

HARTFORD FINANCIAL SERVICES GROUP INC/DE  
Form DEF 14A  
April 08, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐  
]

Check the appropriate box:

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| <input type="checkbox"/>            | Preliminary Proxy Statement   | <input type="checkbox"/> | Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/>            | Confidential, For Use of the<br>Commission Only (as permitted<br>by Rule 14a-6(e)(2)) |                          |                                       |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement  |                          |                                       |
| <input type="checkbox"/>            | Definitive Additional Materials   |                          |                                       |

The Hartford Financial Services Group, Inc.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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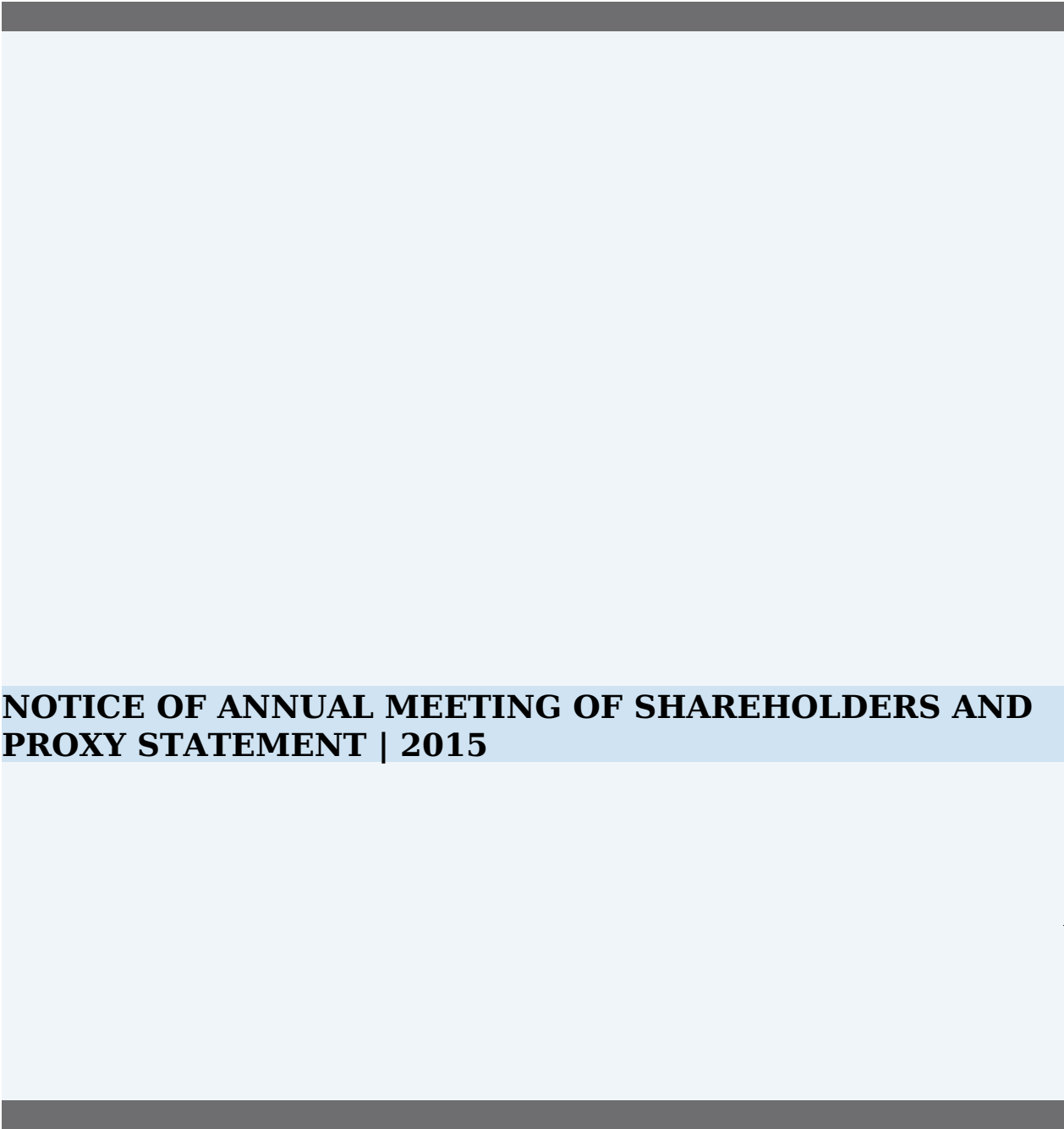
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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND  
PROXY STATEMENT | 2015**

