

HARTFORD FINANCIAL SERVICES GROUP INC/DE

Form S-4

July 05, 2006

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**As filed with the Securities and Exchange Commission on July 5, 2006**

**Registration No. 333-**

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

**FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**The Hartford Financial Services Group, Inc.**  
*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**6411**  
*(Primary Standard Industrial  
Classification Code Number)*

**13-3317783**  
*(I.R.S. Employer  
Identification Number)*

**Hartford Plaza  
Hartford, Connecticut 06115  
(860) 547-5000**

*(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)*

**Neal S. Wolin, Esq.  
Executive Vice President and General Counsel  
The Hartford Financial Services Group, Inc.  
Hartford Plaza  
Hartford, Connecticut 06115  
(860) 547-5000**

*(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)*

*With a copy to:*

**Alan H. Paley, Esq.  
Debevoise & Plimpton LLP  
919 Third Avenue  
New York, New York 10022  
(212) 909-6000**

**Richard J. Sandler  
Ethan T. James  
Davis Polk & Wardwell  
450 Lexington Avenue  
New York, New York 10017  
(212) 450-4000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities of an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration

statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per unit(1)</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of Registration Fee</b>
Senior Notes due 20	\$650,000,000	100%	\$650,000,000	\$69,550

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this prospectus and consent solicitation statement is not complete and may be changed. We may not complete the exchange offers or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus and consent solicitation statement is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED JULY 5, 2006**  
**PROSPECTUS AND CONSENT SOLICITATION STATEMENT**  
**THE HARTFORD FINANCIAL SERVICES GROUP, INC.**  
 Offers to Exchange Notes Issued by Hartford Life, Inc.  
 and  
 Solicitation of Consents to Amend the Related Indenture

Outstanding Principal Amount	Description of HLI Notes	CUSIP No.
\$250,000,000	7.65% Hartford Life, Inc. Debentures due 2027	416592AC7
\$400,000,000	7.375% Hartford Life, Inc. Senior Notes due 2031	416592AE3

**The exchange offers will expire at 5:00 p.m., New York City time, on August , 2006, unless extended by us (such date and time, as they may be extended, the expiration date ). In order to be eligible to receive the early consent payment, holders of the HLI notes must tender their HLI notes on or prior to 5:00 p.m., New York City time, on , 2006, unless extended by us (such date and time, as they may be extended, the early consent date ).**

**The Exchange Offers**

We are offering to holders of Hartford Life, Inc. s ( HLI ) outstanding 7.65% Debentures due 2027 and 7.375% Senior Notes due 2031, which we refer to together as the HLI notes, an opportunity to exchange, for each \$1,000 principal amount of HLI notes, \$1,000 principal amount of our new Senior Notes due 20 , or the HFSG notes , and cash that, together with the equivalent issue price (as defined in this prospectus and consent solicitation statement) of the HFSG notes, equals the total exchange price (as defined in this prospectus and consent solicitation statement) for the series of HLI notes tendered. The total exchange price for each series of HLI notes is based on a fixed spread pricing formula described in this prospectus and consent solicitation statement. The total exchange price for each series of HLI notes includes an early consent payment of \$ , which will be paid only to holders who validly tender their HLI notes on or prior to the early consent date and do not validly withdraw their tenders. Holders who validly tender their HLI notes after the early consent date will receive, for each \$1,000 principal amount of HLI notes tendered, the total exchange price for that series of HLI notes, which does not include the early consent payment.

The exchange offers are subject to certain conditions, including the condition that at least a majority in aggregate principal amount of the HLI notes of each series are validly tendered and not withdrawn and the concurrent completion of the other exchange offer. See Exchange Offers Conditions to the Exchange Offers and Consent Solicitations. Accordingly, upon consummation of the exchange offers, there will be a minimum of \$325,000,000 in aggregate principal amount of the HFSG notes outstanding.

**Determination of the Total Exchange Price**

The total exchange price for each series of the HLI notes will equal (a) the discounted value (excluding accrued interest), determined in accordance with the formula set forth in Annex A to this prospectus and consent solicitation statement, of the remaining payments of principal and interest per \$1,000 principal amount of such series of HLI notes through their maturity date, using a discount rate equal to the sum of (i) the bid-side yield to maturity on the % U.S. Treasury Security due 20 (determined as of the price determination time, as defined in this prospectus and consent solicitation statement), which we refer to as the treasury yield , plus (ii) the fixed spread listed

below minus (b) in the case of HLI notes tendered after the early consent date, \$ . The total exchange price for each series of HLI notes will be rounded to the nearest cent per \$1,000 principal amount of such HLI notes.

Security	Outstanding		Bloomberg Page	Reference	Fixed Spread (in basis points)
	Principal Amount	Maturity Date		U.S. Treasury Security	
7.65% HLI Debentures due 2027	\$250,000,000	June 15, 2027			
7.375% HLI Senior Notes due 2031	\$400,000,000	March 1, 2031			

In addition, holders whose HLI notes are accepted for exchange will receive a cash payment representing accrued and unpaid interest to, but not including, the settlement date.

#### **Determination of the Interest Rate on the HFSG Notes**

The interest rate on the HFSG notes will equal (a) the treasury yield plus (b) % ( basis points) or, if the rate so determined is not an integral increment of 0.05% or 0.125%, the interest rate on the HFSG notes will be rounded down to the nearest increment of 0.05% or 0.125%, as the case may be.

#### **Determination of the Equivalent Issue Price of the HFSG Notes**

The equivalent issue price of the HFSG notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of the HFSG notes through their maturity date, using a discount rate equal to the sum of (a) the treasury yield, plus (b) % ( basis points). The equivalent issue price of the HFSG notes will be rounded to the nearest cent per \$1,000 principal amount of HFSG notes.

#### **The Amount of Cash Payment**

The cash payment for each \$1,000 principal amount of each series of HLI notes will be equal to (a) the total exchange price for such HLI notes minus (b) the equivalent issue price of the HFSG notes to be issued in exchange for such HLI notes.

HLI notes tendered before the early consent date may be withdrawn at any time on or prior to 5:00 p.m., New York City time, on the early consent date but not thereafter. HLI notes tendered after the early consent date may not be withdrawn.

As a holder of HLI notes, you may give your consent to the proposed amendment to the HLI indenture only by tendering your notes in the exchange offers. By so tendering, you will be deemed to consent to the amendment of the HLI indenture. We will not be required to complete the exchange offers if we do not receive valid consents sufficient to effect the amendment of the HLI indenture with respect to each series of HLI notes, but we retain the discretion to waive this and any other conditions to the exchange offers.

If you would like to tender your HLI notes in the exchange offers, you may do so through DTC's Automated Tender Offer Program (ATOP) or by following the instructions that appear later in this prospectus and consent solicitation statement and in the related Letter of Transmittal and Consent. If you tender through ATOP, you do not need to complete the Letter of Transmittal and Consent. If you hold your HLI notes through a broker or other nominee, only that broker or nominee can tender your HLI notes. In that case, you must instruct your broker or nominee if you want to tender your HLI notes.

We will apply to list the HFSG notes to be issued in these exchange offers on the New York Stock Exchange.

**As you review this prospectus and consent solicitation statement, you should carefully consider the matters described in Risk Factors beginning on page 16.**

*Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved these securities, or determined if this prospectus and consent solicitation statement is truthful or complete. Any representation to the contrary is a criminal offense.*

*None of The Hartford Financial Services Group, Inc., Hartford Life, Inc., the exchange and information agent, the trustee under The Hartford Financial Services Group, Inc. indenture, the trustee under the Hartford Life, Inc. indenture or the dealer managers makes any recommendation as to whether or not holders of Hartford Life, Inc. notes should exchange their securities in the exchange offers or consent to the proposed amendment to the Hartford Life, Inc. indenture.*

**The Dealer Managers for the Exchange Offer and Consent Solicitation are:**

**Coordinator**

**Credit Suisse**

**Citigroup**

**Deutsche Bank Securities**

The date of this prospectus and consent solicitation statement is July , 2006.

