The Hanover Insurance Group, Inc.

First Quarter 2015 Results

May 1, 2015

To be read in conjunction with the press release dated April 30, 2015 and conference call scheduled for May 1, 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 deliver 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 impact of the planned transfer of the U.K. Motor business; the ability to manage market headwinds and expected cash flows 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 and debt 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 April 30, 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 March 31, 2015.

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 April 30, 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 6, 8, 10 and 12 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 2014 Annual Report on pages 78-80.

First Quarter Highlights

We reported strong operating earnings per share[1] of $1.27, up 21% from the prior-year quarter.

- Operating income before taxes, excluding catastrophes, increased by 14% to $162.5 million[1]
- Combined ratio of 97.1%, including 5.1 points of catastrophe losses
- Net premiums written of $1.2 billion in the quarter, up 4%, driven by growth in domestic businesses
- Continued price increases in Commercial and Personal Lines in the quarter
- Net investment income of $70.1 million, up 5% from the prior-year quarter
- Book value per share of $65.92, up 1.6% from December 31, 2014, and up 7.6% from March 31, 2014
- During the first quarter, repurchased senior debentures maturing March 1, 2020, with a carrying value of $61.5 million
- Repurchased approximately 219,000 shares of common stock for $15.4 million from January 1, 2015 to April 29, 2015

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

Underwriting Performance

($ in millions)

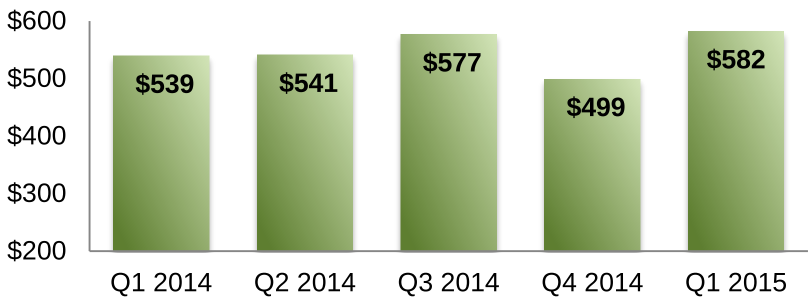
	Three Months Ended March 31	
Premiums:	**2015**	**2014**
Net Written	**$1,215.1**	**$1,172.3**
Net Earned	**$1,211.0**	**$1,163.0**
Loss and LAE ratio:		
Current accident year, ex-cat[1]	**60.9%**	**61.3%**
Catastrophe losses	**5.1%**	**5.0%**
Prior year favorable reserve development	**(2.1%)**	**(1.7%)**
Loss and LAE ratio	**63.9%**	**64.6%**
Expense ratio	**33.2%**	**33.7%**
Combined ratio	**97.1%**	**98.3%**
Combined ratio, ex-cat	**92.0%**	**93.3%**
Accident year combined ratio, ex-cat[1]	**94.1%**	**95.0%**
Underwriting income	**$32.4**	**$16.8**
Catastrophe losses	**62.3**	**57.9**
Ex-cat, underwriting income[1]	**$94.7**	**$74.7**

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

Commercial Lines

Net Premiums Written

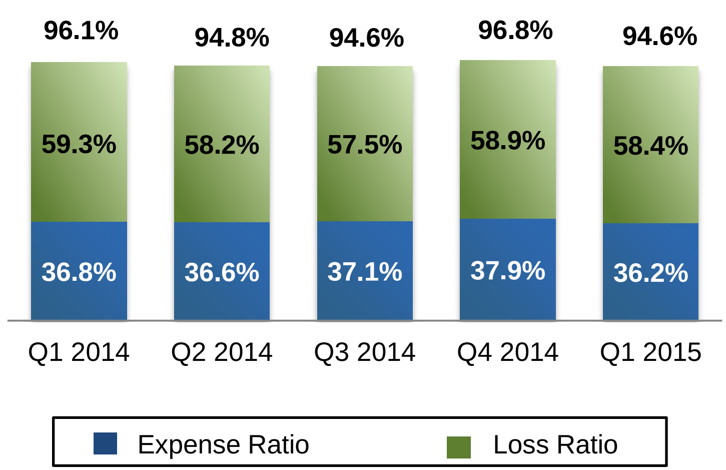
($ in millions)