B u s i n e s s  
Insurance

E m p l o y e e  
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NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

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Wednesday, May 20, 2015

12:30 p.m. EDT

*Wallace Stevens Theater at The Hartford Financial Services Group, Inc.'s Home Office*

On behalf of the Board of Directors, I am pleased to invite you to attend the Annual Meeting of Shareholders of The Hartford Financial Services Group, Inc. to be held in the Wallace Stevens Theater at our Home Office, One Hartford Plaza, Hartford, CT 06155 at 12:30 p.m. EDT.

Shareholders will vote on the following items of business:

- 1.To elect a Board of Directors for the coming year;
- 2.To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
- 3.To consider and approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement;
- 4.To act upon any other business that may properly come before the Annual Meeting or any adjournment thereof.

You may vote if you were a shareholder of record at the close of business on March 23, 2015. The Hartford's proxy materials are available via the Internet, which allows us to reduce printing and delivery costs and lessen adverse environmental impacts.

We hope that you will participate in the Annual Meeting, either by attending and voting in person or by voting through other means. For instructions on voting, please refer to page 77 under "How do I vote my shares?"

We urge you to review the proxy statement carefully and exercise your right to vote.

**Dated: April 8, 2015**

By order of the Board of Directors,

**Donald C. Hunt**

*Vice President and Corporate Secretary*

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Dear Fellow Shareholders:

2014 was an outstanding year for The Hartford. Thanks to the commitment and hard work of more than 17,000 employees, we accelerated the transformation of the company and delivered strong financial results. The Hartford's core earnings\* grew 9%, or 16% on a diluted per share basis. Net income was \$798 million, or \$1.73 per diluted share, and our core earnings return on equity\* increased a full percentage point.

We continued to focus on increasing shareholder value in 2014. Our accomplishments included expanding core earnings and increasing return on equity in our Property & Casualty, Group Benefits and Mutual Funds businesses; selling the Japan annuity business and thereby substantially reducing the risk in our legacy life and annuity runoff business, known as Talcott Resolution; returning more than \$2 billion of capital to shareholders through share repurchases and dividends; and, executing a seamless leadership transition.

No discussion of 2014 would be complete without an expression of our deepest gratitude to Liam McGee and his family. Liam stepped down as Chairman, President and Chief Executive Officer and The Hartford was deeply saddened by his loss in February 2015. Liam was a great leader and made an indelible impression on The Hartford. He restored the company's financial strength and set us on a path to achieve our vision: to be an exceptional company, celebrated for financial performance, character and customer value.

In my previous role as The Hartford's Chief Financial Officer, I worked in partnership with Liam and in my new role as Chairman and Chief Executive Officer, I will continue to execute the strategy we developed for creating shareholder value: 1) profitably grow the company's focused portfolio of businesses, 2) further reduce the size and risk of the legacy annuity liabilities, and 3) deliver more customer value while increasing operating effectiveness and efficiency.

In 2014, we made significant progress in each of these three areas and our strategic and financial transformation is essentially complete. We have placed greater focus on our portfolio of businesses and continue to make important investments for future growth, including investments in products, capabilities, technology and talent.

I am confident that the company is well positioned to create value for our shareholders on a consistent and sustained basis.

Sincerely,

Christopher J. Swift

Chairman and Chief Executive Officer

*\* Denotes non-GAAP financial measure. See The Hartford's Investor Supplement for the fourth quarter of 2014 available at <http://ir.thehartford.com> for more information, including reconciliations to the most directly comparable GAAP financial measures.*

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Dear Fellow Shareholders:

As fiduciaries of The Hartford, it is the responsibility of the Board to ensure its good governance and to oversee its strategic and operational initiatives in a manner that helps create and protect long-term shareholder value. To that end, the Board focused on a number of key initiatives in 2014, including:

*Talent Development and Succession Planning*

Talent development and succession planning have been and will continue to be vital components of this Board's governance responsibilities. Accordingly, we routinely discuss key talent indicators with management, meet with potential future leaders of the company, and engage in rigorous succession planning. In 2014, upon Liam McGee's decision to step down as CEO, we realized the return on our investment in talent development and succession planning. It is gratifying that we were in a position to elevate our CFO, Chris Swift, to the role of CEO and appoint from within the company a seasoned leadership team of the caliber we have leading the execution of our strategy.

