, 2017

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-looking statements: Certain statements in this release or in the above-referenced conference call may be forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Use of the words "believes," "anticipates," "expects," "projections," "forecast", "outlook," "should," "could," "confident," "plan," "guidance," "on track to" and similar expressions is intended to identify forward-looking statements. The company cautions investors that any such forward-looking statements are estimates or projections that involve significant judgment and that neither historical results and trends nor forward-looking statements are guarantees or necessarily indicative of future performance. Actual results could differ materially. In particular, "forward-looking statements" include statements in this press release or in such conference call regarding our ability to deliver on "Hanover 2021" goals and objectives, including maintaining margins, while growing premiums and producing double-digit return on equity; ability to grow profitably within our existing distribution plant; confidence in the ability to drive rate and an improved business mix in commercial auto; ability to deliver solid results; the level of conservatism and strength of reserves and the balance sheet, and the adequacy of current and prior-year reserve actions; the relative likelihood of favorable or unfavorable reserve development in domestic lines and expectations for Chaucer reserve development to contribute to earnings; ability to achieve financial goals and generate strong earnings; ability to leverage our agency distribution network to expand shelf space with existing agents and generate growth; pricing compared to long-term loss trends and ability to produce a stable loss ratio; volatility in commercial property lines; Specialty growth opportunities; the execution of the Specialty segment strategy; execution risks and savings benefit of expense reduction opportunities; ability to deliver superior value to shareholders; success of the Inland Marine business; workers' compensation loss trends, pricing and potential inflationary trends; future trends of commercial multi-peril liability claims; frequency and severity trends in personal and commercial auto; success of technology and service platform investments, and state and product expansion in Personal Lines; ability to be successful in the emerging-affluent market; pricing and retention trends; impact of agency consolidation and increased growth opportunities in small commercial; ability to manage the cyclical nature of Chaucer's business, risk complexity, and challenging market conditions; ability for Chaucer to create opportunities for high-quality business; future performance of Chaucer's current and prior-year development and large loss activity; share repurchases; increased income from expected "higher yielding assets;" volatility in unrealized gains; and ability to achieve components of the 2017 guidance, are all 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 August 2, 2017 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 "Investors." We assume no obligation to update this presentation, which, unless otherwise noted, are as of June 30, 2017.

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 (and interest expense), combined ratios and loss ratios, excluding catastrophes and/or prior-year 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 the end notes to this presentation, the press release dated August 2, 2017 or the financial supplement, which are posted on our website. The reconciliation of accident year loss ratio and combined ratio excluding catastrophes to the most directly comparable GAAP measure, total loss ratio and combined ratio, is found in the end notes starting on page 15 of this presentation. 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 and 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 2016 Annual Report on pages 77-80.

Second Quarter 2017

Net Income of $1.83 per Diluted Share; Operating Income[1] of $1.69 per Diluted Share; Combined Ratio of 95.6% including Catastrophe Impact of 4.8 points; Operating ROE[2] of 10.6%

- Combined ratio, ex-catastrophes[3], of 90.8%, an improvement of 2.0 points over the prior-year quarter
- Catastrophe losses of $57.1 million before taxes, or 4.8% of earned premiums, primarily in Commercial Lines
- Net premiums written of $1.3 billion; up 4.4%, driven primarily by growth in Personal Lines
- Continued price increases in Commercial and Personal Lines
- Net investment income of $72.3 million, up 4.6% compared to the prior-year quarter
- Book value per share of $70.18, up 2.5% from the first quarter of 2017; book value per share, excluding net unrealized gains on investments[4], of $64.87, up 2.0%
- Repurchased approximately 275,000 shares of common stock for $23.4 million
- Initiated expense actions to generate annualized pre-tax savings of approximately $50 million to accelerate strategic expense leverage initiative and to reinvest in the business

(1) Non-GAAP measure. See page 2 and end notes starting on page 15. These measures are used throughout this presentation.

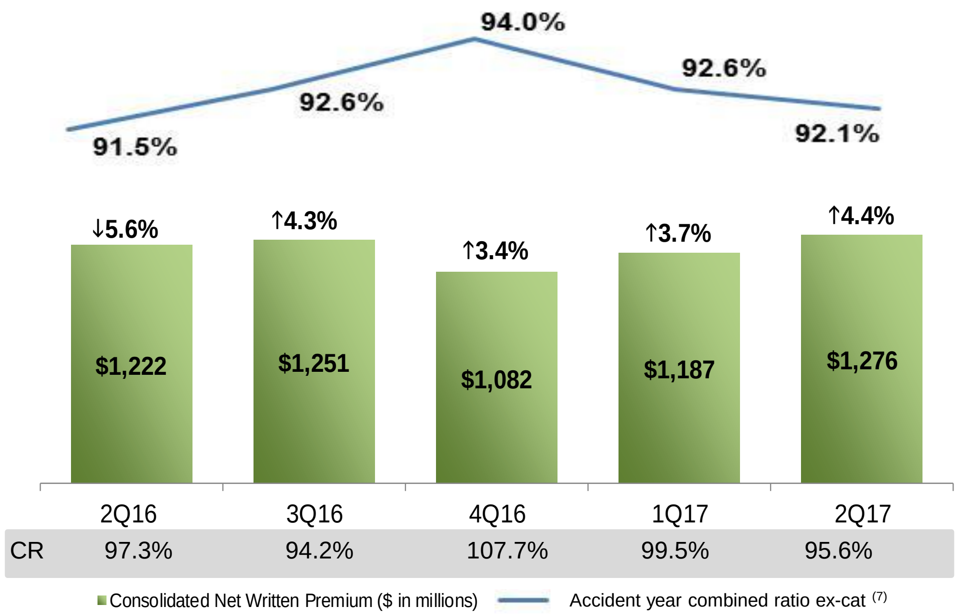
Consolidated Financial Results Snapshot

($ in millions, except per share amounts)	Three Months Ended June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
Net income (loss) per share	$0.05	$2.06	($0.32)	$1.05	$1.83
Operating income (loss) after taxes per share[1]	$1.24	$1.83	($0.46)	$0.95	$1.69
Book value per share	$70.58	$72.08	$67.40	$68.44	$70.18
Shareholders' equity	$3,010	$3,046	$2,858	$2,914	$2,973
Debt	$798	$798	$786	$786	$786
Total capital	$3,808	$3,844	$3,644	$3,700	$3,759
Debt/total capital	21.0%	20.8%	21.6%	21.3%	20.9%
Total assets	$14,164	$14,364	$14,220	$14,491	$14,793
Total equity, excluding net unrealized appreciation (depreciation) on investments, net of tax [5]	$2,686.2	$2,724.3	$2,671.5	$2,708.5	$2,747.7
Average equity, excluding net unrealized appreciation (depreciation) on investments, net of tax[5]	$2,698.4	$2,705.3	$2,697.9	$2,690.0	$2,728.1
Operating income (loss) after tax[1]	$54.0	$78.6	($19.7)	$40.8	$72.3
Operating return on equity[2]	8.0%	11.6%	(2.9)%	6.1%	10.6%
Operating income (loss) before interest and taxes[1]	$94.7	$129.8	($22.1)	$69.1	$118.9