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**This prospectus and consent solicitation statement incorporates important business and financial information about us that is not included in or delivered with this prospectus and consent solicitation statement. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to The Hartford Financial Services Group, Inc., Hartford Plaza, Hartford, Connecticut 06115, Attention: Richard G. Costello, Vice President and Corporate Secretary (Telephone: 860-547-5000).**

**In order to obtain timely delivery of such materials, you must request documents from us no later than five business days prior to the early consent date.**

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**ABOUT THIS PROSPECTUS AND CONSENT SOLICITATION STATEMENT**

This prospectus and consent solicitation statement is part of a registration statement on Form S-4 that we have filed with the SEC pursuant to the Securities Act of 1933, as amended (the Securities Act ). We are submitting this prospectus and consent solicitation statement to holders of HLI notes so they can consider exchanging their HLI notes for HFSG notes. We may add, update or change information contained in this prospectus and consent solicitation statement through one or more supplements to this prospectus and consent solicitation statement. Any statement that we make in this prospectus and consent solicitation statement will be modified or superseded by any inconsistent statement we make in a prospectus supplement. The rules of the SEC allow us to incorporate by reference information into this prospectus and consent solicitation statement. This information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. See Incorporation by Reference. You should read both this prospectus and consent solicitation statement and any prospectus supplement together with the additional information described under the heading Where You Can Find Additional Information.

No person has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus and consent solicitation statement and, if given or made, such information or representations must not be relied upon as having been authorized by The Hartford Financial Services Group, Inc. or any dealer manager or any of their agents. Neither the delivery of this prospectus and consent solicitation statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of The Hartford Financial Services Group, Inc. since the date hereof or that the information contained or incorporated by reference herein is correct as of any time subsequent to the date of such information. We are not making the exchange offers to, and we will not accept surrenders for exchange from, holders of HLI notes in any jurisdiction in which the exchange offers or the acceptance of the exchange offers would violate the securities or other laws of that jurisdiction.

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus and consent solicitation statement to The Hartford, HFSG, we, us and our or similar terms are to The Hartford Financial Services Group, Inc. and its subsidiaries and references in this prospectus and consent solicitation statement to HLI are to Hartford Life, Inc., our wholly-owned subsidiary.

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**FORWARD-LOOKING STATEMENTS**

Some of the statements contained in this prospectus and consent solicitation statement and the documents incorporated by reference herein are forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include estimates and assumptions related to economic, competitive and legislative developments. These forward-looking statements are subject to change and uncertainty which are, in many instances, beyond our control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on us will be those anticipated by management. Actual results could differ materially from those we expect, depending on the outcome of various factors, including, but not limited to, those set forth in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 (as updated from time to time). These factors include:

the difficulty in predicting our potential exposure for asbestos and environmental claims;

the possible occurrence of terrorist attacks;

the response of reinsurance companies under reinsurance contracts and the availability, pricing and adequacy of reinsurance to protect us against losses;

changes in the stock markets, interest rates or other financial markets, including the potential effect on our statutory capital levels;

the inability to effectively mitigate the impact of equity market volatility on our financial position and results of operations arising from obligations under annuity product guarantees;

our potential exposure arising out of regulatory proceedings or private claims relating to incentive compensation or payments made to brokers or other producers and alleged anti-competitive conduct;

the uncertain effect on us of regulatory and market-driven changes in practices relating to the payment of incentive compensation to brokers and other producers, including changes that have been announced and those which may occur in the future;

the possibility of more unfavorable loss development;

the incidence and severity of catastrophes, both natural and man-made;

stronger than anticipated competitive activity;

unfavorable judicial or legislative developments;

the potential effect of domestic and foreign regulatory developments, including those which could increase our business costs and required capital levels;

the possibility of general economic and business conditions that are less favorable than anticipated;

our ability to distribute products through distribution channels, both current and future;

the uncertain effects of emerging claim and coverage issues;

a downgrade in our financial strength or credit ratings;

the ability of our subsidiaries to pay dividends to us;

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our ability to adequately price our property and casualty policies;

our ability to recover our systems and information in the event of a disaster or other unanticipated event; and

other factors described in such forward-looking statements.

We undertake no obligation to update our forward-looking statements for any reason, whether as a result of new information, future events or otherwise.

You should review carefully the sections captioned **Risk Factors** in this prospectus and consent solicitation statement and in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 (as updated from time to time) for a more complete discussion of the risks and uncertainties of an investment in the HFSG notes.

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**PROSPECTUS AND CONSENT SOLICITATION SUMMARY**

*The following summary highlights selected information contained or incorporated by reference in this prospectus and consent solicitation statement and does not contain all the information that may be important to you in making a decision whether to participate in the exchange offers. For a more complete understanding of the exchange offers, our company, and the HFSG notes, we encourage you to read this entire prospectus and consent solicitation statement carefully, including the financial data and related notes and the documents incorporated by reference in this prospectus and consent solicitation statement, before making a decision to participate in the exchange offers.*

**THE HARTFORD FINANCIAL SERVICES GROUP, INC.**

The Hartford is a diversified insurance and financial services holding company. We are among the largest providers of investment products, individual life, group life and disability insurance products, and property and casualty insurance products in the United States. Hartford Fire Insurance Company, founded in 1810, is the oldest of our subsidiaries. Our companies write insurance and reinsurance in the United States and internationally. At March 31, 2006, our total assets were \$295.4 billion and our total stockholders' equity was \$15.4 billion.

We were formed in December 1985 as a wholly-owned subsidiary of ITT Corporation. On December 19, 1995, all our outstanding shares were distributed to ITT Corporation's stockholders and we became an independent company. On May 2, 1997, we changed our name from ITT Hartford Group, Inc. to our current name, The Hartford Financial Services Group, Inc.

As a holding company that is separate and distinct from our insurance subsidiaries, we have no significant business operations of our own. Therefore, we rely on dividends from our insurance company and other subsidiaries as the principal source of cash flow to meet our obligations. These obligations include payments on our debt securities and the payment of dividends on our capital stock. The Connecticut insurance holding company laws limit the payment of dividends by Connecticut-domiciled insurers. In addition, these laws require notice to and approval by the state insurance commissioner for the declaration or payment by those subsidiaries of any dividend if the dividend and other dividends or distributions made within the preceding twelve months exceeds the greater of:

10% of the insurer's policyholder surplus as of December 31 of the preceding year, and

net income (or net gain from operations if the subsidiary is a life insurance company), for the previous calendar year, in each case determined under statutory insurance accounting principles.

In addition, if any dividend of a Connecticut-domiciled insurer exceeds the insurer's earned surplus, it requires the prior approval of the Connecticut Insurance Commissioner.

The insurance holding company laws of the other jurisdictions in which our insurance subsidiaries are incorporated, or deemed commercially domiciled, generally contain similar, and in some instances more restrictive, limitations on the payment of dividends. Our insurance subsidiaries are permitted in 2006 to pay up to a maximum of approximately \$1.9 billion in dividends in the aggregate to The Hartford and HLI without prior approval from the applicable insurance commissioner. However, through August 31, 2006, one of our subsidiaries, Hartford Life and Accident Insurance Company, comprising \$667 million of the \$1.9 billion, will need prior approval from the insurance commissioner to pay dividends. Through May 31, 2006, The Hartford Financial Services Group, Inc. and Hartford Life, Inc. received a combined total of \$408 million in dividends from their insurance subsidiaries.

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Our rights to participate in any distribution of assets of any of our subsidiaries, for example, upon their liquidation or reorganization, and the ability of holders of the HFSG notes to benefit indirectly from a distribution, are subject to the prior claims of creditors of the applicable subsidiary, except to the extent that we may be a creditor of that subsidiary. Claims on these subsidiaries by persons other than us include, as of March 31, 2006, claims by policyholders for benefits payable amounting to \$101.7 billion, claims by separate account holders of \$158.4 billion, and other liabilities including claims of trade creditors, claims from guaranty associations and claims from holders of debt obligations amounting to \$15.7 billion.