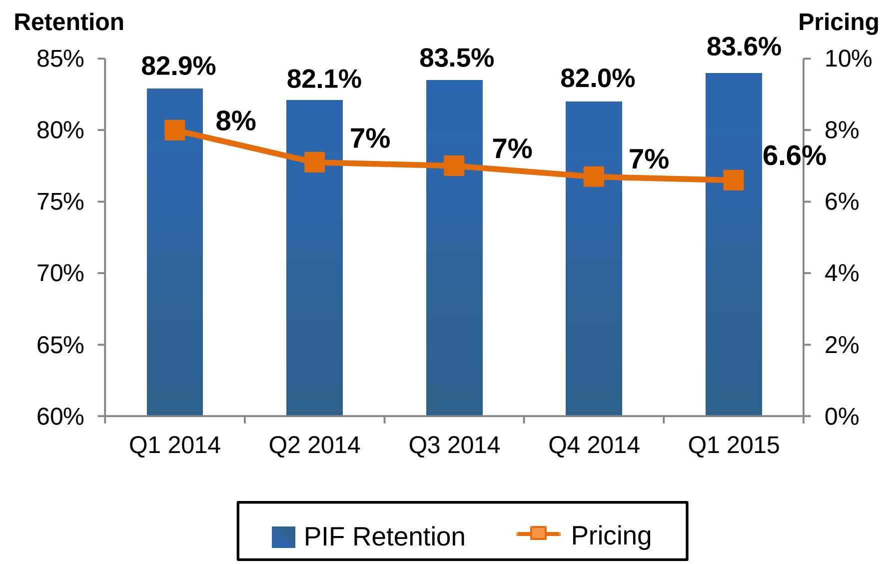


Financial Highlights

- Net premiums written grew 7.9% compared to the prior-year quarter, driven by growth in all key segments.
- We achieved pricing gains of 6.6%, with improved retention of 83.6%, compared to the prior-year quarter.
- Accident year loss ratio, excluding catastrophes, improved approximately one point compared to the prior-year quarter, driven by pricing and business mix.

Accident Year Combined Ratio, Ex-Cat

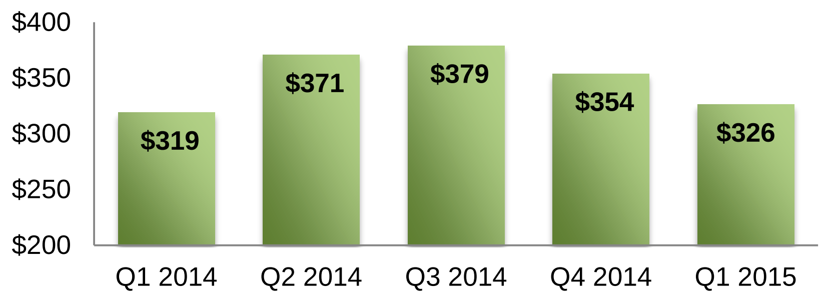




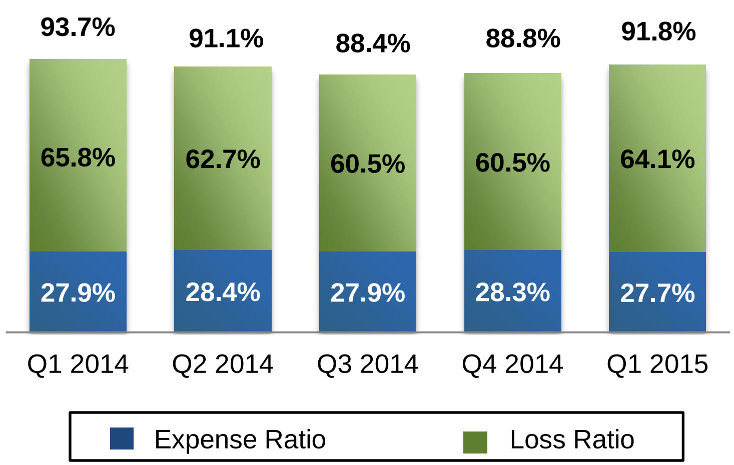
Personal Lines

Net Premiums Written

($ in millions)