Strong Underwriting Performance Drives a 10.6% Operating ROE[2]

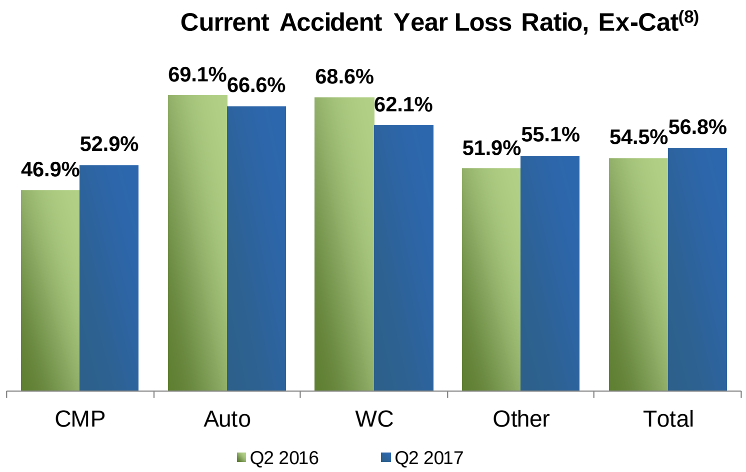
($ in millions)	Three Months Ended June 30 2016	2017
Premiums:		
Net Written	$ 1,221.6	$ 1,275.7
Growth	(5.6)%	4.4%
Net Earned	$ 1,145.5	$ 1,181.2
Loss and LAE ratio:		
Current accident year, ex-cat[8]	57.9%	57.9%
Prior accident year (favorable) unfavorable reserve development, ex-cat	1.3%	(1.3)%
Catastrophe losses	4.5%	4.8%
Loss and LAE ratio	63.7%	61.4%
Expense ratio[6]	33.6%	34.2%
Combined ratio	97.3%	95.6%
Combined ratio, ex-cat[3]	92.8%	90.8%
Current accident year combined ratio, ex-cat[7]	91.5%	92.1%
Underwriting income	$ 27.3	$ 48.9
Catastrophe losses	51.0	57.1
Ex-cat, underwriting income*	$ 78.3	$ 106.0

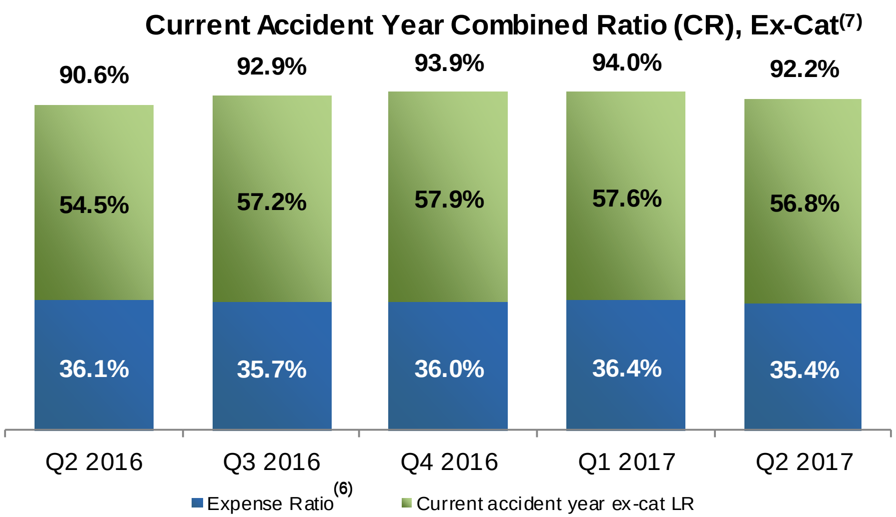
- Controlled and thoughtful net premiums written growth, driven by Personal Lines and small commercial
- Excluding catastrophes, underwriting income improved, driven by higher favorable development and favorable comparison to a higher than usual level of large losses at Chaucer in the second quarter of 2016
- Second quarter catastrophe losses of $57.1 million, slightly above our expectation. Commercial lines heavily impacted, primarily by the Colorado hail storm in May



* Non-GAAP measure, reconciles to underwriting income as displayed above

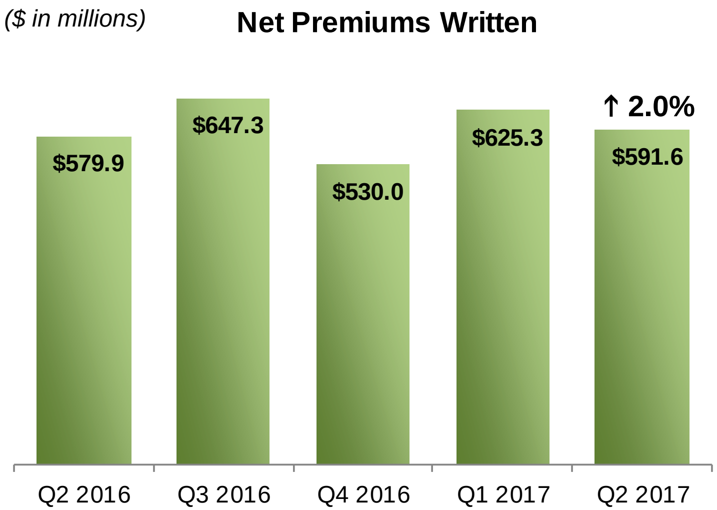
Commercial Lines Underwriting Highlights