*Strategy and Risk Management*

In 2014, the Board remained highly engaged in the company's strategic approach to creating shareholder value. In addition to overseeing the sale of the company's Japan annuity business, a key strategic milestone that significantly reduces the company's risk profile, the Board devoted significant time and discussion throughout the year to intensive review of the company's plans and investments for driving future profitable growth and of its uses of excess capital. The Board also devoted substantial time to risk management. The business and financial operations of The Hartford remain complex, notwithstanding the narrowing of its business model. Risk-taking is an essential part of an insurance business, and the Board worked closely with Chris and his executive leadership team to enable informed judgments on risk within appropriate limitations and oversight.

*Executive Compensation*

The Board remains committed to establishing transparent executive compensation programs that effectively align the interests of our executive leadership team with the company's shareholders. Accordingly, our programs are designed to be linked to company strategy and provide incentives that correlate with company performance. We regularly review best practices and solicit feedback from our shareholders, which resulted in several changes to the design of our compensation program in 2014.

The members of The Hartford's Board bring a diverse set of skills and perspectives to the oversight of this great company. I am proud to work side-by-side with my fellow directors as the Board's independent presiding director, to serve our shareholders.

Sincerely,

Thomas A. Renyi

Presiding Director

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Proxy Summary

Proxy Summary

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.*

Annual Meeting of Shareholders

Voting Matters

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Performance Summary

Executing on our Strategy

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We achieved outstanding performance in 2014. We continued to transform our business to improve profitability and reduce risk, we used our financial strength to return capital to our shareholders, and we underwent a seamless leadership transition. Highlighted below are some of our key accomplishments in 2014. We view the transformation we began in 2012 as essentially complete, and we are focused on the future. Our primary objectives are to improve return on equity and grow book value per share to drive top quartile shareholder returns. While there is still work to be done, the Board and management are pleased with the progress we made in 2014.

### **Key Accomplishments in 2014**

\* Combined ratio, excluding catastrophes and prior year loss reserve development for P&C; after-tax core earnings margin for Group Benefits

### **Delivering Superior Shareholder Returns**

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Strong financial performance, a significantly improved risk profile and the financial flexibility to return capital to shareholders while continuing to invest in our businesses has helped drive superior shareholder returns. In 2014, we outperformed relevant benchmarks, including the S&P 500, S&P 500 P&C and S&P Insurance Composite indices, as illustrated on the right. We significantly outperformed these indices over three years as well. The chart on the following page illustrates our performance, and the transformative actions we have taken, beginning in 2012.

### **One-Year Total Shareholder Return\***

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**Three-Year Total Shareholder Return and Key Management Actions\***

*\*Timeline not to scale.*

*\*\*Total capital management plan authorization for 2014-2015: \$2.775 billion in equity repurchases; \$1.156 billion in debt reduction; and 20% increase to quarterly dividend.*

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Governance Decisions

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Proxy Summary

Governance Best Practices

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The Board and management regularly review best practices in corporate governance and modify our governance policies and practices as warranted. Our current best practices include:

Compensation Highlights

2014 Compensation Decisions

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2014 Active NEO Compensation Summary

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The table below reflects the 2014 compensation package (base salary, AIP award and long-term incentive ("LTI") award) for each active NEO. Although this table is not a substitute for the *Summary Compensation Table* information beginning on page 55, we believe it provides a simple and concise picture of compensation decisions made for the active NEOs in 2014.

Compensation Best Practices

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The Compensation Committee regularly reviews best practices in executive compensation. Our current best practices and policies include the following:

In furtherance of our commitment to best practices, our 2014 Incentive Stock Plan does not allow the following:

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Board and Governance Matters

Board and Governance Matters

In this section, you will find:

Governance Practices and Framework

Director Compensation

Director Nominees

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Letter from the Chairman of our Nominating and Corporate Governance Committee

Dear Fellow Shareholders:

In 2014, the Board carefully considered its board leadership structure. While we consider the appropriateness of the structure regularly, that deliberation is never more critical than in the context of leadership succession.

