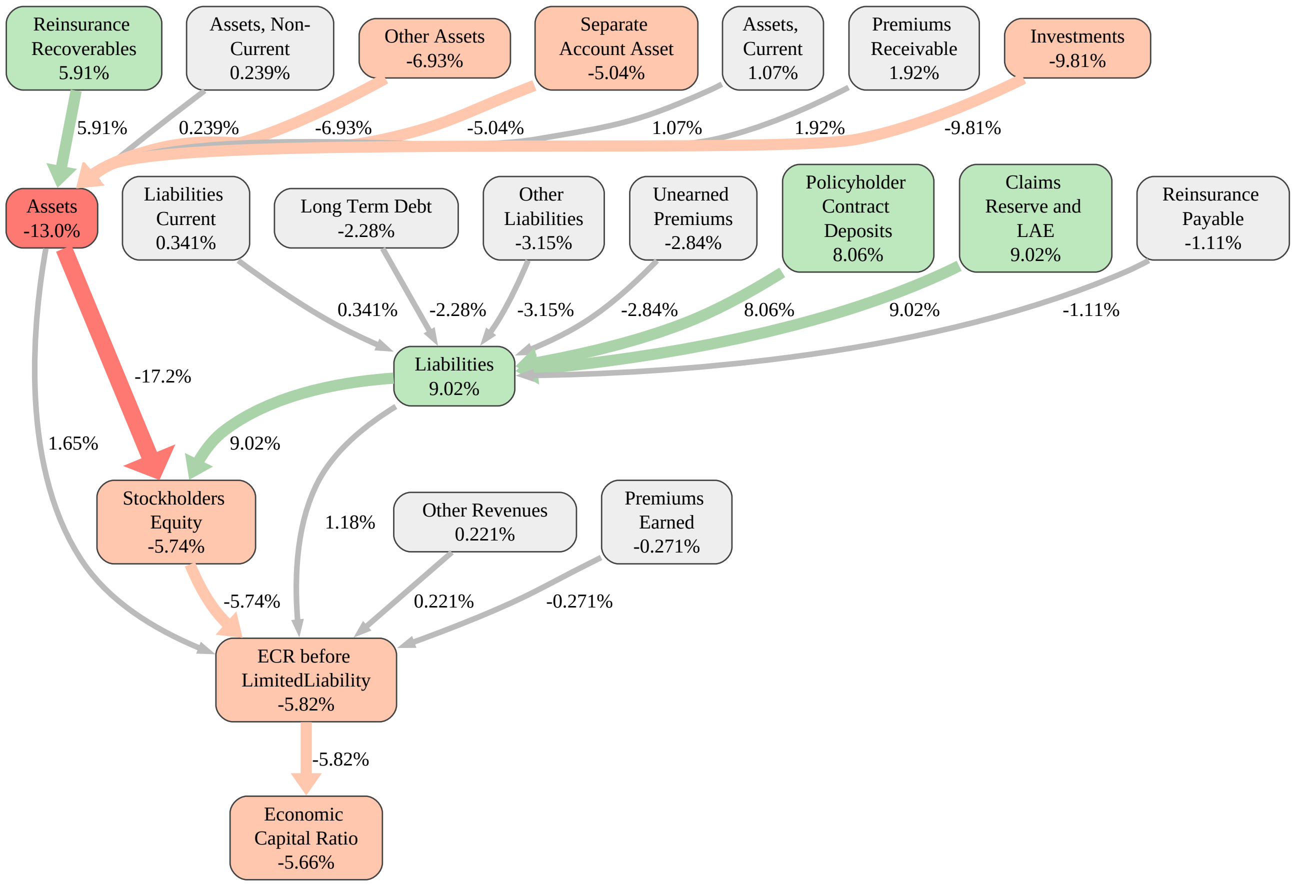
NON-LIFE INSURANCE 2012

Hanover Insurance Group Inc
Rank 33 of 45



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The relative strengths and weaknesses of Hanover Insurance Group Inc are analyzed with respect to the market average, including all of its competitors. We analyzed all variables having an effect on the Economic Capital Ratio.

The greatest strength of Hanover Insurance Group Inc compared to the market average is the variable Claims Reserve and LAE, increasing the Economic Capital Ratio by 9.0% points.The greatest weakness of Hanover Insurance Group Inc is the variable Assets, reducing the Economic Capital Ratio by 13% points.

The company's Economic Capital Ratio, given in the ranking table, is 85%, being 5.7% points below the market average of 90%.