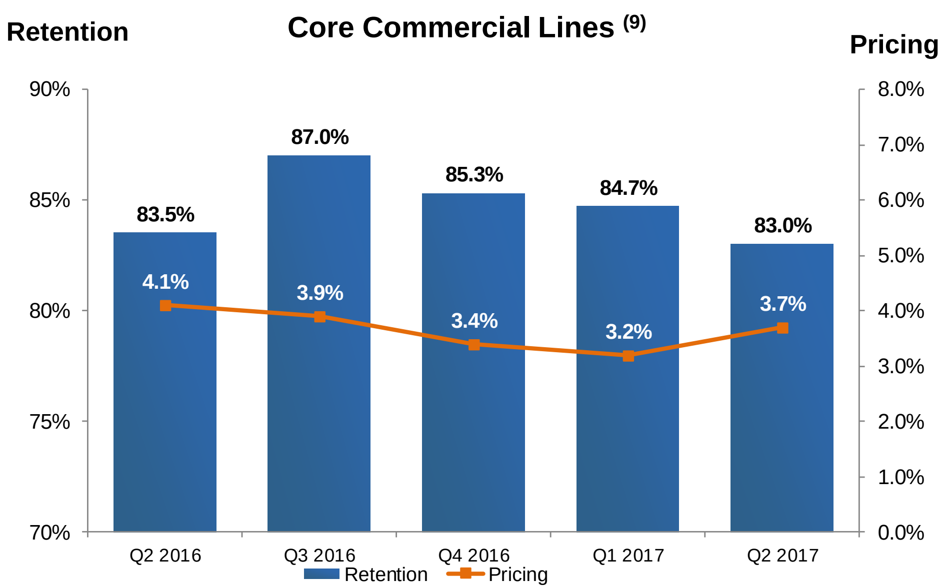




- Elevated catastrophes at 7.2 points of the combined ratio
- No prior-year development
- Current accident year loss ratio, excluding catastrophes, increased 2.3 points compared to the prior-year quarter, driven by:
  - Commercial multiple peril and other commercial lines due to property large losses, including one fire loss in inland marine and related reinstatement premium
  - Comparability impacted by timing of casualty loss pick increase in 2016, as well as favorable property large loss experience in 2016
  - Somewhat offset by underlying improvement in both workers' compensation and commercial auto
- Expense ratio improved by 70 basis points in the second quarter of 2017, driven by growth leverage and operating efficiencies

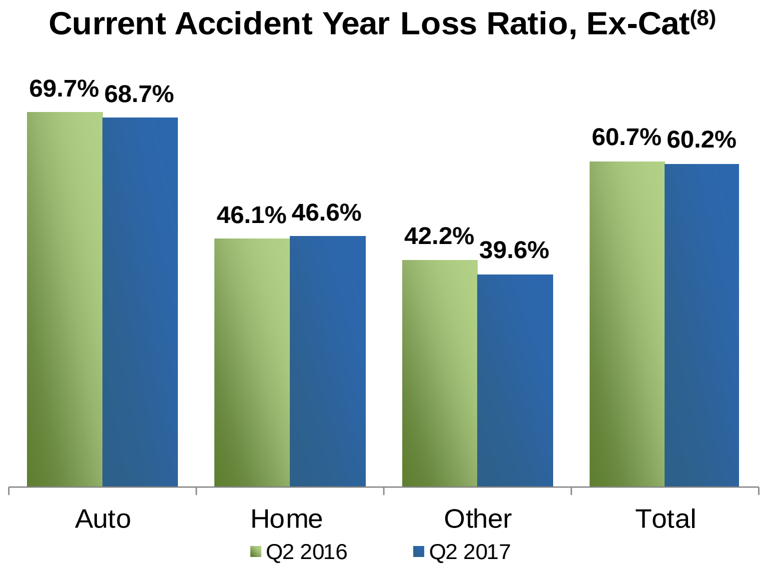
Commercial Lines Growth Highlights

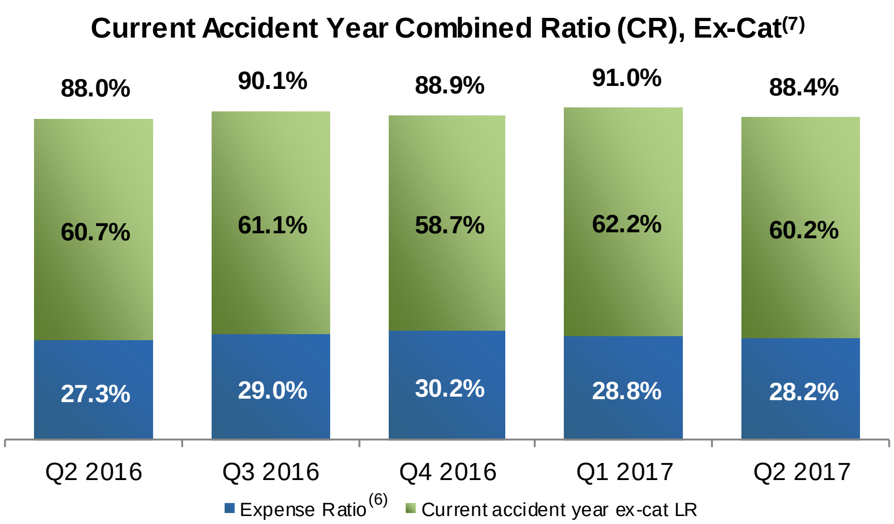




- Growth impacted by reinstatement premiums from the large fire loss on our per-risk property treaty. Growth of 3.4%, excluding reinstatement
- Net premiums written growth driven by continued pricing and strong retention, as well as targeted new business expansion, particularly in small commercial and highest margin specialty businesses
- Retention remained strong, despite profitability management actions in middle market and more aggressive pricing segmentation
- Pricing relatively consistent with prior periods