In June 2014, the company announced that after five years of leading the company through a successful financial turnaround and strategic transformation, Liam E. McGee would step down as the CEO and Christopher J. Swift would be appointed CEO, effective July 1, 2014. Upon the appointment of Mr. Swift to the role of CEO, the Board determined that it was in the best interests of the company and its shareholders for Mr. McGee to continue his service as Executive Chairman for a transitional period.

The Board deliberated extensively on what the company's board leadership structure should be following that transitional period, sought feedback from shareholders and considered extensive expert corporate governance analysis. In December, the Board concluded that the company's historical approach of combining the roles of CEO and Chairman while maintaining strong independent Board leadership continues to be the optimal leadership structure from which to carry out its oversight of the company's strategy, business operations and risk management. Accordingly, upon Mr. McGee's resignation from the Board on January 5, Mr. Swift was vested with the responsibilities of Chairman and CEO.

In reaching its decision to recombine the roles of CEO and Chairman, the Board took into account the following factors:

Mr. Swift, a partner to Mr. McGee in developing the company's strategy and the principal leader of business operations, is uniquely positioned to identify and communicate key strategic and operational issues and the interests of the company's stakeholders to the Board.

The Board has strong, diverse and active independent directors of varying tenures.

Elements of the company's corporate governance structure, including a strong presiding director role and mandatory meetings of the non-management directors, effectively protect against any potential conflicts that may result from combining the roles of CEO and Chairman.

The strength of Mr. Swift's performance both during his tenure as CFO and subsequently as CEO.

As we looked to carry the momentum of 2014 forward, we concluded that combining the roles of Chairman and CEO, with a strong independent presiding director, is in the best interests of shareholders as it best positions the company for future success.

Sincerely,

Pat Swygert

Chairman of the Nominating and Corporate Governance Committee

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Governance Practices and Framework

Governance Practices and Framework

At The Hartford, we aspire to be an exceptional company celebrated for financial performance, character, and customer value. We believe that good governance practices and responsible corporate behavior are central to this vision and contribute to our long-term performance. Accordingly, the Board and management regularly review best practices in corporate governance and modify our governance policies and practices as warranted. Our current best practices include:

The fundamental responsibility of our directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of The Hartford and its shareholders. The Board fulfills this responsibility within the general governance framework provided by the following documents:

Articles of Incorporation

By-laws

Corporate Governance Guidelines (compliant with the listing standards of the NYSE and including guidelines for determining director independence and qualifications)

Charters of the Board's committees

Code of Ethics and Business Conduct

Code of Ethics and Business Conduct for Members of the Board of Directors

Code of Ethics and Political Compliance

Copies of these documents are available on our investor relations website at <http://ir.thehartford.com> or upon request sent to our Corporate Secretary (see page 79 for details).

Director Independence

The Board annually reviews director independence under standards stated in our Corporate Governance Guidelines, the listing standards of the NYSE, and other applicable legal and regulatory rules and has affirmatively determined that all nominees for director other than Mr. Swift are independent.

Independent Board Leadership

Whenever the chairman of the Board is not independent, our Corporate Governance Guidelines require the independent directors to elect from among them a presiding director. At each regularly scheduled meeting of the Board, the presiding director leads a meeting in executive session of the independent directors. In 2014, the independent directors met eight times in executive session. The presiding director has the following responsibilities:

presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

serving as a liaison between the Chairman and CEO and the non-management directors;

approving information sent to the Board;

approving meeting agendas for the Board;

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## Governance Practices and Framework

approving meeting schedules to help ensure there is sufficient time for discussion of agenda items;

calling and presiding over meetings of the independent directors; and

if requested by shareholders, being available, when appropriate, for consultation and direct communication.

## Board Tenure and Refreshment

The Nominating and Corporate Governance Committee strives for a Board that includes a mix of varying perspectives and breadth of experience. Newer directors bring fresh ideas and perspectives, while longer tenured directors bring extensive knowledge of our complex operations. As noted above, the Board considers the independence of its members under applicable laws, regulations and the NYSE listing standards on an annual basis and does not believe the independence of any director nominee is compromised due to Board tenure. We have a formal director retirement policy at age 75, which contributes to Board renewal.

