HARTFORD FINANCIAL SERVICES GROUP INC/DE
Form 424B5
October 02, 2006

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-108067

Prospectus Supplement
September 28, 2006
(To Prospectus dated December 3, 2003)

$1,000,000,000
[THE HARTFORD LOGO]
The Hartford Financial Services Group, Inc.
$400,000,000 5.25% Senior Notes due 2011
$300,000,000 5.50% Senior Notes due 2016
$300,000,000 5.95% Senior Notes due 2036

We are offering $400,000,000 aggregate principal amount of our 5.25% senior notes due October 15, 2011, $300,000,000 aggregate principal amount of our 5.50% senior notes due October 15, 2016 and $300,000,000 aggregate principal amount of our 5.95% senior notes due October 15, 2036. We will pay interest on these notes semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2007.

The senior notes may be redeemed at our option, at any time in whole or from time to time in part, as described in this prospectus supplement under the caption Description of the Notes Optional Redemption.

The senior notes will be our unsecured senior obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

	Per 2011 Note	**Total**	**Per 2016 Note**	**Total**	**Per 2036 Note**	**Total**
Public offering price(1)	99.893%	$ 399,572,000	99.814%	$ 299,442,000	99.360%	$ 298,080,000
Underwriting discounts	0.600%	$ 2,400,000	0.650%	$ 1,950,000	0.875%	$ 2,625,000
Proceeds, before expenses, to The Hartford(1)	99.293%	$ 397,172,000	99.164%	$ 297,492,000	98.485%	$ 295,455,000

(1) Plus accrued interest, if any, from October 3, 2006, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any other securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the senior notes only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./ N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, on or about October 3, 2006.

Joint Book-Running Managers

Banc of America Securities LLC
Merrill Lynch & Co.
Wachovia Securities

Co-Managers for the Notes

BB&T Capital Markets

RBS Greenwich Capital

SunTrust Robinson Humphrey

Wells Fargo Securities

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Prospectus Supplement

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You should rely only on information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus with respect to the offerings filed by us with the Securities and Exchange Commission or information to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to the offerings filed by us with the Securities and Exchange Commission and the documents incorporated by reference herein and therein is only accurate as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are offering to sell, and are seeking offers to buy, the senior notes (the senior notes or the notes) only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the senior notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the senior notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any senior notes offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes offerings and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to the offerings.

If the description of the offerings varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to The Hartford, we, us and our or similar terms are to The Hartford Financial Services Group, Inc. and its subsidiaries.

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FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus 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 June 30, 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;

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.

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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, or Hartford Fire, founded in 1810, is the oldest of our subsidiaries. Our companies write insurance and reinsurance in the United States and internationally. At June 30, 2006, our total assets were $294.9 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 our subsidiary, Hartford Life, Inc. (HLI), without prior approval from the applicable insurance commissioner. Through September 27, 2006, The Hartford and HLI received a combined total of $583 million in dividends from their insurance subsidiaries.

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 senior 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 June 30, 2006, claims by policyholders for benefits payable amounting to $103.0 billion, claims by separate account holders of $156.5 billion, and other liabilities including claims of trade creditors, claims from guaranty associations and claims from holders of debt obligations amounting to $16.1 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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RECENT DEVELOPMENTS

On August 16, 2006, we settled the purchase contracts that were originally issued in May 2003 as components of our 13,800,000 7% Equity Units. Pursuant to the mandatory settlement terms of the purchase contracts, we issued 12,128,503 shares of our common stock and received proceeds of $689,825,000. We used the proceeds from the stock issuance plus cash on hand to repay $690 million of commercial paper.

On August 16, 2006, we remarketed $330,000,000 aggregate principal amount of our senior notes due November 16, 2008, which were originally issued in September 2002 as components of our 6,600,000 6% Equity Units. $329,437,079 of the proceeds from the notes remarketing were used to purchase a portfolio of U.S. Treasury securities maturing on or before November 16, 2006, which will secure the unit holders obligations in connection with the mandatory settlement of the purchase contracts associated with the 6% Equity Units.