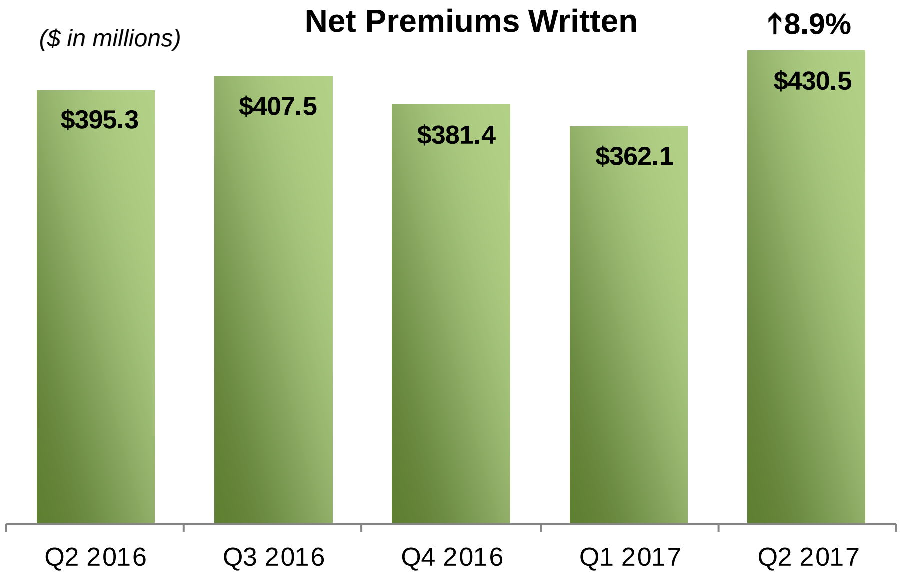
Personal Lines Underwriting Highlights

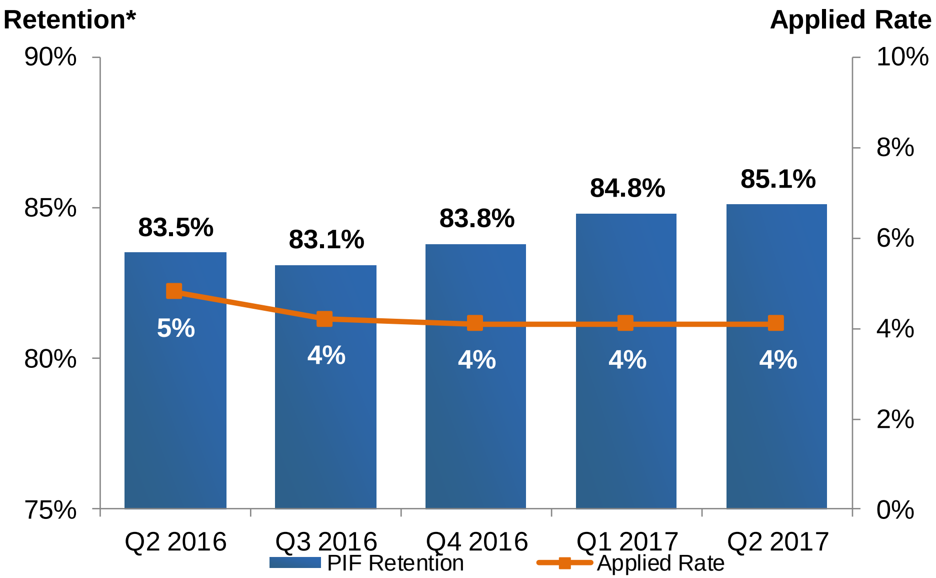




- Current accident year loss ratio, excluding catastrophes, down by 50 basis points; loss trends remained stable; quarterly fluctuations within expected variability
- Personal auto seeing continuing trend of elevated bodily injury and physical damage severity; frequency stable
- Rate keeping pace with loss trends
- Increase in the expense ratio driven by a one-time premium tax benefit in the second quarter of 2016

Personal Lines Growth Highlights

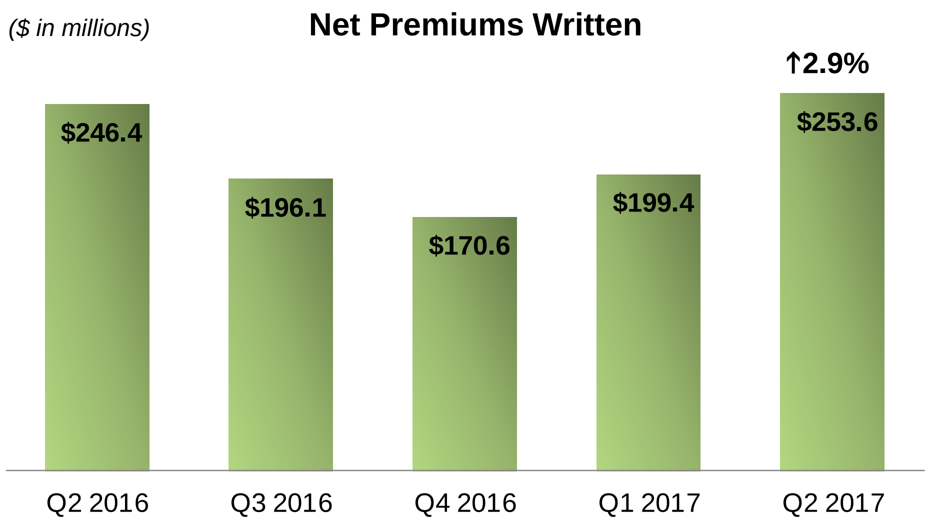


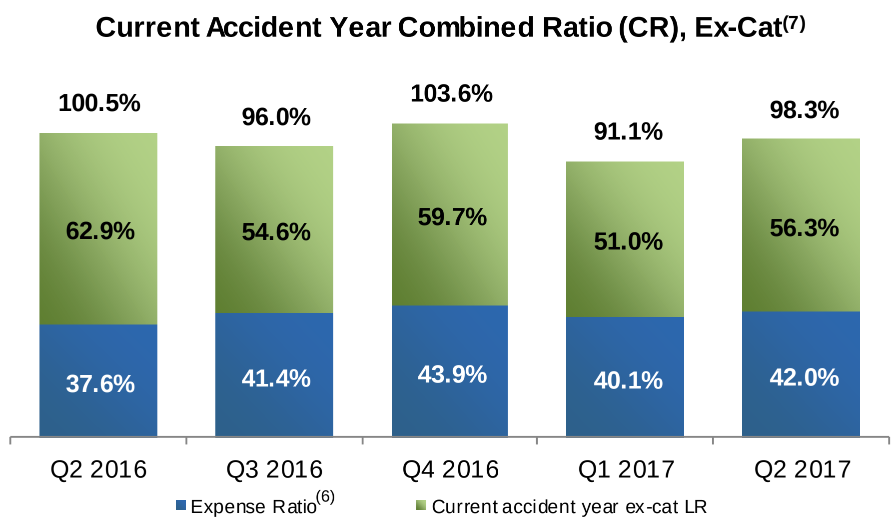


- Net premiums written growth driven by higher renewal premium due to rate increases and improved retention, as well as new business growth
- Strong quality of the book of business:
  - Account business represents 88% of new business writings and 84% of total book
  - Platinum is ~71% of new business premium(10) and ~34% of net premiums written
- Retention up 1.6 points over the prior-year quarter, a near all-time high, due in part to the growth of our Platinum product