Input Variable	Value in 1000 USD
Assets, Current	820,400
Assets, Non-Current	515,500
Claims Reserve and LAE	0
Deferred Acquisition Costs Amortization	854,000
Deferred Policy Acquisition Costs	498,400
General and Administrative Expense	447,200
Insurance Commissions and Fees	0
Intangible Assets	185,500
Investment Income	258,200
Investments	6,721,300
Liabilities Current	0
Long Term Debt	911,100
Other Assets	453,000
Other Compr. Net Income	73,700
Other Expenses	47,700
Other Liabilities	6,532,500
Other Net Income	5,200
Other Revenues	74,800
Policyholder Benefits and Claims	2,550,800
Policyholder Contract Deposits	0
Premiums Earned	3,598,600
Premiums Receivable	1,168,100
Reinsurance Payable	378,900
Reinsurance Recoverables	2,262,200
Revenues Y+1	0
Revenues Y+2	0
Revenues Y+3	0
Revenues Y+4	0
Revenues Y+5	0
Separate Account Asset	0
Unearned Premiums	2,292,100

Output Variable	Value in 1000 USD
Assets	12,624,400
Liabilities	10,114,600
Expenses	3,899,700
Revenues	3,931,600
Stockholders Equity	2,509,800
Net Income	37,100
Comprehensive Net Income	73,950
BaseVar	211,122,025
ECR before LimitedLiability	9.2%
Economic Capital Ratio	85%

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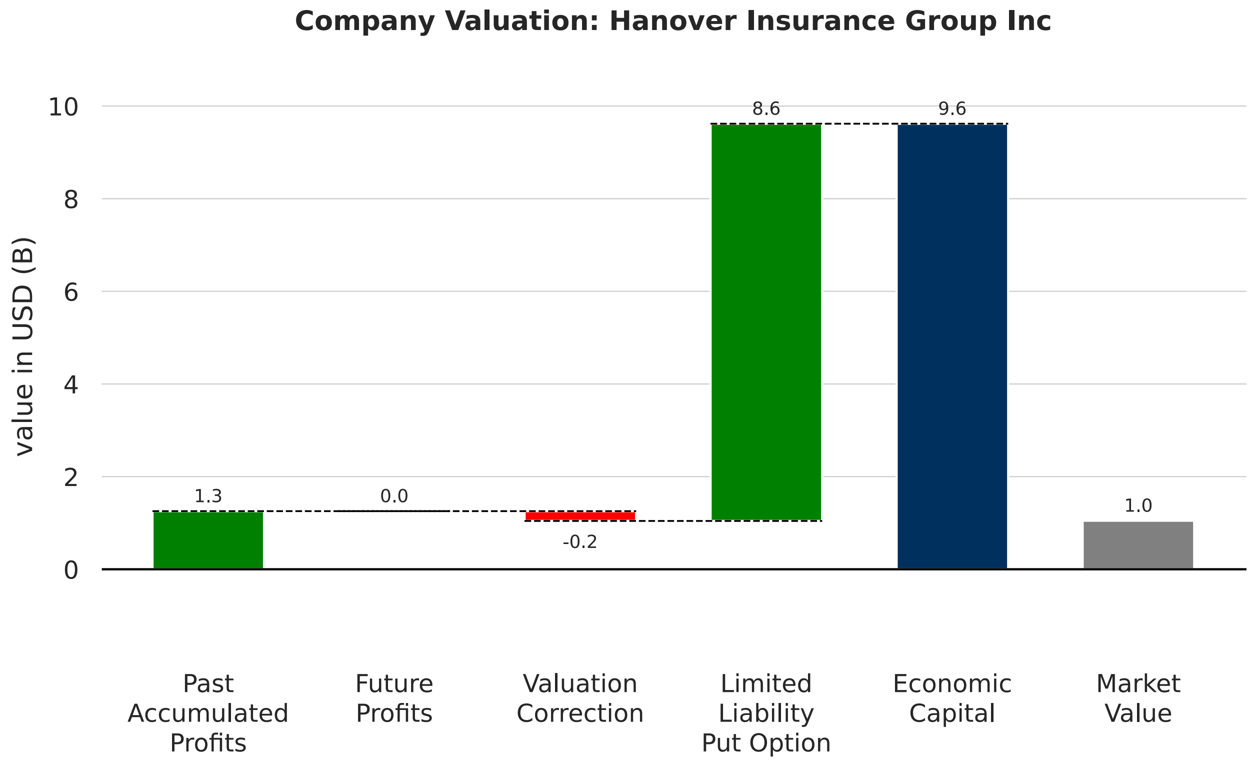

The RealRate Economic Capital of a company is its Past Accumulated Profits plus its Future Profits plus its Valuation Correction plus its Limited Liability Put Option. Past Accumulated Profits and Future Profits can be negative. The Limited Liability Put Option accounts for the limited liability of the shareholders, so the Economic Capital never falls below zero. Where the company is listed, its market value is shown next to it.