Our principal executive offices are located at Hartford Plaza, Hartford, Connecticut 06115, and our telephone number is (860) 547-5000.

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**Summary of the Exchange Offers**

**Securities Offered** Up to \$650 million aggregate principal amount of % Senior Notes due 20 of The Hartford (the HFSG notes ).

**The Exchange Offers**

We are offering to holders of HLI notes the opportunity to exchange, for each \$1,000 principal amount of HLI notes, \$1,000 principal amount of our new Senior Notes due 20 , or the HFSG notes, and cash that, together with the equivalent issue price (as defined in this prospectus and consent solicitation statement) of the HFSG notes, equals the total exchange price (as defined in this prospectus and consent solicitation statement) for the series of HLI notes tendered. The total exchange price for each series of HLI notes is based on a fixed spread pricing formula described in this prospectus and consent solicitation statement. The total exchange price for each series of HLI notes includes an early consent payment of \$ , which will be paid only to holders who validly tender their HLI notes on or prior to the early consent date and do not validly withdraw their tenders. Holders who validly tender their HLI notes after the early consent date will receive, for each \$1,000 principal amount of HLI notes tendered, the total exchange price for that series of HLI notes which does not include the early consent payment.

In addition, you will be paid in cash for any accrued and unpaid interest on HLI notes we accept for exchange.

Upon consummation of the exchange offers, there will be a minimum of \$325,000,000 in aggregate principal amount of the HFSG notes outstanding.

The HFSG notes will have different interest payment dates and a different maturity date as compared to the HLI notes being exchanged. The other terms of the HFSG notes will be substantially similar to the HLI notes before giving effect to the proposed amendment to the HLI indenture. For a description of the differences between the HLI notes and the HFSG notes, see Description of Differences between the HLI Notes and the HFSG Notes.

Holders of HLI notes must tender the HLI notes in integral multiples of \$1,000. HFSG notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

**Determination of the Total Exchange Price**

The total exchange price for each series of the HLI notes will equal (a) the discounted value (excluding accrued interest), determined in accordance with the formula set forth in Annex A to this prospectus and consent solicitation statement, of the remaining payments of principal and interest per \$1,000 principal amount of such series of HLI notes through their maturity date, using a discount rate equal to the sum of (i) the bid-side yield to maturity on the % U.S. Treasury Security due (determined as of the price determination time (as

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defined in this prospectus and consent solicitation statement)), which we refer to as the treasury yield , plus (ii) the fixed spread listed on the cover page of this prospectus and consent solicitation statement, minus (b) in the case of HLI notes tendered after the early consent date, \$ . The total exchange price for each series of HLI notes will be rounded to the nearest cent per \$1,000 principal amount of such HLI notes.

The treasury yield will be based on the bid-side yield, as indicated on the Bloomberg screen page (or any recognized quotation source selected by the dealer managers in their sole discretion if the applicable Bloomberg screen page is not available or is manifestly erroneous) at 2:00 p.m., New York City time, on the second business day prior to the expiration date, which we refer to as the price determination time. Holders tendering prior to the price determination time will not know at the time of tender the amount of the total exchange price.

**Determination of the Interest Rate on the HFSG Notes**

The interest rate on the HFSG notes will equal (a) the treasury yield, plus (b) % ( basis points) or, if the rate so determined is not an integral increment of 0.05% or 0.125%, the interest rate on the HFSG notes will be rounded down to the nearest increment of 0.05% or 0.125%, as the case may be.

**Determination of the Equivalent Issue Price of the HFSG Notes**

The equivalent issue price of the HFSG notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of the HFSG notes through their maturity date using a discount rate equal to the sum of (a) the treasury yield, plus (b) % ( basis points). The equivalent issue price of the HFSG notes will be rounded to the nearest cent per \$1,000 principal amount of HFSG notes.

**Cash Payment**

The cash payment for each \$1,000 principal amount of each series of HLI notes will be equal to (a) the total exchange price for such series of HLI notes minus (b) the equivalent issue price of the HFSG notes to be issued in exchange for such HLI notes.

**Illustrative Example**

For an illustrative example, please refer to The Exchange Offers Determination of the Total Exchange Price Illustrative Example below and Annex B Hypothetical Pricing Examples to this prospectus and consent solicitation statement.

**Consent Solicitations; Early Consent Payments**

We are soliciting consents from the holders of each series of the HLI notes to amend, with respect to each such series, the HLI indenture pursuant to which each series of the HLI notes was issued to make the covenant under the HLI indenture that requires the Company to file reports with the SEC or otherwise provide reports to holders of HLI notes (the reporting covenant ) no longer applicable with respect to the HLI notes. As a holder of HLI notes, you may give your consent to the proposed amendment to the HLI indenture only by tendering your HLI notes in the exchange offers. By so tendering, you will



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be deemed to have given consent to the proposed amendment. We must receive consents from holders of at least a majority in aggregate principal amount outstanding of each series of HLI notes to amend the HLI indenture with respect to such series as described in this prospectus and consent solicitation statement.

Our obligation to complete the exchange offers and to pay the total exchange price, including the early consent payment, is conditioned on, among other things, receipt of valid consents sufficient to effect the proposed amendment to the HLI indenture, although we may waive this or any other condition to the exchange offers.

**Expiration of the Exchange Offers**

Each of the exchange offers will expire at 5:00 p.m., New York City time, on August 1, 2006, unless we decide to extend it. We refer to this date and time, as it may be extended as provided in this prospectus and consent solicitation statement, as the expiration date.

**Withdrawal Rights**

You may withdraw tendered HLI notes prior to the early consent date described above and revoke consents with respect thereto at any time prior to the early consent date, but not thereafter. A valid withdrawal of tendered HLI notes will also constitute the revocation of the related consent to the proposed amendment to the HLI indenture. You may only revoke your consent by validly withdrawing the tendered HLI notes prior to the early consent date. You may not withdraw tendered HLI notes or revoke consents with respect thereto after the early consent date, even if we extend the expiration of the exchange offers. If for any reason tendered notes are not accepted for exchange, they will be returned promptly after the expiration or termination of the exchange offers.

**Conditions to the Exchange Offers**

The exchange offers are subject to certain conditions that we may assert or waive. See The Exchange Offers Conditions to the Exchange Offers. The conditions include, among other things, the condition that we receive valid and unrevoked tenders of at least a majority of the aggregate principal amount outstanding of each series of the HLI notes and the concurrent consummation of the other exchange offer. If any of these conditions are not satisfied, we have no obligation to complete the exchange offers. There is no guarantee that these conditions will be satisfied, and we have the option to waive these and certain other conditions. For additional information about the conditions to our obligation to complete the exchange offers, see The Exchange Offers Conditions to the Exchange Offers and Consent Solicitations.

**Certain Material United States Federal Income Tax Consequences**

A United States holder that exchanges HLI notes for the HFSG notes and cash in the exchange offers will generally recognize gain or loss for United States federal income tax purposes. The amount of such gain or loss generally will equal the difference, if any, between (1) the sum of the issue price of the HFSG notes received and any cash received in exchange for the HLI notes

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and (2) your tax basis in the HLI notes exchanged. The issue price of the HFSG notes received in exchange for the HLI notes should be the fair market value of the HFSG notes on the date of the exchange.

We intend to treat the early consent payment as an additional amount received by an exchanging holder for the HLI notes. If, however, the early consent payment were not treated as additional consideration received by the United States holder in the exchange, it might be considered a separate fee that could be taxable as ordinary income. For a more complete discussion of certain material United States federal income tax consequences of participating in the exchange offers and the ownership and disposition of HFSG notes received pursuant to the exchange offers (including a discussion of United States federal income tax consequences to non-United States holders), see Certain Material United States Federal Income Tax Consequences.