** Retention is defined as ratio of net retained policies for noted period to those policies available to renew over the same period.*

Chaucer Highlights



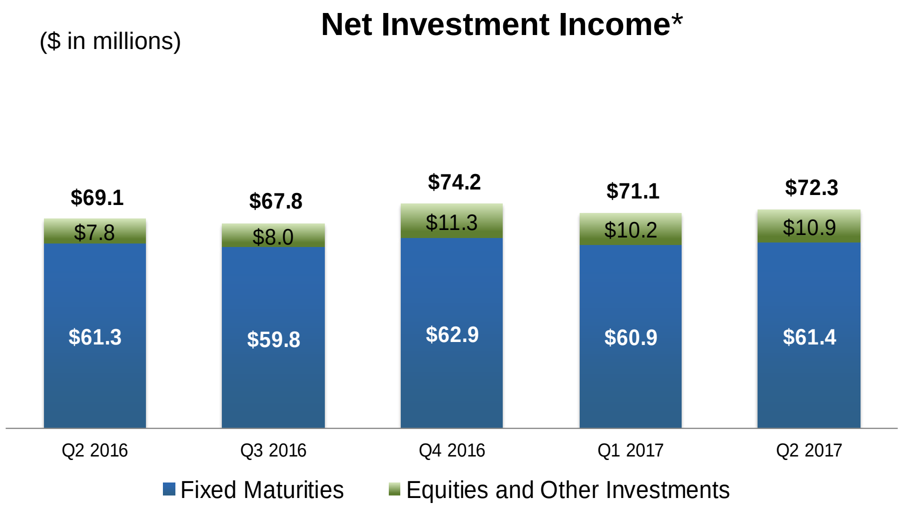


- Net premiums written were up 2.9% on a reported basis, and 6.1% excluding foreign exchange, reflecting new growth initiatives and continued leverage of core expertise:
  - AXA partnership in Africa
  - Addition of A&H and marine casualty teams in 2016
  - Treaty growth in a number of attractive markets
- Growth was partially offset by marine and aviation, characterized by intense competition
- The current quarter accident year loss ratio, excluding catastrophes, lower by 6.6 points, benefiting from a favorable comparison to a higher than usual impact of large losses in the second quarter of 2016
- The expense ratio increased 4.4 points in the second quarter, due primarily to foreign exchange movements in overseas deposits

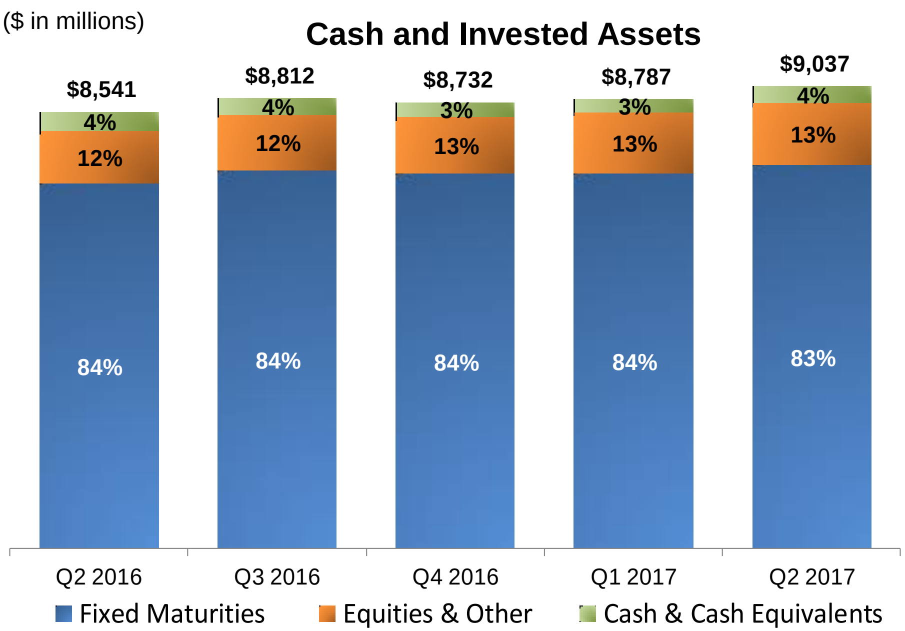
Foreign Exchange Impact on Chaucer Operating Income

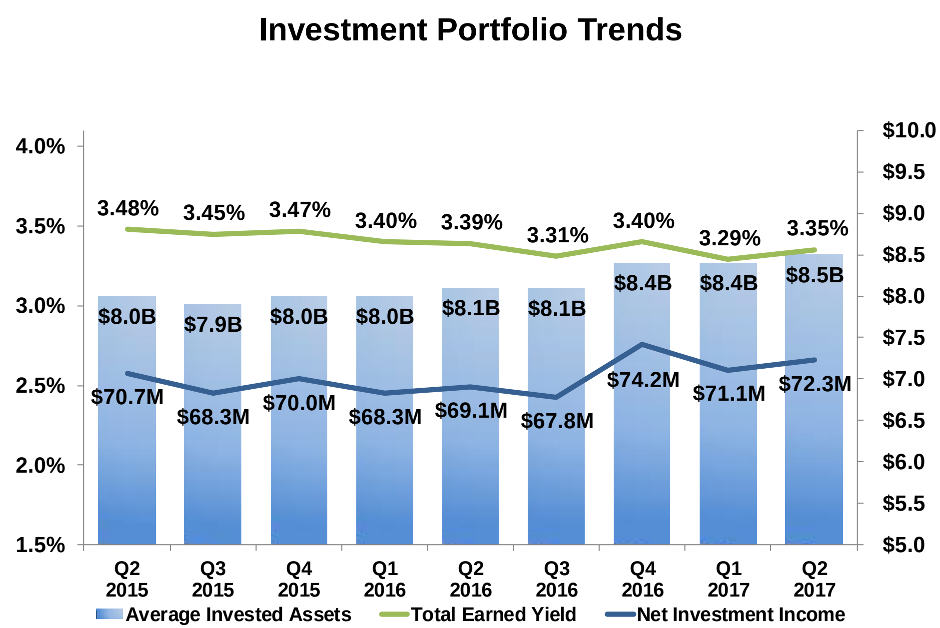
Transactional gains and losses in comprehensive income: *($ in million)*	Three Months Ended June 30 2016		Three Months Ended June 30 2017	
Effect of revaluing loss and LAE reserves	$	(15.1)	$	(0.1)
Effect of revaluing overseas deposits		3.9		(2.0)
Effect of revaluing premium receivables		2.2		(0.5)
Total FX effect on operating income	$	(9.0)	$	(2.6)
FX losses reflected in realized gains/losses		(0.2)		-
Total FX effect on pre-tax income	$	(9.2)	$	(2.6)
Unrealized FX gains from investment securities		2.8		1.9
Total pre-tax effect of transactional FX gains (losses) on comprehensive income	$	(6.4)	$	(0.7)
Tax benefit		2.2		0.2
Total effect of transactional FX gains (losses) on comprehensive income	$	(4.2)	$	(0.5)