On September 6, 2006, we commenced exchange offers and consent solicitations to holders of HLI s $250,000,000 outstanding principal amount of 7.65% Debentures due 2027 and $400,000,000 outstanding principal amount of 7.375% Senior Notes due 2031, which we refer to together as the HLI notes, offering to exchange, for each $1,000 principal amount of HLI notes, $1,000 principal amount of new senior notes due 2041 issued by us, or the HFSG notes , and cash in an amount equal to the difference between (i) the discounted present value of the remaining payments of principal and interest on $1,000 principal amount of the relevant series of HLI notes through maturity, minus, in the case of HLI notes tendered after 5:00 p.m., New York City time, on September 19, 2006, an early consent payment of $30, and (ii) the discounted present value of the payments of principal and interest on $1,000 principal amount of HFSG notes through maturity, in each case, as determined in accordance with the Prospectus and Consent Solicitation Statement dated September 5, 2006 filed with the Securities and Exchange Commission on Form S-4 (Registration File No. 333-135608), or the Exchange Offer and Consent Solicitation Statement , plus accrued and unpaid interest on the HLI notes. In connection with the exchange offers, we are also seeking consents to amend the indentures governing the HLI notes to eliminate HLI s obligation to file reports with the Securities and Exchange Commission or otherwise provide reports to holders of HLI notes absent a requirement to file such reports under applicable law. As of 5:00 p.m., New York City time, on September 19, 2006, $100,962,000 aggregate principal amount of 7.65% Debentures due 2027 and $302,095,000 aggregate principal amount of 7.375% Senior Notes due 2031 had been validly tendered and not withdrawn. As of September 27, 2006, an additional $125,000 aggregate principal amount of 7.65% Debentures due 2027 had been tendered into the exchange offer for such series of notes. On September 25, 2006, we commenced a supplementary consent solicitation with respect to the 7.65% Debentures due 2027 that have not been tendered in the exchange offers to give holders of the 7.65% Debentures due 2027 the opportunity to consent to the proposed amendment to the indenture governing such notes without having to exchange their 7.65% Debentures due 2027 for HFSG notes. The consent fee being offered in connection with the supplementary consent solicitation is $3.00 per $1,000 principal amount of such notes as to which a separate consent is validly delivered by such holder and accepted by us prior to the expiration of the supplementary consent solicitation period at 5:00 p.m., New York City time, on September 29, 2006. The exchange offers will expire at 12:00 midnight, New York City time, on October 3, 2006, unless extended by us, and are subject to certain closing conditions.

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USE OF PROCEEDS

We expect the net proceeds from the offerings of our senior notes to be approximately $988.9 million, after deducting underwriting discounts and the estimated expenses of the offerings that we will pay. We intend to use the net proceeds for: (i) the redemption of $500 million aggregate principal amount of our 7.45% Junior Subordinated Deferrable Interest Debentures due 2050 underlying all outstanding 7.45% Trust Originated Preferred Securities, Series C, issued by Hartford Capital III; (ii) the pre-funding of $200 million of payments due at the maturity of HLI s 7.10% Notes, due June 15, 2007, of which $200 million are outstanding; and (iii) the paydown of approximately $200 million of our approximately $498 million commercial paper portfolio, which consists of instruments maturing between October 2006 and December 2006 with a weighted average interest rate of 5.42% as of September 27, 2006. The remainder of the net proceeds will be used for general corporate purposes.

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CAPITALIZATION

The following table sets forth as of June 30, 2006 on a consolidated basis:

our actual capitalization; and

our capitalization as adjusted to give effect to the consummation of the sale of the senior notes in the offerings and the application of the net proceeds from the offerings, as described under Use of Proceeds .

The following data is qualified in its entirety by our consolidated financial statements and the related notes and other information contained elsewhere in this prospectus supplement and the accompanying prospectus, or incorporated by reference.

	As of June 30, 2006	
	Actual	**As Adjusted**
	(unaudited, in millions)	
Short-Term Debt		
Commercial Paper(1)	$ 984	$ 786
Current maturities of long-term debt(2)	400	400
Total Short-Term Debt	1,384	1,186
Long-Term Debt		
Senior Notes (other than the notes offered hereby) and Debentures(3)	2,892	2,892
5.25% Senior Notes due October 15, 2011		400
5.50% Senior Notes due October 15, 2016		300
5.95% Senior Notes due October 15, 2036		300
Junior Subordinated Debentures	488	
Total Long-Term Debt	3,380	3,892
Total Debt	4,764	5,078
Stockholders Equity		
Common Stock (par value $0.01 per share; 750 million shares authorized; 307 million shares issued)(1)	3	3
Additional paid-in capital(1)	5,183	5,183
Retained earnings	11,167	11,167
Treasury stock, at cost (3 million shares)	(46)	(46)
Accumulated other comprehensive income (loss)	(924)	(924)
Total Stockholders Equity	15,383	15,383
Total Capitalization	$ 20,147	$ 20,461

(1) On August 16, 2006, we issued 12,128,503 shares of our common stock in connection with the settlement of purchase contracts originally issued in May 2003 as components of our 13,800,000 7% Equity Units. We received

proceeds of $689,825,000 from the issuance of our common stock in settlement of the forward purchase contracts. We used the proceeds from the stock issuance plus cash on hand to repay $690 million of commercial paper, including the $200 million of commercial paper issued to finance the redemption of HLI s 7.625% Junior Subordinated Deferrable Interest Debentures due 2050 described in footnote (2) below. None of these transactions are reflected in the capitalization table above.

(2) On July 14, 2006, we redeemed $200 million of HLI s 7.625% Junior Subordinated Deferrable Interest Debentures due 2050, underlying all outstanding 7.625% Trust Preferred Securities, Series B, of Hartford Life Capital II. This debt was reclassified from long-term to short-term debt in the quarter ended June 30, 2006. The redemption is not reflected in the capitalization table above.