**The Proposed Amendment** If adopted, the proposed amendment to the HLI indenture would render inapplicable with respect to the HLI notes HLI's obligation to file periodic reports under the Securities Exchange Act of 1934 or otherwise provide information to the trustee or the holders of the HLI notes. However, the effectiveness of this amendment with respect to a particular series of HLI notes will be subject to the consummation of the exchange offer with respect to that series, and the condition that at least a majority in aggregate principal amount of the HLI notes of each series are validly tendered and not withdrawn and the concurrent completion of the other exchange offer.

**Exchange Agent** .

**Information Agent** .

**Procedures for Tendering Outstanding Notes** If you wish to accept the exchange offers and consent solicitation and your HLI notes are held by a custodial entity such as a bank, broker, dealer, trust company or other nominee, then only that custodial entity can tender your HLI notes. In that case, you must instruct the custodial entity to tender your HLI notes on your behalf pursuant to the procedures of the custodial entity.

Custodial entities that are DTC participants must tender HLI notes through the Automated Tender Offer Program, known as ATOP, maintained by DTC.

**A Letter of Transmittal and Consent need not accompany tenders effected through ATOP.**

The delivery of an agent's message through ATOP will constitute the giving of consent to the proposed amendment with respect to the HLI notes so tendered, and the agreement by the custodial entity and the beneficial holder to be bound by the Letter of Transmittal and Consent.

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<b>Consequences of Not Tendering Your HLI Notes</b>	Any of the HLI notes that are not tendered to us or are not accepted for exchange will remain outstanding and will continue to accrue interest in accordance with, and will otherwise be entitled to all the rights and privileges under, the indenture pursuant to which they were issued. However, if the exchange offers are consummated and the proposed amendment to the HLI indenture is effected, the amendment will apply to all HLI notes not exchanged in the exchange offers, and those notes will no longer have the benefit of the protection of the reporting covenant made inapplicable by the amendment. Also, the trading market for each series of HLI notes not exchanged in the exchange offers may be more limited than it is at present and could for all practical purposes cease to exist, which could adversely affect the liquidity, market price and price volatility of the HLI notes of that series.										
<b>Dissenters Rights</b>	None.										
<b>Key Dates and Times</b>	All times referred to in this prospectus and consent solicitation statement are New York City Time and all dates assume that we do not extend the exchange offers:										
	<table border="0" style="margin-left: 100px;"> <tr> <td style="padding-right: 20px;">July 27</td> <td>HFSG's scheduled second quarter results announcement</td> </tr> <tr> <td style="padding-right: 20px;">5:00 p.m., on</td> <td>Early consent date</td> </tr> <tr> <td style="padding-right: 20px;">2:00 p.m., on August</td> <td>Price determination time</td> </tr> <tr> <td style="padding-right: 20px;">5:00 p.m., on August</td> <td>Expiration date</td> </tr> <tr> <td style="padding-right: 20px;">August</td> <td>Settlement date</td> </tr> </table>	July 27	HFSG's scheduled second quarter results announcement	5:00 p.m., on	Early consent date	2:00 p.m., on August	Price determination time	5:00 p.m., on August	Expiration date	August	Settlement date
July 27	HFSG's scheduled second quarter results announcement										
5:00 p.m., on	Early consent date										
2:00 p.m., on August	Price determination time										
5:00 p.m., on August	Expiration date										
August	Settlement date										

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**Summary Description of the HFSG Notes**

<b>Issuer</b>	The Hartford Financial Services Group, Inc.
<b>Securities Offered</b>	Up to \$650 million of HFSG Senior Notes due 20 . There will be a minimum of \$325 million in aggregate principal amount of HFSG notes outstanding upon consummation of the exchange offers.
<b>Maturity</b>	, 20 .
<b>Interest</b>	<p>The interest rate on the HFSG notes will equal (a) the treasury yield, plus (b) % ( basis points) or, if the rate so determined is not an integral increment of 0.05% or 0.125%, the interest rate on the HFSG notes will be rounded down to the nearest increment of 0.05% or 0.125%, as the case may be.</p> <p>We will pay interest semi-annually in arrears on and of each year, commencing on , 2006, to the record holders on the preceding or . Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest will accrue from the settlement date under the exchange offers.</p>
<b>Minimum Denominations</b>	The HFSG notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.
<b>Ranking</b>	The HFSG notes will be our unsecured senior indebtedness and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.
<b>Optional Redemption</b>	<p>We may redeem the HFSG notes at our option, in whole or in part, at any time and from time to time, at a redemption price equal to the greater of</p> <p>100% of the principal amount of the HFSG notes to be redeemed; or</p> <p>the sum of the present values of the remaining scheduled payments of principal and interest on the HFSG notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus basis points</p> <p>plus accrued and unpaid interest to, but excluding, the date fixed for redemption.</p>
<b>Certain Covenants</b>	The indenture governing the HFSG notes contains certain covenants that, among other things, (i) limit our ability to consolidate with or merge with or into any other person or convey, transfer or lease our assets substantially as an entity to any person; and (ii) limit our ability and the ability of our restricted subsidiaries to create, incur, assume or permit to exist any lien, except liens incurred, assumed or existing prior to the date of the indenture governing the HFSG notes.

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**Risk Factors**

You should consider carefully all of the information set forth in this prospectus and consent solicitation and the documents incorporated by reference herein and, in particular, you should evaluate the specific factors set forth in the section of this prospectus and consent solicitation statement entitled "Risk Factors" and the section entitled "Risk Factors" in our quarterly report on Form 10-Q for the quarterly period ended March 31, 2006, as updated from time to time.

**Listing**

We intend to apply to list the HFSG notes on the New York Stock Exchange.

**Table of Contents****SUMMARY SELECTED CONSOLIDATED FINANCIAL INFORMATION****Selected Consolidated Financial Information for HFSG**

The selected income statement data and the selected balance sheet data for each of the years presented below were derived from our audited consolidated financial statements which have been examined and reported upon by our independent registered public accounting firm. The selected income statement data and the selected balance sheet data at and for the three months ended March 31, 2006 and 2005 were derived from our unaudited consolidated financial statements which have been reviewed by our independent registered public accounting firm and include all adjustments, consisting of normal recurring accruals, which we consider necessary for a fair presentation of our financial position and results of operations as of that date and for that period.

The table below reflects our consolidated financial position and results of operations. You should read the following in conjunction with our consolidated financial statements and the related notes that are incorporated in this prospectus and consent solicitation statement by reference.

	Three Months Ended		Year Ended December 31,				
	March 31, 2006	March 31, 2005	2005	2004	2003	2002	2001
<b>(In millions, except for combined ratios)</b>							
<b>Income Statement Data</b>							
Total Revenues	\$ 6,543	\$ 6,002	\$ 27,083	\$ 22,708	\$ 18,719	\$ 16,410	\$ 15,980
Income (loss) before cumulative effect of accounting changes(1)	\$ 728	\$ 666	\$ 2,274	\$ 2,138	\$ (91)	\$ 1,000	\$ 541
Net income (loss)(1)(2)	\$ 728	\$ 666	\$ 2,274	\$ 2,115	\$ (91)	\$ 1,000	\$ 507
<b>Balance Sheet Data</b>							
Total Assets	\$ 295,375	\$ 261,420	\$ 285,557	\$ 259,735	\$ 225,850	\$ 181,972	\$ 181,950
Long-term debt	\$ 4,045	\$ 4,300	\$ 4,048	\$ 4,308	\$ 4,610	\$ 4,061	\$ 3,374
Total stockholders equity	\$ 15,410	\$ 14,211	\$ 15,325	\$ 14,238	\$ 11,639	\$ 10,734	\$ 9,013
<b>Other Data</b>							
Mutual fund assets(3)	\$ 36,260	\$ 27,963	\$ 32,705	\$ 28,068	\$ 22,462	\$ 15,321	\$ 16,809
<b>Operating Data Combined Ratios</b>							
Ongoing Property & Casualty Operations(4)	88.8	88.6	93.2	95.3	96.5	99.1	108.3

- (1) 2004 includes a \$216 million tax benefit related to agreement with the IRS on the resolution of matters pertaining to tax years prior to 2004. 2003 includes an after-tax charge of \$1.7 billion related to the 2003 asbestos reserve addition, \$40 million of after-tax expense related to the settlement of a certain litigation dispute, \$30 million of tax benefit in our Life operations primarily related to the favorable treatment of certain tax items arising during

the 1996-2002 tax years, and \$27 million of after-tax severance charges in our Property & Casualty operations. 2002 includes \$76 million tax benefit in our Life operations, \$11 million after-tax expense in Life related to a certain litigation dispute and an \$8 million after-tax benefit in Life s September 11 exposure. 2001 includes \$440 million of after-tax losses related to September 11 and a \$130 million tax benefit in Life.