Net Investment Income Trends



- Net investment income increased 4.6% over the prior-year quarter, primarily due to reinvestment of higher operating cash flows from underwriting activity

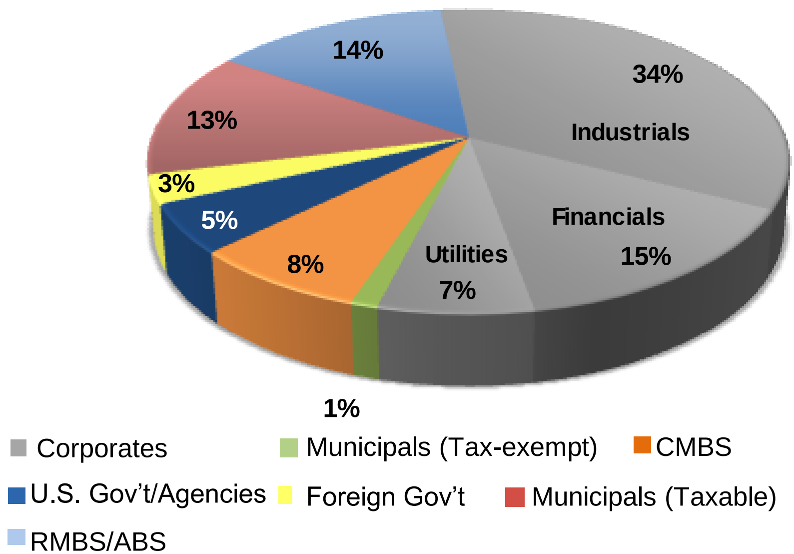




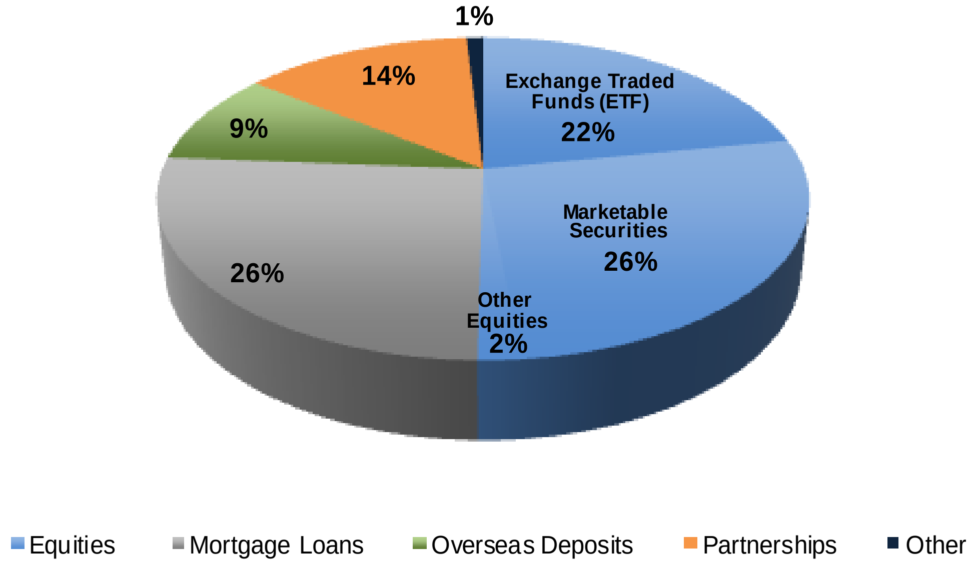
*Net Investment Income from Equities and Other investments is presented net of investment expenses.

Investment Portfolio Holdings Breakdown as of June 30, 2017

Fixed Maturities $7.5 Billion



Equities & Other $1.2 Billion



<u>Fixed Income Characteristics:</u>

- 95% of fixed maturity securities are investment grade
- Weighted average quality A+
- Duration: 4.4 years

About The Hanover

The Hanover Insurance Group, Inc. is the holding company for several property and casualty insurance companies, which together constitute one of the largest insurance businesses in the United States. The company provides exceptional insurance solutions in a dynamic world. The Hanover distributes its products through a select group of independent agents and brokers. Together with its agents, The Hanover offers standard and specialized insurance protection for small and mid-sized businesses, as well as for homes, automobiles, and other personal items. Through its international member company, Chaucer, The Hanover also underwrites business at Lloyd's of London in several major insurance and reinsurance classes, including marine, property and energy. For more information, please visit hanover.com.

End Notes

(1) Operating income (loss) and operating income (loss) per diluted share are non-GAAP measures. See the disclosure on the use of non-GAAP measures throughout this presentation under the heading "Forward-Looking Statements and Non-GAAP Financial Measures." Operating income (loss) before taxes, as referenced in the results of the three business segments, is defined as, with respect to such segment, operating income (loss) before taxes and interest expense. The following table provides the reconciliation of operating income (loss) and operating income (loss) per diluted share to the most directly comparable GAAP measures, income (loss) from continuing operations and income (loss) from continuing operations per diluted share, respectively:

The Hanover Insurance Group, Inc.