Among the current director nominees, six have fewer than five years of service, two have over 10 years of service, and the remaining three nominees have between five and ten years of tenure. The average tenure of our nominees is 6.6 years.

## Talent Development and Succession Planning

Talent development and succession planning have been and will continue to be important parts of the Board's governance responsibilities. The CEO and independent directors conduct a review, at least annually, of succession and continuity plans for the CEO. Succession planning includes the identification and development of potential successors, policies and principles for CEO selection, and plans regarding succession in the case of an emergency or the retirement of the CEO. In addition, each year, the Compensation and Management Development Committee reviews succession and continuity plans for the CEO and each member of the executive leadership team that reports to the CEO. The Compensation and Management Development Committee's charter requires that it discuss the results of these reviews with the independent directors and/or the CEO. However, given the importance of the topic and the engagement of the full board on the issue, all directors are invited to these sessions. The full Board routinely meets with potential future leaders of the company.

## Committees of the Board

The Board has four standing committees: the Audit Committee; the Compensation and Management Development Committee; the Finance, Investment and Risk Management Committee; and the Nominating and Corporate Governance Committee. The Board has determined that all of the members of the Audit Committee, the Compensation and Management Development Committee and the Nominating and Corporate Governance Committee are "independent" directors within the meaning of the SEC's regulations, the listing standards of the NYSE and our Corporate Governance Guidelines. Each committee conducts a self-evaluation of its performance on an annual basis.

The current members of the Board and the committees on which they serve are identified below. The primary functions of each committee are as follows:



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Governance Practices and Framework

Board Risk Oversight

The Board as a whole has ultimate responsibility for risk oversight. It exercises its oversight function through its standing committees, each of which has primary risk oversight responsibility for all matters within the scope of its charter. Annually, each committee reviews and reassesses the adequacy of its charter and the Nominating and Corporate Governance Committee reviews all charters and recommends any changes to the Board for approval. The table below provides examples of each committee's risk oversight responsibilities. For a more detailed description of each committee's responsibilities, see pages 15-16.

In addition to the risks identified above, the Finance, Investment and Risk Management Committee has responsibility for oversight of all risks that do not fall within the oversight responsibility of any other standing committee. In addition, the Audit Committee discusses with management policies with respect to risk assessment and risk management.

To assist it in discharging its oversight function, from time to time, the Board deems it advisable to form either a special committee or a working group to lead oversight of key strategic matters, with regular reports to the full board. Beginning in 2012, the Board established a Variable Annuity Working Group to review strategies for mitigating our variable annuity exposures. This group, consisting of Barry Allardice, Tom Renyi, Julie Richardson, Virginia Ruesterholz and Charles Strauss, met six times in 2014, was regularly briefed on the status of the Japan sales process and evaluated with management the offers received, culminating in the sale of the Japan annuity company. The evaluation included, among other things, an analysis of impacts of a sale and related accounting, purchase price adjustment mechanism and impact to the hedge program, as well as the regulatory approval process.

At the management level, we have established an Enterprise Risk and Capital Committee ("ERCC"), which manages our risk profile, capital structure and risk management practices. The ERCC reports to the Board primarily through the Finance, Investment and Risk Management Committee and also through interactions with the Audit Committee.

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Business Ethics and Conduct

Striving to do the right thing every day and in every situation is fundamental to our culture, and we are proud that we have been recognized seven times by The Ethisphere Institute as one of the "World's Most Ethical Companies." We have adopted a Code of Ethics and Business Conduct, which applies to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer. We have also adopted a Code of Ethics and Business Conduct for Members of the Board of Directors and a Code of Ethics and Political Compliance. These codes require that all of our employees and directors engage in honest and ethical conduct in performing their duties, provide guidelines for the ethical handling of actual or apparent conflicts of interest and provide mechanisms to report unethical conduct.

We provide our employees with a comprehensive educational program, including courses on our Code of Ethics and Business Conduct, potential conflicts of interest, privacy and information protection, marketplace conduct, and ethical decision-making. Hotlines and online portals have been established for employees, vendors, or others to raise ethical concerns and employees are encouraged to speak up whenever they have an ethics-oriented question or problem.