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- (2) 2004 includes a \$23 million after-tax charge related to the cumulative effect of accounting change for our adoption of Statement of Position 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. 2001 includes a \$34 million after-tax charge related to the cumulative effect of accounting changes for our adoption of SFAS No 133, Accounting for Derivative Instruments and Hedging Activities and EITF Issue No. 99-20, Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets.
- (3) Mutual funds sponsored by HFSG are owned by the shareholders of those funds and not by us. As a result, they are not reflected in total assets on our balance sheet.
- (4) 2001 includes the impact of September 11. Before the impact of September 11, the 2001 combined ratio was 101.7.

**Table of Contents****Selected Consolidated Financial Information for HLI**

The selected income statement data and the selected balance sheet data for each of the years presented below were derived from HLI's audited consolidated financial statements which have been examined and reported upon by HLI's independent registered public accounting firm. The selected income statement data and the selected balance sheet data at and for the three months ended March 31, 2006 and 2005 were derived from HLI's unaudited consolidated financial statements and include all adjustments, consisting of normal recurring accruals, which HLI considers necessary for a fair presentation of HLI's financial position and results of operations as of that date and for that period.

The table below reflects HLI's consolidated financial position and results of operations.

	Three Months Ended		Year Ended December 31,				
	March 31, 2006	March 31, 2005	2005	2004	2003	2002	2001
(In millions)							
<b>Income Statement Data</b>							
Revenues	\$ 3,485	\$ 2,991	\$ 15,023	\$ 11,375	\$ 8,044	\$ 6,928	\$ 7,382
Income before cumulative effect of accounting changes(1)	\$ 335	\$ 278	\$ 1,152	\$ 1,342	\$ 769	\$ 557	\$ 711
Net income(1)(2)	\$ 335	\$ 278	\$ 1,152	\$ 1,319	\$ 769	\$ 557	\$ 685
<b>Balance Sheet Data</b>							
Total Assets	\$ 254,163	\$ 222,090	\$ 243,762	\$ 220,450	\$ 187,589	\$ 149,791	\$ 151,606
Long-term debt	\$ 1,048	\$ 1,047	\$ 1,048	\$ 1,047	\$ 1,297	\$ 1,572	\$ 1,497
Total stockholder's equity	\$ 9,204	\$ 9,024	\$ 9,359	\$ 9,172	\$ 7,059	\$ 5,688	\$ 4,610
<b>Other Data</b>							
Mutual fund assets(3)	\$ 36,260	\$ 27,963	\$ 32,705	\$ 28,068	\$ 22,462	\$ 15,321	\$ 16,809

- (1) 2004 includes a \$190 million tax benefit related to an agreement with the IRS on the resolution of matters pertaining to tax years prior to 2004. 2003 includes \$40 million of after-tax expense related to the settlement of a certain litigation dispute and \$30 million of tax benefit in HLI's operations primarily related to the favorable treatment of certain tax items arising during the 1996-2002 tax years. 2002 includes a \$76 million tax benefit in HLI's operations, an \$11 million after-tax expense in HLI related to a certain litigation dispute and an \$8 million after-tax benefit to HLI's September 11 exposure. 2001 includes a \$20 million after-tax loss related to September 11 and a \$130 million tax benefit in HLI.
- (2) 2004 includes a \$23 million after-tax charge related to the cumulative effect of accounting changes for HLI's adoption of Statement on Position 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. 2001 includes a \$26 million after-tax charge related to the cumulative effect of accounting charges for HLI's adoption of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities and EITF Issue No. 99-20, Recognition of Interest Income and

Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets.

- (3) Mutual funds sponsored by HFSG are owned by the shareholders of those funds and not by HLI. As a result, they are not fully reflected in total assets on the HLI balance sheet.

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**RISK FACTORS**

*Before agreeing to accept the HFSG notes in exchange for the HLI notes you currently hold, you should carefully consider the risks described below, and in our Quarterly Reports on Form 10-Q under the caption Risk Factors, in addition to the other information presented in or incorporated by reference into this prospectus and consent solicitation statement.*

**Risk Factors Relating to the Exchange Offers**

**The trading market for each series of HLI notes not exchanged in the exchange offers may become more limited than it is at present and could for all practical purposes cease to exist, which could adversely affect the liquidity, market price and price volatility of the HLI notes of that series.**

We are offering to exchange the HFSG notes for any and all of the HLI notes of each series outstanding. It is a condition of the offer that we receive valid tenders, which are not withdrawn, of at least a majority in aggregate principal amount of the HLI notes of each series. Consequently, the principal amount of each series of HLI notes will, upon consummation of the exchange offers, be reduced by more than 50%. A debt security with a smaller outstanding principal amount available for trading (a smaller float) may command a lower price and have less trading liquidity than would a comparable debt security with a larger float. Therefore, the market price for the HLI notes that are not tendered and accepted for exchange pursuant to the exchange offers may be affected adversely to the extent that the principal amount of the HLI notes exchanged pursuant to the exchange offers reduces the float. A reduced float may also make the trading price of the HLI notes that are not exchanged in the exchange offers more volatile.

**If we receive consents sufficient to amend the HLI indenture as proposed, any of the HLI notes that are not exchanged will remain outstanding under the HLI indenture, and the reporting covenant under the HLI indenture would become inapplicable with respect to the HLI notes, which could adversely affect investors ability to obtain information about HLI and could adversely affect the liquidity, market price and price volatility of the HLI notes.**

In connection with the exchange offers, we are soliciting consents from the holders of each series of the HLI notes to amend the HLI indenture pursuant to which each series of the HLI notes was issued to make inapplicable the reporting covenant under the HLI indenture. The reporting covenant requires HLI to file reports under the Securities Exchange Act of 1934 or otherwise provide information to the trustee or the holders of the HLI notes.

HLI intends, to the extent permitted by applicable law, to deregister all of its outstanding debt securities under the Securities Exchange Act of 1934, as amended, upon completion of the exchange offers. Upon such deregistration, HLI will no longer have an obligation with respect to the HLI notes to file reports with the Securities and Exchange Commission. You and other investors may not be able to obtain timely information regarding HLI's business, results and financial condition. As a result, investor interest in the HLI notes could be substantially reduced.

**You may not know the interest rate on the HFSG notes and the applicable total exchange price at the time you tender your HLI notes.**

The interest rate on the HFSG notes and the applicable total exchange price you will receive in exchange for the HLI notes you tender will be determined based on the yield of the U.S. Treasury Security at the price determination time, which will be on the second business day prior to the expiration date. This rate will reflect general interest rate movements and other factors and cannot be predicted. An increase in the yield on the U.S. Treasury Security may adversely affect the interest rate and/or the applicable total exchange price.

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**If you do not follow the procedures, your exchange may not be valid.**

We will only issue HFSG notes in exchange for HLI notes that are timely and properly tendered. Therefore, you should allow sufficient time to ensure timely delivery of the HLI notes and you should carefully follow the instructions on how to tender your HLI notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the HLI notes.

