

The Hartford

2026

Letter to Shareholders



Existing competitors and new entrants, including start-up and non-traditional carriers, are actively looking to expand sales of business insurance products to small businesses through increasing their underwriting appetite, deepening their relationships with distribution partners, leveraging emerging artificial intelligence capabilities, and through on-line and direct-to-consumer marketing. Carriers that can quote business in an automated way have a competitive advantage by shortening the time from quoting to issuance. Through its industry-leading ICON quoting tool, The Hartford quotes over 75% of new business policies from admitted markets without human intervention. Emerging artificial intelligence-enabled capabilities are raising customer and distributor expectations for speed and automation and may further reshape how small business customers shop for coverage.

Middle & Large Business

Competition in this market includes stock companies, mutual companies, alternative risk sharing groups and other underwriting organizations. In addition, some larger brokers are now becoming competitors through acquisition of managing general agents or managing general underwriters.

The pricing of middle market and national accounts is prone to volatility over time due to changes in individual account characteristics and exposure, as well as legislative and macro-economic forces. National and regional carriers participate in the middle & large business insurance sector, resulting in a competitive environment where pricing and policy terms are critical to securing new business and retaining existing accounts. As a means to mitigate the cost of insurance, middle market and large commercial buyers may opt for loss-sensitive products in-lieu of guaranteed cost policies.

Middle & large business has historically been considered “higher touch” and involves highly specialized expertise, including individual underwriting and pricing decisions. Within this competitive environment, The Hartford is continuing to invest in its underwriting systems and capabilities, including investing in speed to market solutions, enhancing its digital experience, leveraging its sales and underwriting talent and expanding its use of data analytics, artificial intelligence capabilities and third party data to make expert risk selection and pricing decisions as the firm pursues responsible growth strategies to deliver target returns. In product development and related areas such as claims and risk engineering, the Company has expanded its capabilities in industry verticals, such as energy, construction, media arts & entertainment, technology and life science. The pace of change in artificial intelligence and shifting broker influence are increasing the importance of consistency, efficiency and resiliency across the end-to-end underwriting and service experience.

Global Specialty

Global specialty competes against multi-national insurance and reinsurance companies, in the U.S and London markets. Global specialty writes many surplus lines of business, which are lines of business not written through standard products licensed or admitted in a state (“nonadmitted”). In recent years, surplus lines have accounted for a significant portion of the total U.S. property and casualty commercial market, and The Hartford continues to grow its surplus book of business. Excess & surplus growth has outpaced the overall market in recent years, though pricing conditions may vary by line as competition increases.

Customers served by the global specialty marketplace expect tailored policy language for their unique risks and, increasingly, are looking for a single insurance carrier to meet all their coverage needs. The Company has been successful in cross-selling global specialty product lines to customers of small business and of middle & large business and seeks to expand cross-sell opportunities in the future. The Hartford competes on the basis of its underwriting capabilities where it uses data and actuarial insights to enhance risk selection. The Company seeks to drive greater efficiency, shorten the quoting process and improve the customer’s experience through expanded use of digital and artificial intelligence capabilities.

Global specialty also writes business in the London market via its Lloyd’s syndicate platform. The Lloyd’s platform is comprised of over 50 syndicates and 350 brokers, who benefit from the ability to write risks in over 200 countries using Lloyd’s international licenses. Lloyd’s is regulated by the Financial Conduct Authority (“FCA”) and Prudential Regulatory Authority (“PRA”) in the U.K. For further discussion, see Part II, Item 7, MD&A - Capital Resources and Liquidity.