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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: _____ to _____

Commission file number: 1-13754

THE HANOVER INSURANCE GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**04-3263626**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

440 Lincoln Street, Worcester, Massachusetts 01653
(Address of principal executive offices) (Zip Code)

(508) 855-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $.01 par value	THG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Based on the closing sales price of June 30, 2025, the aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was $6,046,846,082.

The number of shares outstanding of the registrant's common stock, $0.01 par value, was 35,149,316 shares as of February 18, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of The Hanover Insurance Group, Inc.'s Proxy Statement to be filed pursuant to Regulation 14A relating to the 2026 Annual Meeting of Shareholders to be held May 12, 2026 are incorporated by reference in Part III.

THE HANOVER INSURANCE GROUP, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025
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PART I

ITEM 1 — BUSINESS

ORGANIZATION

The Hanover Insurance Group, Inc. ("THG" or the "Company") is a holding company organized as a Delaware corporation in 1995. We trace our roots to as early as 1852, when The Hanover Fire Insurance Company was founded. Our primary business operations are property and casualty insurance products and services. We market our products and services through independent agents and brokers in the United States ("U.S."). Our consolidated financial statements include the accounts of THG; The Hanover Insurance Company ("Hanover Insurance") and Citizens Insurance Company of America ("Citizens"), which are our principal property and casualty subsidiaries; and other insurance and non-insurance subsidiaries.

INFORMATION ABOUT SEGMENTS

GENERAL

We conduct our business operations through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Interest expense related to our corporate debt is reported separately from the earnings of these reporting segments. In our Core Commercial, Specialty and Personal Lines segments, we underwrite our insurance products through Hanover Insurance, Citizens and other THG subsidiaries. We distribute them through select independent agents and brokers throughout the U.S. Our Other segment is comprised primarily of earnings and expenses related to our holding company.

Our agency and customer-centric strategy focuses on providing specialized insurance products and services with an emphasis on disciplined underwriting and pricing, quality claims handling and customer service. We continue to prudently grow and diversify our product offerings and geographic business mix to strengthen our position as one of the top property and casualty insurers focused on the independent agency distribution channel in the U.S. In 2025, we generated approximately $6.3 billion in net premiums written, an increase of 3.9% from the prior year.

Information with respect to each of our segments is included in "Results of Operations - Segments" in Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion and Analysis") and in Note 12 - "Segment Information" in the Notes to Consolidated Financial Statements.

RISKS

The industry's and our profitability are significantly affected by numerous factors, including price; competition; volatile and unpredictable developments, such as weather conditions, catastrophes and other disasters; legal and regulatory developments affecting pricing, underwriting, policy coverage and other aspects of doing business, as well as insurer and insureds' liability; extra-contractual liability; attorney involvement in claims matters; size of jury awards; civil unrest; acts of terrorism; fluctuations in interest rates and the value of investments; and other general economic conditions and trends, such as potential recessionary pressures and inflationary pressure, tariffs, or unemployment, that may affect the adequacy of reserves or the demand for insurance products. Our investment portfolio and its future returns are impacted by the capital markets and current economic conditions, which affect our liquidity, realized losses and impairments, credit default levels, our ability to hold such investments until recovery and other factors. Additionally, the economic conditions in geographic locations where we conduct business, especially those locations where our business is concentrated, affect the growth and profitability of our business. The regulatory environments in those locations, including any pricing, underwriting or product restrictions, shared market mechanisms or mandatory pooling arrangements, and other conditions, such as our agency relationships, affect the growth and profitability of our business. Our loss and loss adjustment expense ("LAE") reserves are based on estimates, principally involving case assessments and actuarial projections, at a given time, of what we expect the ultimate settlement and administration of claims will cost based on facts and circumstances then known, predictions of future events, estimates of future trends in claims frequency and severity and judicial theories of liability, social inflation, costs of repairs and replacement, legislative activity, legal system abuse, and other factors. We regularly reassess our estimate of loss reserves and LAE, both for current and past years, and resulting changes have and will affect our reported profitability and financial position.

Pressure from litigation trends, legal system abuse, and general and social inflation in the U.S. economy in recent years, along with other factors outside our control, have resulted in higher claims costs. The severity, duration, and long-term effects of such uncertainties may affect the property and casualty insurance industry, our business, and our financial results over the intermediate and long-term.

Reference is also made to "Risk Factors" in Part I – Item 1A.