**Risk Factors Relating to the HFSG Notes**

**If an active trading market for the HFSG notes does not develop, you may not be able to resell your HFSG notes.**

There is currently no trading market for the HFSG notes and, although we intend to apply to list the HFSG notes on the New York Stock Exchange, we cannot assure you that the HFSG notes will be so listed. In addition, the liquidity of any trading market for the HFSG notes, and the market price quoted for the HFSG notes, may be adversely affected by changes in the overall market for these HFSG notes, by changes in interest rates and by changes in our financial performance or prospects or in the prospects of companies in our industry generally. We cannot predict the extent, if any, to which investors' interest will lead to a liquid trading market.

**The HFSG notes will be effectively subordinated to the debt and other obligations of our subsidiaries, which could impair our ability to make payments under the HFSG notes.**

We are a holding company and rely primarily on dividends and interest payments from our subsidiaries to meet our obligations for payment of interest and principal on outstanding debt obligations, dividends to shareholders and corporate expenses. As a result, our cash flows and ability to service our obligations, including the HFSG notes, are dependent upon the earnings of our subsidiaries, distributions of those earnings to us and other payments or distributions of funds by our subsidiaries to us.

The ability of our insurance subsidiaries to pay dividends to us in the future will depend on their statutory surplus, on their earnings and on regulatory restrictions. In addition, our subsidiaries have no obligation to pay any amounts due on the HFSG notes. Furthermore, except to the extent we have a priority or equal claim against our subsidiaries as a creditor, the HFSG notes will be effectively subordinated to debt and preferred stock at the subsidiary level because, as the common shareholder of our subsidiaries, we will be subject to the prior claims of creditors of our subsidiaries. Consequently, the HFSG notes are effectively subordinated to all liabilities of any of our subsidiaries. Substantially all of our business is currently conducted through our subsidiaries, and we expect this to continue. As of March 31, 2006, we had \$3,722 million of senior debt outstanding and our subsidiaries had \$275,886 million of aggregate liabilities. See Prospectus and Consent Solicitation Summary The Hartford Financial Services Group, Inc.

The indenture does not limit our ability or that of our subsidiaries to issue or incur other additional senior indebtedness. We may have difficulty paying our obligations under the HFSG notes if we, or any of our subsidiaries, incur additional indebtedness or liabilities.

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The following table sets forth, for each of the periods indicated, our ratio of earnings to total fixed charges and our ratio of earnings excluding interest credited to contractholders to total fixed charges excluding interest credited to contractholders.

For purposes of computing the ratio of consolidated earnings to fixed charges, earnings consist of income before federal income taxes, cumulative effect of accounting changes and fixed charges. Fixed charges consist of interest expense (including interest credited to contractholders), capitalized interest, amortization expense related to debt and an imputed interest component for rental expense.

	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2006</b>	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>(In millions, except for ratios)</b>							
<b>Income (loss) from Operations before Federal Income Taxes and Cumulative Effect of Accounting Changes</b>	\$ 984	\$ 914	\$ 2,985	\$ 2,523	\$ (550)	\$ 1,068	\$ 341
Add:							
<b>Fixed Charges</b>							
Interest expense	66	63	252	251	271	265	295
Interest factor attributable to rentals	16	17	69	64	76	73	72
Interest credited to contractholders	880	726	5,671	2,481	1,120	1,048	1,050
<b>Total fixed charges</b>	<b>962</b>	<b>806</b>	<b>5,992</b>	<b>2,796</b>	<b>1,467</b>	<b>1,386</b>	<b>1,417</b>
Total fixed charges less interest credited to contractholders	82	80	321	315	347	338	367
<b>Earnings, as defined</b>	<b>1,946</b>	<b>1,720</b>	<b>8,977</b>	<b>5,319</b>	<b>917</b>	<b>2,454</b>	<b>1,758</b>
Earnings (loss), as defined, less interest credited to contractholders	\$ 1,066	\$ 994	\$ 3,306	\$ 2,838	\$ (203)	\$ 1,406	\$ 708
<b>Ratios</b>							
Earnings, as defined, to total fixed charges(1)(2)	2.0	2.1	1.5	1.9	NM	1.8	1.2
Earnings, as defined, excluding interest credited to contractholders, to total fixed charges excluding interest credited to contractholders(1)(3)(4)	13.0	12.4	10.3	9.0	NM	4.2	1.9
Deficiency of earnings to fixed charges(5)	\$	\$	\$	\$	\$ 550	\$	\$

(1) NM: Not meaningful.

(2) Before the impact of September 11 of \$678 million, the 2001 ratio of earnings to fixed charges was 1.6.

(3) Before the impact of September 11 of \$678 million, the 2001 ratio of earnings to fixed charges excluding interest credited to contractholders was 3.8.

- (4) This secondary ratio is disclosed for the convenience of fixed income investors and the rating agencies that serve them and is more comparable to the ratios disclosed by all issuers of fixed income securities.
- (5) Represents additional earnings that would be necessary to result in a one to one ratio of consolidated earnings to fixed charges. This amount includes a before-tax charge of \$2.6 billion related to our 2003 asbestos reserve addition.

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**THE EXCHANGE OFFERS**

We are offering, on the terms and subject to the conditions set forth in this prospectus and consent solicitation statement and Letter of Transmittal and Consent, to exchange, for each \$1,000 principal amount of HLI notes, \$1,000 principal amount of HFSG notes and cash that, together with the equivalent issue price of the HFSG notes, equals the total exchange price for the series of HLI notes tendered. Subject to the terms and conditions in this prospectus and consent solicitation statement and Letter of Transmittal and Consent:

*If you validly tender HLI notes on or prior to the early consent date, and do not withdraw, you will receive for each \$1,000 principal amount of HLI notes tendered and accepted:*

\$1,000 principal amount of the HFSG notes; *plus*

A cash amount equal to (a) the total exchange price of the series of HLI notes tendered, which includes the early consent payment of \$ \_\_\_\_\_, minus (b) the equivalent issue price of the HFSG notes.

*If you validly tender HLI notes after the early consent date but on or prior to the expiration date, you will receive for each \$1,000 principal amount of HLI notes tendered and accepted:*

\$1,000 principal amount of the HFSG notes; *plus*

A cash amount equal to (a) the total exchange price of the series of HLI notes tendered, which excludes the early consent payment of \$ \_\_\_\_\_, minus (b) the equivalent issue price of the HFSG notes.

In addition, holders whose HLI notes are accepted for exchange will receive a cash payment representing accrued and unpaid interest to, but not including, the settlement date.

Holders of HLI notes must tender the HLI notes in integral multiples of \$1,000. HFSG notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

None of HFSG, HLI, the exchange agent, the information agent, the trustee under the HLI indenture, the trustee under the HFSG indenture or any dealer manager makes any recommendation as to whether or not holders of HLI notes should exchange their securities in the exchange offers and consent to the proposed amendment to the HLI indenture.

**Expiration, Amendment and Termination of Exchange Offers**

The exchange offers will expire at 5:00 p.m., New York City time, on August \_\_\_\_\_, 2006, unless we extend them. We may extend the expiration date of the exchange offers by giving oral or written notice of such extension by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any such extension, all HLI notes previously tendered will remain subject to the applicable exchange offer and we may accept them for exchange. Holders who have tendered their HLI notes will not, however, be able to withdraw their tendered notes or revoke their consent with respect thereto after the early consent date, even if we extend the exchange offers. Any HLI notes that we do not accept for exchange for any reason will be promptly returned to you without cost after the expiration or termination of the applicable exchange offer.

We expressly reserve the right, at any time, in our absolute discretion, to extend the period of time during which the exchange offers are open, and delay acceptance for exchange of any HLI notes of each series, by giving written notice of such extension to the holders thereof as described below. We will extend the duration of the exchange offers as required by applicable law or may choose to extend them in order to provide additional time for holders of HLI notes to tender their HLI notes for exchange. During any such extension, all HLI notes previously tendered and not validly withdrawn will remain subject to the exchange offers and may be accepted for exchange by us. Any HLI notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the

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exchange offers. In accordance with Rule 14e-1 under the Exchange Act, if we elect to decrease the amount of HLI notes sought, or change the consideration offered or the dealer managers' soliciting fees, the exchange offers will remain open for at least ten business days from the date that the notice of such change is first published or sent to holders of the HLI notes.