(3) On September 6, 2006, we commenced exchange offers to holders of HLI s $250,000,000 outstanding principal amount of 7.65% Debentures due 2027 and $400,000,000 outstanding principal amount of 7.375% Senior Notes due 2031, offering to exchange, for each $1,000 of HLI notes, $1,000 principal amount of new HFSG notes and cash, plus unpaid and accrued interest on the HLI notes. We intend to fund the cash and accrued interest payable in connection with the exchange offers with available cash. Cash paid to holders of HLI notes in connection with the exchange offers will be reflected on our balance sheet as a reduction of long-term debt. Assuming that we exchange new HFSG notes for the $403,182,000 of HLI notes tendered as of September 27, 2006, Senior Notes (other than

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the notes offered hereby) and Debentures in the capitalization table above would have been reduced by $87 million, with the cash payment calculated in accordance with the Exchange Offer and Consent Solicitation Statement using the bid-side yield to maturity of the 4.50% U.S. Treasury Security due February 15, 2036 on September 27, 2006. Neither this reduction nor the new HFSG notes to be issued in the exchange offers are reflected in the capitalization table above.

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RATIO OF EARNINGS TO TOTAL FIXED CHARGES

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.

	Six Months Ended June 30,		Year Ended December 31,				
	2006	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
	(in millions, except for ratios)						
Income (loss) from Operations before Federal Income Taxes and Cumulative Effect of Accounting Changes	$ 1,589	$ 1,741	$ 2,985	$ 2,523	$ (550)	$ 1,068	$ 341
Add:							
Fixed Charges							
Interest expense	137	127	252	251	271	265	295
Interest factor attributable to rentals and other	37	34	69	64	76	73	72
Interest credited to contractholders	335	1,446	5,671	2,481	1,120	1,048	1,050
Total fixed charges	509	1,607	5,992	2,796	1,467	1,386	1,417
Total fixed charges excluding interest credited to contractholders	174	161	321	315	347	338	367
Earnings, as defined	2,098	3,348	8,977	5,319	917	2,454	1,758
Earnings, as defined, less interest credited to contractholders	$ 1,763	$ 1,902	$ 3,306	$ 2,838	$ (203)	$ 1,406	$ 708
Ratios							
Earnings, as defined, to total fixed charges(1)(2)	4.1	2.1	1.5	1.9	NM	1.8	1.2
Earnings, as defined, less interest credited to contractholders, to total fixed charges excluding interest credited to contractholders(1)(3)(4)	10.1	11.8	10.3	9.0	NM	4.2	1.9
Deficiency of earnings, as defined, 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 is primarily due to a before-tax charge of $2.6 billion related to our 2003 asbestos reserve addition.

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SELECTED FINANCIAL INFORMATION

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 Deloitte & Touche LLP, our independent registered public accounting firm. The selected income statement data and the selected balance sheet data at and for the six months ended June 30, 2006 and 2005 were derived from our unaudited consolidated financial statements which have been reviewed by Deloitte & Touche LLP 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 supplement by reference.

	Six Months Ended		Year Ended December 31,				
	June 30, 2006	June 30, 2005	2005	2004	2003	2002	2001
	(in millions, except for per share data and combined ratios)						
Income Statement Data							
Total Revenues	$ 11,514	$ 12,066	$ 27,083	$ 22,708	$ 18,719	$ 16,410	$ 15,980
Income (loss) before cumulative effect of accounting changes(1)	$ 1,204	$ 1,268	$ 2,274	$ 2,138	$ (91)	$ 1,000	$ 541
Net income (loss)(1)(2)	$ 1,204	$ 1,268	$ 2,274	$ 2,115	$ (91)	$ 1,000	$ 507
Balance Sheet Data							
Total Assets	$ 294,938	$ 268,382	$ 285,557	$ 259,735	$ 225,850	$ 181,972	$ 181,950
Long-term debt	$ 3,380	$ 4,061	$ 4,048	$ 4,308	$ 4,610	$ 4,061	$ 3,374
Total stockholders equity	$ 15,383	$ 15,590	$ 15,325	$ 14,238	$ 11,639	$ 10,734	$ 9,013
Earnings (Loss) Per Share Data							
Basic earnings (loss) per share(1)							
Income (loss) before cumulative effect of accounting changes(1)	$ 3.98	$ 4.28	$ 7.63	$ 7.32	$ (0.33)	$ 4.01	$ 2.27
Net income (loss)(1)(2)	$ 3.98	$ 4.28	$ 7.63	$ 7.24	$ (0.33)	$ 4.01	$ 2.13
Diluted earnings (loss) per share(1)(3)							
Income (loss) before cumulative effect of accounting changes(1)	$ 3.86	$ 4.19	$ 7.44	$ 7.20	$ (0.33)	$ 3.97	$ 2.24
Net income (loss)(1)(2)	$ 3.86	$ 4.19	$ 7.44	$ 7.12	$ (0.33)	$ 3.97	$ 2.10
	$ 0.80	$ 0.58	$ 1.17	$ 1.13	$ 1.09	$ 1.05	$ 1.01

Dividends declared per common share

Other Data