



The Hartford To Acquire CNA's Group Benefits Business

Acquired Business Expected to Generate Approximately \$1 Billion In 2004 Earned Premiums

HARTFORD, Conn., December 01, 2003 - The Hartford Financial Services Group, Inc. (NYSE: HIG) and CNA Financial Corporation today announced that The Hartford has agreed to acquire CNA's group life and accident, short-term and long-term disability and certain specialty businesses, excluding group long term care. The definitive purchase price will be set at closing, but based on the surplus as of Sept. 30, 2003 the acquisition will be made for approximately \$500 million in cash.

Ramani Ayer, chairman and chief executive officer of The Hartford, said, "We are very pleased to add these solid operations to our already successful Group Benefits operations. This will enable Hartford Life to increase the scale of its group life and disability operations and expand its distribution capability. With expected 2004 earned premiums of approximately \$1 billion coming from this transaction, we will create value through improved expense leverage and improved earnings as the businesses are combined with our existing operations."

"As we have said, The Hartford will continue to pursue strategic acquisitions to add to our current operations. We're always on the lookout, and when we find transactions that make economic sense and are accretive to earnings, we will seize the opportunity," Ayer said.

The Hartford is a leading provider of group benefits through its subsidiary, Hartford Life and Accident Insurance Company.

A demonstrated leader in the group market, CNA's group operations reported revenues of \$987 million for the nine months ended Sept. 30, 2003 for its group benefits businesses, excluding long term care.

Richard Mucci, senior vice president, Hartford Life and director of its Group Benefits operations, will lead the newly combined organization.

"The sale of CNA's group benefits enables us to sharpen our operational focus and move forward on our recently announced capital plan," said Stephen W. Lilienthal, chairman and chief executive officer of the CNA insurance companies. "We are

pleased to have found a high quality buyer with such a strong position in the employee benefits business.”

It is anticipated the total costs of the transaction of approximately \$600 million, which includes transaction costs and additional capital to support The Hartford's higher RBC ratios, will be financed through a combination of 75 percent common stock and 25 percent debt. The transaction is expected to be accretive to The Hartford in 2004. Both parties are working toward a Dec. 31, 2003 close for the transaction, which is subject to regulatory approvals and other conditions.

Revised 2003 and 2004 Guidance

In light of the CNA transaction and current market conditions, the company will update its 2003 and 2004 earnings guidance on the conference call scheduled for Dec. 1, 2003, at 9 a.m. EST.

Conference Call

The company will discuss the CNA transaction and its updated 2003 and 2004 guidance in a conference call on Dec. 1, 2003, at 9 a.m. (EST). The call can be accessed through the company's Web site at www.thehartford.com/ir/index.html.

CNA is the country's fourth largest commercial insurance writer and 11th largest property and casualty company. CNA's insurance products include standard commercial lines, specialty lines, surety, marine and other property and casualty coverages; life and accident insurance, group long term care, disability and life insurance; and pension products. CNA services include risk management, information services, underwriting, risk control and claims administration.

The Hartford is one of the nation's largest insurance and financial services companies. As of Dec. 31, 2002, The Hartford had revenues of \$16.4 billion. The company is a leading provider of investment products, life insurance and group benefits; automobile and homeowners products; and business property and casualty insurance.

The Hartford's Internet address is www.thehartford.com.

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Some of the statements in this release should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about the future results of operations of the combined group benefits operations of The Hartford and CNA as well as The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ.

These important risks and uncertainties include the difficulty in predicting our potential exposure for asbestos and environmental claims and related litigation, in particular, significant uncertainty with regard to the outcome of our

current dispute with Mac Arthur Company and its subsidiary, Western MacArthur Company; the uncertain nature of damage theories and loss amounts and the development of additional facts related to the Sept. 11, 2001 terrorist attack; the uncertain impact on us of various tax reduction proposals being considered by Congress that relate to the lowering of the capital gains rate and the application of that rate to dividend distributions; the response of reinsurance companies under reinsurance contracts, the impact of increasing reinsurance rates, and the availability and adequacy of reinsurance to protect us against losses; the possibility of more unfavorable loss experience than anticipated; the possibility of general economic and business conditions that are less favorable than anticipated; the incidence and severity of catastrophes, both natural and man-made; the effect of changes in interest rates, the stock markets or other financial markets; stronger than anticipated competitive activity; unfavorable legislative, regulatory or judicial developments; our ability to distribute our products through distribution channels, both current and future; the uncertain effects of emerging claim and coverage issues; the effect of assessments and other surcharges for guaranty funds and second-injury funds and other mandatory pooling arrangements; a downgrade in our claims-paying, financial strength or credit ratings; the ability of our subsidiaries to pay dividends to us; the risk that the CNA transaction is not consummated; the ability to achieve the improved earnings contemplated by the proposed acquisition; the ability to promptly and effectively integrate the group benefits operations of CNA with those of The Hartford; and others discussed in our 2002 Annual Report on Form 10-K and the other filings we make with the Securities and Exchange Commission. We assume no obligation to update this release, which speaks as of the date issued.

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