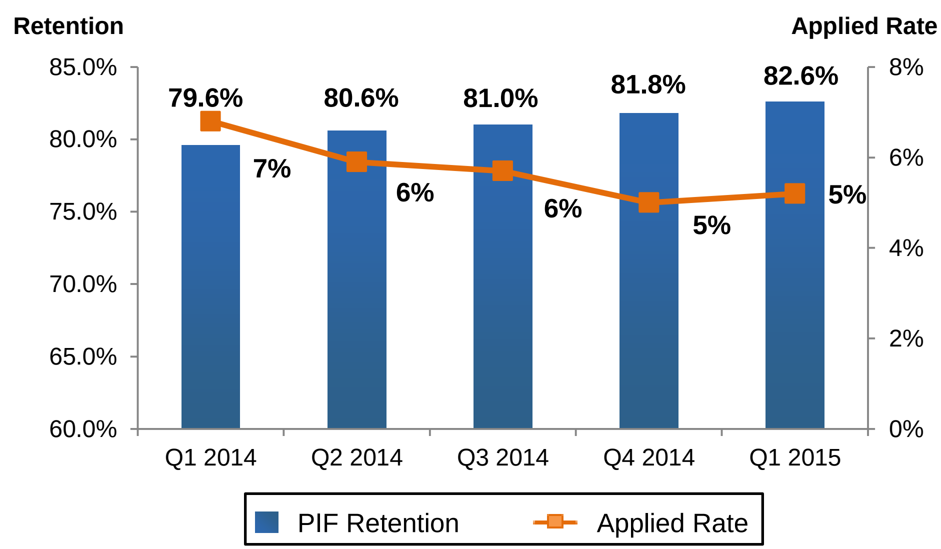


Accident Year Combined Ratio, Ex-Cat



Financial Highlights

- Net premiums written grew 2.3% compared to the prior-year quarter, driven by the success of Hanover Platinum.
- We achieved rate of 5%, with improved retention of 3.0%, compared to the prior-year quarter.
- Accident year loss ratio, excluding catastrophes, improved approximately 2 points over the prior-year quarter, driven by improvement in both auto and homeowners, led by underwriting initiatives.

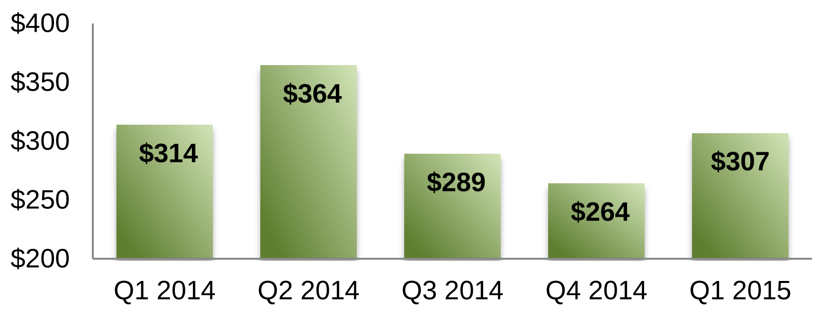


**Retention is defined as the ratio of net retained policies for the noted period to those policies available to renew over the same period.*

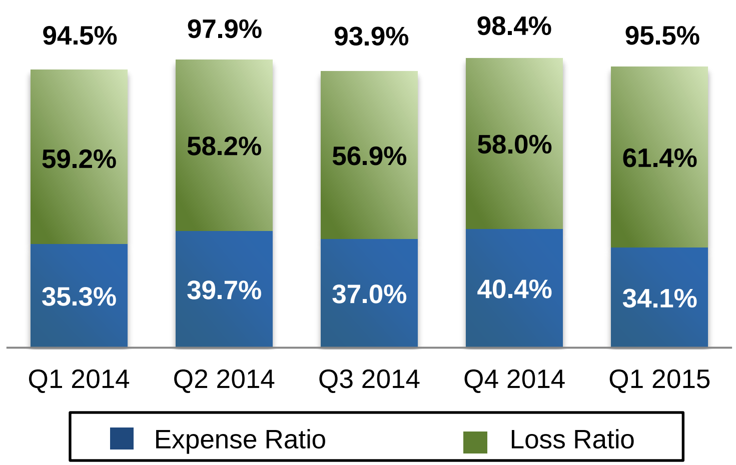
Chaucer

Net Premiums Written

($ in millions)