(In millions, except per share data)	June 30, 2016 $ Amount	June 30, 2016 Per Share Diluted	September 30, 2016 $ Amount	September 30, 2016 Per Share Diluted	December 31, 2016 $ Amount	December 31, 2016 Per Share Diluted	March 31, 2017 $ Amount	March 31, 2017 Per Share Diluted	June 30, 2017 $ Amount	June 30, 2017 Per Share Diluted
OPERATING INCOME (LOSS)										
Commercial Lines	$44.0		$42.5		($93.3)		$37.4		$43.2	
Personal Lines	47.4		41.7		42.2		9.9		47.9	
Chaucer	5.5		48.4		39.2		24.9		29.7	
Other	(2.2)		(2.8)		(10.2)		(3.1)		(1.9)	
Total	94.7		129.8		(22.1)		69.1		118.9	
Interest expense	(15.6)		(12.5)		(12.1)		(12.0)		(12.2)	
Operating income (loss) before income taxes	79.1	$1.82	117.3	$2.73	(34.2)	($0.81)	57.1	$1.33	106.7	$2.49
Income tax (expense) benefit on operating income	(25.1)	(0.58)	(38.7)	(0.90)	14.5	0.35	(16.3)	(0.38)	(34.4)	(0.80)
Operating income (loss) after income taxes	54.0	1.24	78.6	1.83	(19.7)	(0.46)	40.8	0.95	72.3	1.69
Gain on disposal of U.K motor business, net of tax	0.3	0.01	-	-	-	-	-	-	-	-
Other non-operating items:										
Net realized investment gains (losses)	(0.7)	(0.02)	4.2	0.10	3.6	0.08	1.9	0.04	5.9	0.14
Loss from repurchase of debt	(86.1)	(1.98)	-	-	(2.2)	(0.05)	-	-	-	-
Other	0.2	-	2.5	0.06	0.2	-	-	-	(1.6)	(0.04)
Income tax benefit on other non-operating items	34.2	0.79	3.0	0.07	5.9	0.14	2.5	0.06	1.8	0.04
Income (loss) from continuing operations, net of taxes	1.9	0.04	88.3	2.06	(12.2)	(0.29)	45.2	1.05	78.4	1.83
Discontinued operations, net of taxes	0.1	0.01	0.1	-	(1.3)	(0.03)	-	-	-	-
Net income (loss)	$2.0	$0.05	$88.4	$2.06	($13.5)	($0.32)	$45.2	$1.05	$78.4	$1.83
Weighted average shares outstanding*		43.4		43.0		42.5		42.9		42.8

*Weighted average shares outstanding and per diluted share amounts in the fourth quarter of 2016 exclude common stock equivalents, as the impact of these instruments was anti-dilutive.

End Notes

(2) Operating Return on Average Equity ("operating ROE") is a non-GAAP financial measure. Operating ROE is calculated by dividing operating income after tax annualized, as defined on end note (1), by average shareholders' equity, excluding unrealized appreciation (depreciation) on investments, net of tax, for the stated period, as defined on end note (5).

	Period ended				
($ In millions, except percentages)	June 30 2016	September 30 2016	December 31 2016	March 31 2017	June 30 2017
Annualized net income (period ended net income multiplied by 4)	$8.0	$353.6	($54.0)	$180.8	$313.6
Average shareholders' equity	$2,983.4	$3,027.7	$2,951.6	$2,885.5	$2,943.0
Return on equity (GAAP)	0.3%	11.7%	(1.8%)	6.3%	10.7%

	Period ended				
($ In millions, except percentages)	June 30 2016	September 30 2016	December 31 2016	March 31 2017	June 30 2017
Annualized operating income[1] (period ended operating income multipled by 4)	$216.0	$314.4	($78.8)	$163.2	$289.2
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on investments, net of tax	$2,698.4	$2,705.3	$2,697.9	$2,690.0	$2,728.1
Operating return on equity (non-GAAP)	8.0%	11.6%	(2.9%)	6.1%	10.6%

(3) Combined ratio, excluding catastrophes, is a non-GAAP measure, which is equal to the combined ratio, excluding catastrophe losses. This measure and measures excluding prior-year reserve development ("current accident-year" ratios) are used throughout this document. The combined ratio (which includes catastrophe losses and prior-year reserve development) is the most directly comparable GAAP measure. The following is reconciliation of combined ratio, excluding catastrophes:

	Three months ended June 30, 2017					Three months ended June 30, 2016				
	Commercial Lines	Personal Lines	Total Domestic	Chaucer	Total	Commercial Lines	Personal Lines	Total Domestic	Chaucer	Total
Total combined ratio	99.4%	91.8%	96.5%	91.0%	95.6%	98.9%	91.3%	96.0%	103.2%	97.3%
Less: catastrophe ratio	7.2%	3.4%	5.7%	0.6%	4.8%	4.5%	3.1%	3.9%	6.7%	4.5%
Combined ratio, excluding catastrophe losses	92.2%	88.4%	90.8%	90.4%	90.8%	94.4%	88.2%	92.1%	96.5%	92.8%

End Notes Continued

(4) The following is a reconciliation of book value per share, excluding net unrealized gains on investments:

	March 31 2017	June 30 2017
Book value per share	$68.44	$70.18
Less: Net unrealized gains on investments	4.82	5.31
Book value per share, excluding net unrealized gains on investments	$63.62	$64.87

(5) Total shareholders' equity, excluding net unrealized appreciation (depreciation) on investments, net of tax, is a non-GAAP measure. Total Shareholder's equity, is the most directly comparable GAAP measure, and is reconciled in the table below. For the calculation of Operating Return on Equity ("operating ROE"), the average of beginning and ending shareholders' equity, excluding net unrealized appreciation (depreciation) on investments, net of tax, is used for the period as shown in the table below.

	Period ended					
($ In millions)	March 31 2016	June 30 2016	September 30 2016	December 31 2016	March 31 2017	June 30 2017
Total shareholders' equity	$2,957.0	$3,009.7	$3,045.7	$2,857.5	$2,913.5	$2,972.5
Less: net unrealized appreciation (depreciation) on investments, net of tax	$246.4	$323.5	$321.4	$186.0	$205.0	$224.8
Total shareholders' equity, excluding net unrealized appreciation (depreciation) on investments. net of tax	$2,710.6	$2,686.2	$2,724.3	$2,671.5	$2,708.5	$2,747.7
Average shareholders' equity		$2,983.4	$3,027.7	$2,951.6	$2,885.5	$2,943.0
Average shareholders' equity, excluding net unrealized appreciation (depreciation) on investments, net of tax		$2,698.4	$2,705.3	$2,697.9	$2,690.0	$2,728.1

End Notes Continued

(6) On this page and later in this document, the expense ratio is reduced by installment fee revenues for purposes of the ratio calculation.