Certain Relationships and Related Transactions

The Board has adopted a written Policy for the Review, Approval or Ratification of Transactions with Related Persons. This policy requires our directors and Section 16 executive officers to promptly disclose any actual or potential material conflict of interest to the Chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board for evaluation and resolution. If the transaction involves a Section 16 executive officer or an immediate family member of a Section 16 executive officer, the matter must also be disclosed to our General Auditor or Director of Compliance for evaluation and resolution.

We did not have any transactions requiring review under this policy during 2014.

Communicating with the Board

Shareholders and other interested parties may communicate with directors by contacting the Corporate Secretary at The Hartford Financial Services Group, Inc., One Hartford Plaza, Hartford, CT 06155. The Corporate Secretary will relay appropriate questions or messages to the directors. Only items related to the duties and responsibilities of the Board will be forwarded.

Anyone interested in raising a complaint or concern regarding accounting issues or other compliance matters directly with the Audit Committee may do so anonymously and confidentially by contacting EthicsPoint:

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Governance Practices and Framework

Board and Shareholder Meeting Attendance

The Board met 12 times during 2014 and each of the directors attended 75% or more of the aggregate number of meetings of the Board and the committees on which he or she served. The average attendance of all directors at Board and committee meetings was approximately 94%. We encourage our directors to attend the Annual Meeting of Shareholders and all of our directors attended the Annual Meeting of Shareholders held on May 21, 2014, except Ms. Rueterholz who had a scheduling conflict that pre-dated her appointment to the Board.

Selection of Nominees for Election to the Board

Criteria for Nomination to the Board of Directors and Diversity

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The Nominating and Corporate Governance Committee is responsible for identifying and recommending to the Board candidates for Board membership. It considers candidates suggested by its members, other Board members, management and shareholders. In addition, at the request of the Nominating Committee, we have retained an outside search firm to identify prospective Board nominees.

The Nominating Committee evaluates candidates against the standards and qualifications set forth in our Corporate Governance Guidelines as well as other relevant factors as it deems appropriate, including the current composition of the Board and the candidate's:

experience and its relevance to our business and objectives;

financial and accounting expertise;

ability to meet the required independence criteria and avoid conflicts of interest;

personal and professional ethics, integrity and values; and

availability to attend Board meetings and to devote appropriate time to preparation for such meetings.

In addition, the Nominating Committee considers the candidate's potential contribution to the diversity of the Board. The Board believes that a diverse membership with varying perspectives and breadth of experience is an important attribute of a well-functioning board and will contribute positively to robust discussion at meetings. The Nominating Committee considers diversity in the context of the Board as a whole and takes into account considerations relating to race, gender, ethnicity and the range of perspectives that the directors bring to their work. As part of its consideration of prospective nominees, the Board and the Nominating Committee monitor whether the directors as a group meet The Hartford's criteria for the composition of the Board, including diversity considerations.

The Nominating Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating Committee.

New Director Appointed in 2015

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As described above, the Nominating Committee devotes substantial time to identifying qualified director candidates who complement the skills and experiences of existing directors so that the full Board brings a range of competencies and perspectives to the oversight of the company. Emblematic of those efforts was the appointment in 2015 of our newest director, Teresa Roseborough. Ms. Roseborough is a seasoned executive with significant business, regulatory, compliance, risk management and legal expertise. In addition, she brings insurance industry experience from her time spent as a senior legal executive at a Fortune 100 insurance company. Her business experience, qualifications and skills are set forth in detail on page 28. Ms. Roseborough's appointment was the culmination of a months-long search process that included consideration of numerous highly qualified director candidates. The search was led by the Chairman of the Nominating Committee and the Executive Vice President, Human Resources and included meetings between Ms. Roseborough and the Chairman and CEO, Presiding Director, each Nominating Committee member and other members of the Board and senior management.

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Governance Practices and Framework

Shareholder Proposed Nominees

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The Nominating Committee will consider director candidates recommended by shareholders using the same criteria described above. Nominations for director candidates are closed for 2015. To recommend a candidate for our 2016 Annual Meeting, shareholders must deliver or mail their nomination submission to Donald C. Hunt, Vice President and Corporate Secretary, The Hartford Financial Services Group, Inc., One Hartford Plaza, Hartford, CT 06155. Nominations must be received by February 19, 2016 and must include the information specified in our By-laws, including but not limited to the name of the candidate, together with a brief biography, an indication of the candidate's willingness to serve if elected, and evidence of the nominating shareholder's ownership of our stock.