Accident Year Combined Ratio, Ex-Cat



Financial Highlights

- Net premiums written were approximately $307 million, down 2.2% compared to the prior-year quarter, due to lower business writings and impact of foreign exchange movements, partially offset by the impact of a Reinsurance-to-close (RITC) transaction*.
- Accident year loss ratio, excluding catastrophes, increased by 2.2 points compared to the prior year quarter while the expense ratio declined, both due to the impact of RITC:

	Q1 2015		Q1 2014
($ in millions)	**Reported**	**Ex- RITC**	**Reported**
AY LR, Ex-Cat	61.4%	59.0%	59.2%
Expense Ratio	34.1%	36.1%	35.3%
AY CR, Ex-Cat	95.5%	95.1%	94.5%

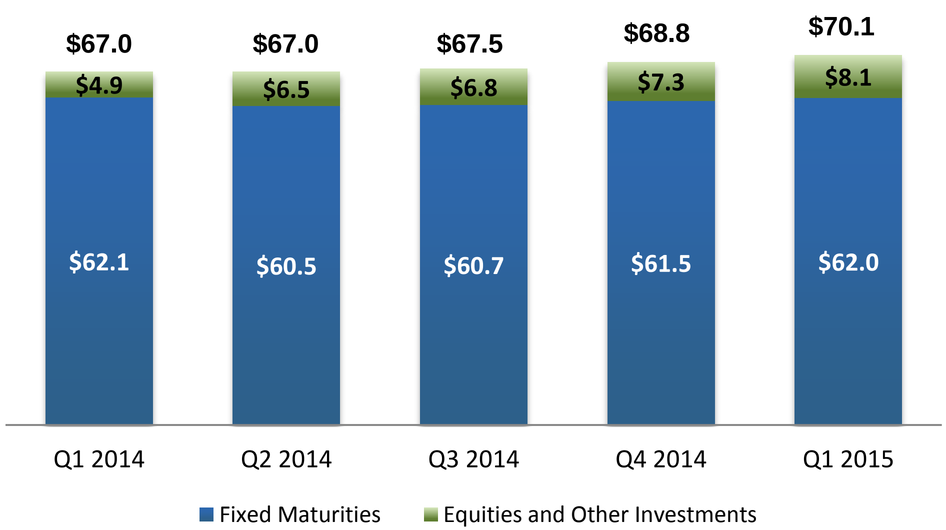
- Excluding RITC, the current quarter loss ratio would have been in line with the prior-year quarter, while the expense ratio would have increased by about 1 point, driven by a change in business mix and impact of foreign exchange.

* *Reinsurance-to-close (RITC) transaction represents the increase in Chaucer's retained share of its 2012 year of account of 96% that was closed and reinsured into its 2013 year of account, which was increased to a 98% share. RITC added $17.4 million to both premiums and losses in the first quarter 2015.*

Net Investment Income

Net Investment Income*

($ in millions)

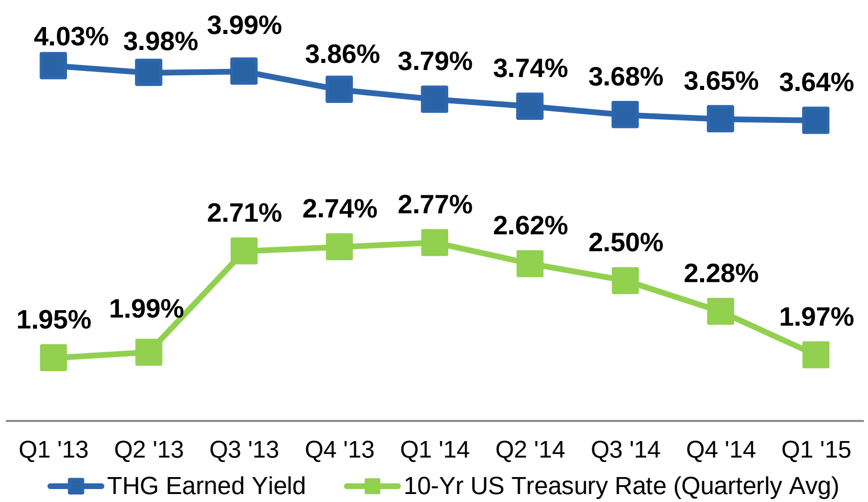


*Net Investment Income from fixed maturities is displayed net of investment expenses