(7) Current accident year combined ratio, excluding catastrophe losses, is a non-GAAP measure, which is equal to the combined ratio, excluding prior-year reserve development and catastrophe losses. The combined ratio (which includes catastrophe losses and prior-year reserve development) is the most directly comparable GAAP measure. The following is a reconciliation of current accident year combined ratio:

	Three months ended				
	June 30, 2017				
	Commercial Lines	Personal Lines	Total Domestic	Chaucer	Total
Total combined ratio	99.4%	91.8%	96.5%	91.0%	95.6%
Less:					
Prior-year reserve development ratio	-	-	-	(7.9%)	(1.3%)
Catastrophe ratio	7.2%	3.4%	5.7%	0.6%	4.8%
Current accident year combined ratio, excluding catastrophe losses	92.2%	88.4%	90.8%	98.3%	92.1%
	March 31, 2017				
Total combined ratio	100.2%	101.6%	100.9%	93.5%	99.5%
Less:					
Prior-year reserve development ratio	-	-	-	(1.1%)	(0.2%)
Catastrophe ratio	6.2%	10.6%	7.9%	3.5%	7.1%
Current accident year combined ratio, excluding catastrophe losses	94.0%	91.0%	93.0%	91.1%	92.6%
	December 31, 2016				
Total combined ratio	122.8%	93.4%	112.2%	87.3%	107.7%
Less:					
Prior-year reserve development ratio	27.6%	1.4%	18.1%	(14.7%)	12.3%
Catastrophe ratio	1.3%	3.1%	2.0%	(1.6%)	1.4%
Current accident year combined ratio, excluding catastrophe losses	93.9%	88.9%	92.1%	103.6%	94.0%
	September 30, 2016				
Total combined ratio	99.2%	93.1%	96.9%	81.3%	94.2%
Less:					
Prior-year reserve development ratio	3.3%	(0.3%)	1.9%	(13.2%)	(0.7%)
Catastrophe ratio	3.0%	3.3%	3.1%	(1.5%)	2.3%
Current accident year combined ratio, excluding catastrophe losses	92.9%	90.1%	91.9%	96.0%	92.6%
	June 30, 2016				
Total combined ratio	98.9%	91.3%	96.0%	103.2%	97.3%
Less:					
Prior-year reserve development ratio	3.8%	0.2%	2.5%	(4.0%)	1.3%
Catastrophe ratio	4.5%	3.1%	3.9%	6.7%	4.5%
Current accident year combined ratio, excluding catastrophe losses	90.6%	88.0%	89.6%	100.5%	91.5%

End Notes Continued

(8) Current accident year loss ratio, excluding catastrophe losses, is a non-GAAP measure, which is equal to the loss ratio, excluding prior-year reserve development and catastrophe losses. The loss ratio (which includes catastrophe losses and prior-year loss reserve development) is the most directly comparable GAAP measure. The following is a reconciliation of Current accident year loss ratio, excluding catastrophe losses:

Consolidated

	Three months ended June 30, 2017				Three months ended June 30, 2016			
	Commercial Lines	Personal Lines	Chaucer	Total	Commercial Lines	Personal Lines	Chaucer	Total
Total loss and LAE Ratio	64.0%	63.6%	49.0%	61.4%	62.8%	64.0%	65.6%	63.7%
Less:								
Prior-year reserve development ratio	-	-	(7.9%)	(1.3%)	3.8%	0.2%	(4.0%)	1.3%
Catastrophe ratio	7.2%	3.4%	0.6%	4.8%	4.5%	3.1%	6.7%	4.5%
Current accident year loss ratio, excluding catastrophe losses	56.8%	60.2%	56.3%	57.9%	54.5%	60.7%	62.9%	57.9%

Commercial Lines

	Three months ended June 30, 2017					Three months ended June 30, 2016				
	Multiple Peril	Auto	Workers' Comp	Other	Total	Multiple Peril	Auto	Workers' Comp	Other	Total
Total loss and LAE Ratio	66.6%	67.8%	62.1%	61.3%	64.0%	63.3%	75.1%	59.0%	59.6%	62.8%
Less:										
Prior-year reserve development ratio	-	-	-	-	-	7.3%	5.5%	(9.6%)	4.4%	3.8%
Catastrophe ratio	13.7%	1.2%	-	6.2%	7.2%	9.1%	0.5%	-	3.3%	4.5%
Current accident year loss ratio,excluding catastrophe losses	52.9%	66.6%	62.1%	55.1%	56.8%	46.9%	69.1%	68.6%	51.9%	54.5%

Personal Lines

	Three months ended June 30, 2017				Three months ended June 30, 2016			
	Auto	Home	Other	Total	Auto	Home	Other	Total
Total loss and LAE Ratio	69.4%	54.9%	41.7%	63.6%	69.5%	54.6%	58.7%	64.0%
Less:								
Prior-year reserve development ratio	-	-	-	-	(0.6%)	0.6%	14.4%	0.2%
Catastrophe ratio	0.7%	8.3%	2.1%	3.4%	0.4%	7.9%	2.1%	3.1%
Current accident year loss ratio, excluding catastrophe losses	68.7%	46.6%	39.6%	60.2%	69.7%	46.1%	42.2%	60.7%

End Notes Continued

(9) Core Commercial business provides commercial property and casualty coverages to small and mid-sized businesses in the U.S., generally with annual premiums per policy up to $250,000, primarily through the commercial multiple peril, commercial auto and workers' compensation lines of business, as reported on pages 8 and 9 of the Second Quarter 2017 Financial Supplement.

($ in millions)	Three months ended June 30, 2017			Three months ended June 30, 2016		
	Core Commercial	Other Commercial	Total	Core Commercial	Other Commercial	Total
Net premiums written	$340.8	$250.8	$591.6	$336.3	$243.6	$579.9
Net premiums earned	$347.4	$243.8	$591.2	$335.8	$238.9	$574.7

(10) Excludes Massachusetts.