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Director Compensation

Director Compensation

We use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board, as described below. Members of the Board who are employees of The Hartford or its subsidiaries are not compensated for service on the Board or any of its committees.

For the 2013-2014 Board service year, non-management directors received an annual cash retainer of \$65,000, \$2,500 for each Board meeting attended, \$2,000 for each committee meeting attended (except for the Finance, Investment and Risk Management Committee for which no fee was paid) and a \$150,000 annual equity grant of restricted stock. Consistent with market trends, for the 2014-2015 Board service year, we increased the annual cash retainer to \$100,000 and the annual equity grant to \$160,000, while eliminating Board and committee meeting attendance fees.

Annual Cash Fees

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Cash compensation for the 2014-2015 Board service year beginning on May 21, 2014, the date of the 2014 Annual Meeting of Shareholders, and ending on May 20, 2015, the date of the 2015 Annual Meeting, is set forth below:

Annual Equity Grant

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In 2014, directors received an annual equity grant of \$160,000, payable solely in restricted stock pursuant to The Hartford 2014 Incentive Stock Plan. The grants of restricted stock were made on August 1, 2014, the first day of the scheduled trading window following the filing of our Form 10-Q for the quarter ended June 30, 2014. The number of shares of each award of restricted stock was determined by dividing \$160,000 by \$34.03, the closing price of our common stock as reported on the NYSE on the date of the award. Directors who join the Board during the Board service year receive a pro rata portion of the annual restricted stock award. Dividends are payable on outstanding restricted stock awards in the same amount and to the same extent as dividends paid to holders of our common stock.

Directors receiving restricted stock may not sell, assign or otherwise dispose of it until the restriction period ends. For awards granted in 2014, the restriction period lapses on the earlier of (i) May 20, 2015, the last day of the 2014-2015 Board service year or (ii) the first anniversary of the grant date. To the extent any of the following events occur prior to the date upon which restrictions lapse, the restriction period will end with respect to all of the restricted stock currently held by a director: (i) the director's retirement at age 75, (ii) a "change of control" (as defined in the 2014 Incentive Stock Plan), (iii) the director's death, or (iv) the director's disability (as defined in the 2014 Incentive Stock Plan). In the event the director's Board service otherwise terminates prior to the lapse of the restriction period, the restricted stock will be forfeited if the Compensation and Management Development Committee, in its sole discretion, so determines.

For the 2015-2016 Board service year beginning on May 20, 2015, directors will be granted \$160,000 in the form of restricted stock units ("RSUs") rather than restricted stock. These RSUs will vest at the end of the Board service year and will be distributed as common stock unless the director has elected to defer the distribution until the end of Board service.

Also for the 2015-2016 Board service year, directors may elect to defer all or part of the \$100,000 annual Board cash retainer (and any Committee Chair or Presiding Director cash retainer) into RSUs, to be distributed as common stock following the end of the director's Board service.

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Director Compensation

Other

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We provide each director with \$100,000 of group life insurance coverage and \$750,000 of accidental death and dismemberment and permanent total disability coverage while he or she serves on the Board. We also reimburse directors for travel and related expenses they incur in connection with their Board and committee service.

Stock Ownership Guidelines and Restrictions on Trading

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The Board has established stock ownership guidelines for each director to obtain, by the third anniversary of the director's appointment to the Board, an ownership position in our common stock equal to five times his or her annual cash retainer (including cash retainers paid for committee chair or presiding director responsibilities). All directors with at least three years of Board service met the stock ownership guidelines as of December 31, 2014. Our insider trading policy prohibits all hedging activities by directors, and permits directors to engage in transactions involving The Hartford's equity securities only through (1) a pre-established trading plan pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934, or (2) during "trading windows" of limited duration following the filing with the SEC of our periodic reports on Forms 10-K and 10-Q and following a determination by the company that the director is not in possession of material non-public information. In addition, our insider trading policy grants us the ability to suspend trading of our equity securities by directors.

Director Summary Compensation Table

We paid the following compensation to directors for the fiscal year ended December 31, 2014.