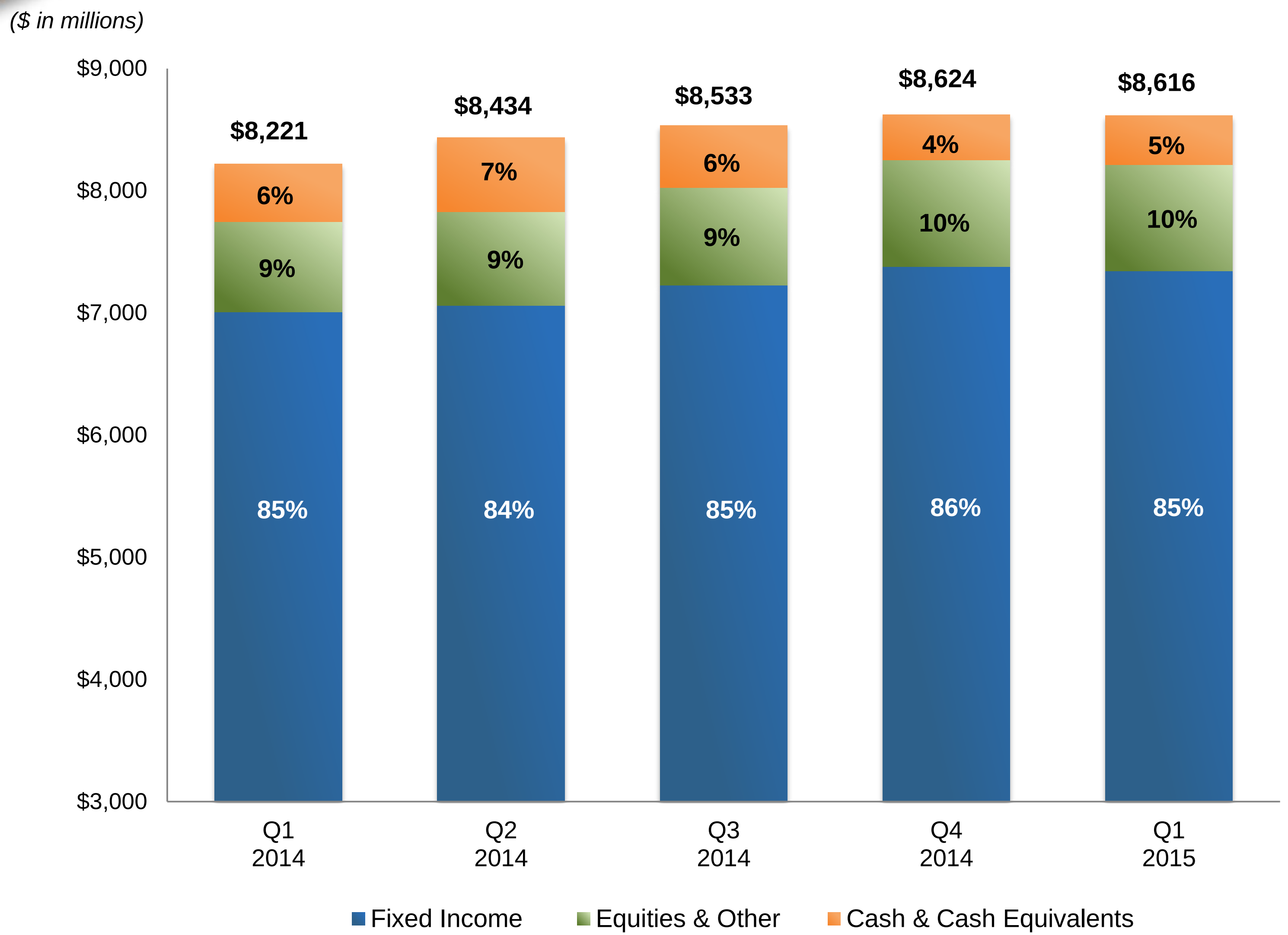
Highlights

- Net investment income was $70.1 million, an increase of $3.1 million, or 5% compared to prior-year quarter, primarily due to investing higher operating cash flows and partially offset by lower new money yields.
- We continue to expand our portfolio mix into non-fixed income instruments to help balance the pressure from lower new money yields.