We expressly reserve the right to amend or terminate the exchange offers, and not to accept for exchange any HLI notes, upon the occurrence of any of the conditions of the exchange offers specified below under Conditions to the Exchange Offers and Consent Solicitations. We will give prompt written notice to the holders of the HLI notes of any extension, amendment, non-acceptance or termination. Such notice, in the case of any extension, will be issued by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

**Settlement Date**

We will deliver the HFSG notes and pay any cash amounts on the settlement date, which will be the third business day following the expiration date or as soon as practicable thereafter. We will not be obligated to deliver HFSG notes or pay any cash amounts unless the exchange offers are consummated.

**Determination of the Total Exchange Price**

The total exchange price for each series of the HLI notes will equal (a) the discounted value (excluding accrued interest), determined in accordance with the formula set forth in Annex A to this prospectus and consent solicitation statement, of the remaining payments of principal and interest per \$1,000 principal amount of such series of HLI notes through their maturity date, using a discount rate equal to the sum of:

- (i) the bid-side yield to maturity on the % U.S. Treasury Security due (calculated in accordance with standard market practice) as indicated on Bloomberg screen page (or any recognized quotation source selected by the dealer managers in their sole discretion if such Bloomberg screen page is not available or is manifestly erroneous), which we refer to as the treasury yield, at 2:00 p.m., New York City time, on the second business day prior to the expiration date, which we refer to as the price determination time, plus
  - (ii) the fixed spread listed below
- minus (b) in the case of HLI notes tendered after the early consent date, \$ .

Security	Outstanding Principal Amount	Maturity Date	Bloomberg Page	Reference U.S. Treasury Security	Fixed Spread (in basis points)
7.65% HLI Debentures due 2027	\$250,000,000	June 15, 2027			
7.375% HLI Senior Notes due 2031	\$400,000,000	March 1, 2031			

The total exchange price for each series of HLI notes will be rounded to the nearest cent per \$1,000 principal amount of such HLI notes.

Holders tendering prior to the price determination time will not know at the time of tender the total exchange price they will receive.

We will notify holders of the HLI notes by press release or other public announcement of the actual treasury yield, the total exchange price and the accrued interest for each series of HLI notes, and the actual interest rate and the equivalent issue price for the HFSG notes promptly after they are determined by the dealer managers.

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**Equivalent Issue Price**

The equivalent issue price of the HFSG notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of the HFSG notes through their maturity date using a discount rate equal to the sum of (a) treasury yield, plus (b) % ( basis points). The equivalent issue price of the HFSG notes will be rounded to the nearest cent per \$1,000 principal amount of HFSG notes.

**Interest Rate**

The interest rate on the HFSG notes will equal (a) the treasury yield, plus (b) % ( basis points) or, if the rate so determined is not an integral increment of 0.05% or 0.125%, the interest rate on the HFSG notes will be rounded down to the nearest increment of 0.05% or 0.125%, as the case may be.

**Illustrative Examples**

**The information provided in the following table is for illustrative purposes only, and we make no representation with respect to the actual consideration that may be paid pursuant to the exchange offers. The treasury yield, total exchange price, the interest rate on the HFSG notes and the equivalent issue price may be greater or less than that shown in the following table, depending on the yield on the U.S. Treasury Security as of the price determination time.**

The following illustrates for each series of HLI notes, the total exchange price per \$1,000 principal amount of HLI notes, and for the HFSG notes, the interest rate on the HFSG notes and the equivalent issue price (such equivalent issue price being expressed per \$1,000 principal value of the HFSG notes), assuming an expiration date of July , 2006, a settlement date of July , 2006 and a reference U.S. Treasury Security yield as of 2:00 p.m., New York City time, on July , 2006 of % . Please see Annex A and Annex B to this prospectus and consent solicitation statement for further pricing details.

*Determinations For Illustrative Purposes Only  
(per \$1,000 HLI notes tendered)*

Series of HLI Notes	Total exchange price	Interest rate on		Cash payment if HLI notes tendered on or prior to early consent date(1)	Cash payment if HLI notes tendered after early consent date(1)
		HFSG Notes	Equivalent issue price		
7.65% Debentures due 2027				\$	\$
7.375% Senior Notes due 2031				\$	\$

(1) Does not include accrued interest.

*Example A: Investor tenders \$10,000,000 of 7.65% Debentures due 2027 on or prior to the early consent date, and all such notes are accepted pursuant to the terms of the exchange offer, and receives:*

\$10,000,000 principal amount of HFSG notes; and

Cash payment equal to: \$ (includes \$ early consent payment and \$ accrued interest)

*Example B: Investor tenders \$10,000,000 of 7.65% Debentures due 2027 after the early consent date, and all such notes are accepted pursuant to the terms of the exchange offer, and receives:*

\$10,000,000 principal amount of HFSG notes; and

Cash payment equal to: \$ (includes \$ accrued interest, but does not include any early consent payment)

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*Example C: Investor tenders \$10,000,000 of 7.375% Senior Notes due 2031 on or prior to the early consent date, and all such notes are accepted pursuant to the terms of the exchange offer, and receives:*

\$10,000,000 principal amount of HFSG notes; and

Cash payment equal to: \$ (includes \$ early consent payment and \$ accrued interest)

*Example D: Investor tenders \$10,000,000 of 7.375% Senior Notes due 2031 after the early consent date, and all such notes are accepted pursuant to the terms of the exchange offer, and receives:*

\$10,000,000 principal amount of HFSG notes; and

Cash payment equal to: \$ (includes \$ in accrued interest, but does not include any early consent payment)

You can obtain recently calculated hypothetical quotes of the yield of the reference U.S. Treasury Security, the hypothetical total exchange price for each series of HLI notes, and the hypothetical interest rate and equivalent issue price for the HFSG notes prior to the pricing determination time, and you can obtain the actual yield on the reference U.S. Treasury Security, the total exchange price for each series of HLI notes, and the interest rate and equivalent issue price for the HFSG notes after the price determination time, by contacting the coordinating dealer manager at \_\_\_\_\_ at \_\_\_\_\_ or collect \_\_\_\_\_ or at \_\_\_\_\_ at \_\_\_\_\_ or collect \_\_\_\_\_. Although the dealer managers will calculate the total exchange price for each series of HLI notes and the equivalent issue price for the HFSG notes based solely on the yields on the reference U.S. Treasury Security, as described above, you can also find information regarding the closing yields to maturity of the reference U.S. Treasury Security on any trading day in *The Wall Street Journal* and *The New York Times*.

**Conditions to the Exchange Offers and Consent Solicitations**

Notwithstanding any other provision of the exchange offers, we are not required to accept for exchange, or to issue the HFSG notes and pay cash in exchange for, any HLI notes and may terminate or amend the applicable exchange offer if less than a majority in aggregate principal amount of either series of HLI notes are validly tendered and not validly withdrawn prior to the expiration date. Accordingly, upon consummation of the exchange offers, there will be a minimum of \$325,000,000 in aggregate principal amount of the HFSG notes outstanding.