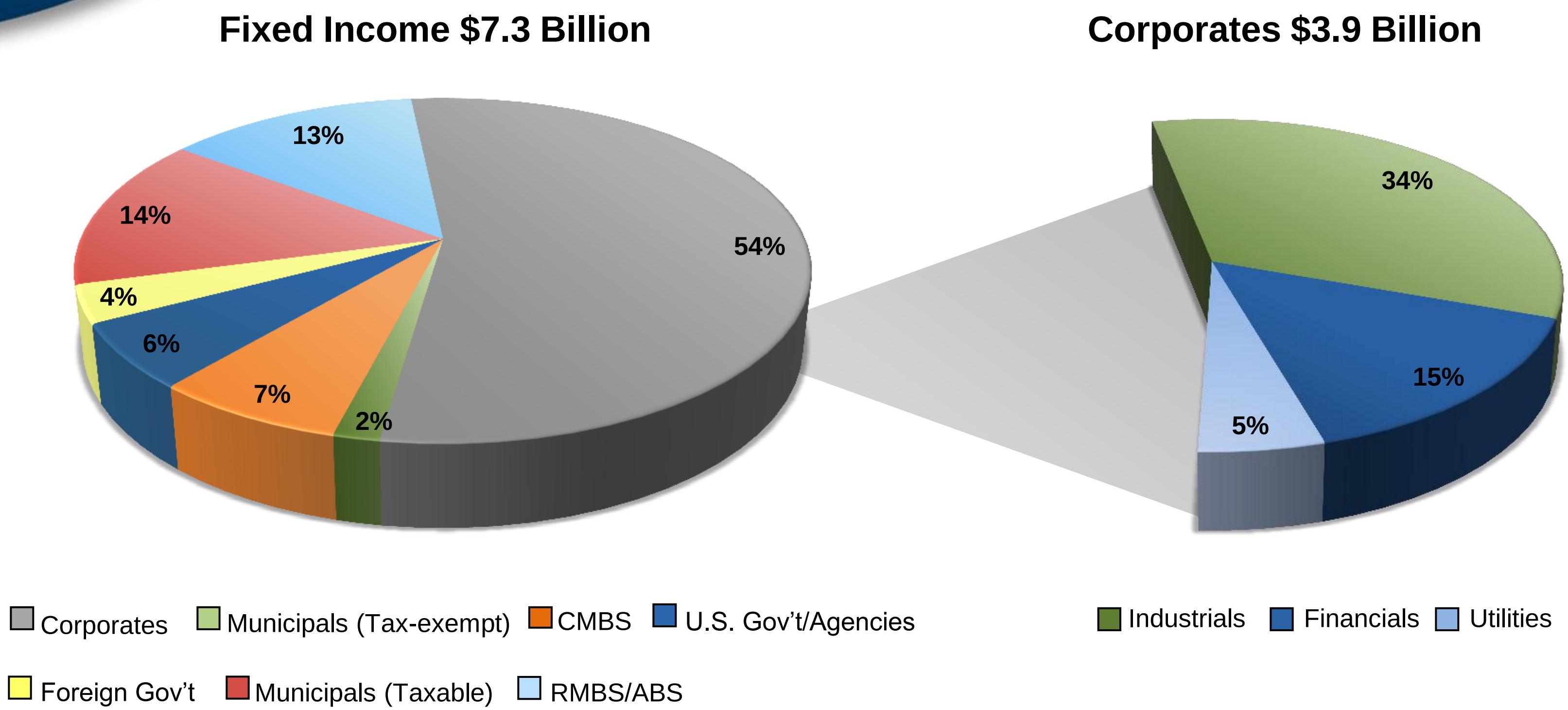
Fixed Income Earned Yields



Cash and Invested Assets



Fixed Income Sector Breakdown



Fixed Income Characteristics:

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

Corporate Holding Characteristics:

- 89% Investment Grade
- Weighted average quality BBB+
- Duration 4.0 years

Balance Sheet and Ratings Strength

($ in millions, except per share data)	December 31, 2014	March 31, 2015
Book value per share	$64.85	$65.92
Shareholders' equity	$2,844	$2,900
Debt	$904	$841
Total capital	$3,748	$3,741
Debt/total capital	24.1%	22.5%
THG holding company cash and investments	$121	$94

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