Additionally, notwithstanding any other provision of the exchange offers, we are not required to accept for exchange or to issue the HFSG notes and pay cash in exchange for any HLI notes and may terminate or amend the applicable exchange offer, if any of the following events occur prior to our acceptance of the HLI notes:

- (a) there shall be threatened, instituted or pending any action or proceeding before, or any injunction, order or decree shall have been issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission,
  - (1) seeking to restrain or prohibit the making or consummation of either of the exchange offers or any other transaction contemplated by the exchange offers, the consent solicitations or the proposed amendment to the HLI Indenture, or assessing or seeking any damages as a result thereof, or
  - (2) resulting in a material delay in our ability to accept for exchange or exchange some or all of the HLI notes pursuant to the exchange offers;

or any statute, rule, regulation, order or injunction shall be sought, proposed, introduced, enacted, promulgated or deemed applicable to either of the exchange offers or any of the transactions contemplated by the exchange offers, the consent solicitations or the proposed amendment to the HLI indenture, by any government or governmental authority, domestic or foreign, or any action shall have been taken, proposed or threatened, by any government, governmental authority,

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agency or court, domestic or foreign, that in our reasonable judgment might, directly or indirectly, result in any of the consequences referred to in clauses (1) or (2) above; or

(b) there shall have occurred:

(1) any general suspension of or general limitation on prices for, or trading in, securities on any national securities exchange or in the over-the-counter market,

(2) any limitation by a governmental agency or authority which may adversely affect our ability to complete the transactions contemplated by the exchange offers,

(3) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation by any governmental agency or authority which adversely affects the extension of credit, or

(4) a commencement of a war, armed hostilities or other similar calamity, or a major terrorist attack, directly or indirectly involving the United States, or, in the case of any of the foregoing existing at the time of the commencement of the exchange offers, a material acceleration or worsening thereof;

(c) any change (or any development involving a prospective change) shall have occurred or be threatened in the business, properties, assets, liabilities, financial condition, operations, results of operations or prospects of the Company and our subsidiaries taken as a whole or HLI and its subsidiaries taken as a whole that, in our reasonable judgment, is or may be adverse to us or HLI, as the case may be, or we have become aware of facts that, in our reasonable judgment, have or may have adverse significance with respect to the HLI notes or HFSG notes; or

(d) any event or change shall have occurred or may occur, including an increase in prevailing interest rates, that would or might impair us from realizing the anticipated benefits of the exchange offers;

which in our reasonable judgment in any case, and regardless of the circumstances giving rise to any such condition, makes it inadvisable to proceed with the exchange offers and/or with such acceptance for exchange or with such exchange.

In addition, we will not accept for exchange any HLI notes tendered, and no HFSG notes will be issued in exchange for any such HLI notes, if at that time any stop order shall be threatened or in effect with respect to the Registration Statement of which this prospectus and consent solicitation statement constitutes a part, or the qualification of the indenture under the Trust Indenture Act of 1939, as amended.

Finally, our obligation to consummate each exchange offer is conditioned on our concurrent completion of the other exchange offer.

The foregoing conditions are for our sole benefit and may be asserted or waived by us in whole or in part in our reasonable discretion prior to the expiration date. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time prior to the expiration date.

Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the exchange offers. We will give holders notice of any amendments if required by applicable law.

If our waiver of any of the conditions would constitute a material change in either or both exchange offers, we will disclose that change through a supplement to this prospectus and consent solicitation statement that will be distributed to each registered holder of HLI notes. In addition, we will extend the exchange offers for a period of five to ten business days, depending upon the significance of the waiver and

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the manner of disclosure to the registered holders of the HLI notes, if the exchange offers would otherwise expire during such period.

### **Procedures for Tendering and Delivering Consents**

The procedures by which you may tender or cause to be tendered HLI notes will depend on the manner in which you hold the HLI notes.

If you wish to accept the exchange offers and give your consent and your HLI notes are held by a custodial entity such as a bank, broker, dealer, trust company or other nominee, then only that custodial entity can tender your HLI notes. In that case, you must instruct the custodial entity to tender your HLI notes on your behalf pursuant to the procedures of the custodial entity.

If you wish to accept the exchange offers and give your consent and your HLI notes are not held by a custodial entity, then you must either:

complete, sign and date the Letter of Transmittal and Consent according to the instructions (including guaranteeing the signatures to the Letter of Transmittal and Consent, if required), and deliver the Letter of Transmittal and Consent, together with the certificates representing the HLI notes, to the exchange agent at its address on the back cover page of this prospectus and consent solicitation statement for receipt on or before the expiration date, or

comply with the ATOP procedures for book-entry transfer described below on or before the expiration date.

The exchange agent and The Depository Trust Company ( DTC ) have confirmed that the exchange offers are eligible for ATOP. The Letter of Transmittal and Consent (or facsimile copy), with any required signature guarantees or, in the case of book-entry transfer, an agent's message in lieu of the Letter of Transmittal and Consent, and any other required documents, must be transmitted to and received by the exchange agent on or before the expiration date of the exchange offers at its address set forth on the back cover page of this prospectus and consent solicitation statement. HLI notes will not be deemed surrendered until the exchange agent receives the Letter of Transmittal and Consent and signature guarantees, if any, or agent's message.

The method of delivery of HLI notes, the Letter of Transmittal and Consent, and all other required documents to the exchange agent is at your election and risk. Instead of delivery by mail, you should use an overnight or hand delivery service, properly insured. In all cases, you should allow sufficient time to assure delivery to and receipt by the exchange agent on or before the expiration date. Send the Letter of Transmittal and Consent or any HLI notes only to the exchange agent.

All HFSG notes will be delivered only in book-entry form through DTC. Accordingly, if you anticipate tendering other than through DTC, then you are urged to contact promptly a bank, broker or other intermediary (that has the capability to hold securities custodially through DTC) to arrange for receipt of any HFSG notes to be delivered to you pursuant to the exchange offers and to obtain the information necessary to provide the required DTC participant with account information for the Letter of Transmittal and Consent.

### **Tender of HLI Notes held through a Nominee**

If you are a beneficial owner of HLI notes that are held of record by a custodian bank, depository, broker, trust company or other nominee, and you wish to tender HLI notes in either of the exchange offers, you should contact the record holder promptly and instruct the record holder to tender the HLI notes and deliver a consent on your behalf using one of the procedures described below.

### **Tender of HLI Notes with DTC and Book-Entry Transfer**

Pursuant to authority granted by DTC, if you are a DTC participant that has HLI notes credited to your DTC account and thereby held of record by DTC's nominee, you may directly tender your HLI notes

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and deliver a consent as if you were the record holder. Accordingly, references herein to record holders include DTC participants with HLI notes credited to their accounts. Within two business days after the date of this prospectus and consent solicitation statement, the exchange agent will establish accounts with respect to the HLI notes at DTC for purposes of the exchange offers. Any DTC participant may tender HLI notes and deliver a consent to the proposed amendment to the HLI indenture by effecting a book-entry transfer of the HLI notes to be tendered in the exchange offers into the account of the exchange agent at DTC and either, before the exchange offers expire:

electronically transmitting its acceptance of the exchange offers through DTC's Automated Tender Offer Program ( ATOP ) procedures for transfer, or

completing and signing the Letter of Transmittal and Consent according to the instructions and delivering it, together with any signature guarantees and other required documents, to the exchange agent at its address on the back cover page of this prospectus and consent solicitation statement.

If ATOP procedures are followed, DTC will verify each acceptance transmitted to it, execute a book-entry delivery to the exchange agent's account at DTC and send an agent's message to the exchange agent. An agent's message is a message, transmitted by DTC to and received by the exchange agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgement from a DTC participant tendering HLI notes that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and Consent and that HFSG and HLI may enforce the agreement against the participant. DTC participants following this procedure should allow sufficient time for completion of the ATOP procedures prior to the expiration date of the exchange offers.

The Letter of Transmittal and Consent (or facsimile thereof), with any required signature guarantees, or (in the case of book-entry transfer) an agent's message in lieu of the Letter of Transmittal and Consent, and any other required documents, must be transmitted to and received by the exchange agent prior to the expiration date at its address set forth on the back cover page of this prospectus and consent solicitation statement. Delivery of such documents to DTC or us does not constitute delivery to the exchange agent.

**Proper Execution and Delivery of the Letter of Transmittal and Consent**

If you wish to participate in either or both exchange offers and consent solicitations, delivery of your HLI notes and other required documents are your responsibility. Delivery is not complete until the required items are actually received by the exchange agent. If you mail these items, we recommend that you use registered mail properly insured with return receipt requested, and mail the required items sufficiently in advance of the expiration date to allow sufficient time to ensure timely delivery.

Signatures on the Letter of Transmittal and Consent must be guaranteed by a firm that is a participant in the Security Transfer Agents Medallion Program or the Stock Exchange Medallion Progra