LINES OF BUSINESS

Core Commercial

Our Core Commercial segment generated $2.4 billion, or 36.4%, of consolidated operating revenues and $2.3 billion, or 36.0%, of net premiums written, for the year ended December 31, 2025.

The following table provides net premiums written by line of business for our Core Commercial segment.

YEAR ENDED DECEMBER 31, 2025	Net Premiums Written	% of Total
(in millions, except ratios)		
Commercial multiple peril	$ 1,159.2	51.0%
Commercial automobile	427.3	18.8
Workers' compensation	418.7	18.4
Other core commercial	268.5	11.8
Total	$ 2,273.7	100.0%

We divide Core Commercial into two businesses, small commercial and middle market, both of which focus on account business.

Our Core Commercial product suite provides agents and customers with products designed for small and mid-sized businesses. Small commercial offerings, which generally include annual policy premiums up to $50,000, deliver value through product expertise, local presence and ease of doing business. Middle market accounts, with annual premiums, per policy, generally in the range of $50,000 to $500,000, deliver value through greater underwriting and claim expertise, as well as a focus on distinct industry segments.

Core Commercial coverages include:

Commercial multiple peril coverage insures businesses against third-party general liability from accidents occurring on their premises or arising out of their operations, such as injuries sustained from products and services sold. It also insures business property for damage, such as that caused by fire, wind, hail, water damage (which may include flood), theft and vandalism.

Commercial automobile coverage insures businesses against losses incurred from personal bodily injury, bodily injury to third parties, property damage to an insured’s vehicle, and property damage to other vehicles and property. Commercial automobile policies are often written in conjunction with other commercial policies.

Workers’ compensation coverage insures employers against employee medical and indemnity claims resulting from injuries related to work. Workers’ compensation policies are often written in conjunction with other commercial policies.

Other core commercial coverage includes commercial umbrella, monoline general liability, claims-made liability and monoline property coverages.

Our strategy in Core Commercial is focused on strengthening and expanding our market reach through differentiated product offerings, industry segmentation, and franchise value through selective distribution. We continue to make enhancements to our products and technology platforms that are intended to drive more account placements in our small commercial and middle market businesses. In small commercial, we continue to expand our utilization of our TAP Sales agent quote and issue platform, which makes it easier and more efficient for our agents to do business with us, leveraging our agency analytics capabilities, comprehensive service center offering, and full suite of digital self-service tools. In middle market, we maintained our focus on specialized industry segments, a key area of market differentiation. We continued to grow our most profitable industry segments, such as technology, human services and educational institutions, taking a measured approach in more challenging segments. We also capitalized on the strength of our localized field structure, creating a competitive advantage in sourcing new business, as well as our robust claims and risk management capabilities.

We believe our small commercial capabilities and distinctiveness in the middle market, including our diversified portfolio of products, enable us to deliver significant value to our agents and policyholders. We believe these efforts will enable us to continue to improve the overall mix of our business and ultimately our underwriting profitability.

Specialty

Our Specialty segment generated $1.5 billion, or 22.7%, of consolidated operating revenues and $1.4 billion, or 22.8%, of net premiums written, for the year ended December 31, 2025.

The following table provides net premiums written by division of business for our Specialty segment.

YEAR ENDED DECEMBER 31, 2025	Net Premiums Written	% of Total
(in millions, except ratios)		
Professional and Executive Lines	$ 461.9	32.0%
Marine	458.2	31.8
Specialty Property & Casualty	420.8	29.2
Surety and Other	100.6	7.0
Total	$ 1,441.5	100.0%

Specialty offers a comprehensive suite of products focused predominately on small to mid-sized businesses. This includes numerous specialized products that are organized into four distinct divisions:

Professional and Executive Lines coverage is primarily composed of professional, management, and medical liability, which provides protection for directors, officers and other employees of companies that may be sued in connection with their performance, and errors and omissions protection to companies and individuals against negligence or bad faith, as well as protection for employment practices liability.

Marine coverage includes inland and ocean marine, and insures businesses against physical losses to property, such as contractor's equipment, builders' risk and goods in transit, and also covers jewelers block, fine art and other valuables.

Specialty Property & Casualty is comprised of:

- *Hanover Programs* business, which offers coverage to markets where there are specialty underwriting or risk management needs related to groups of similar businesses and organizations;
- *Excess & Surplus* business, which includes non-admitted general liability and property coverage to risks outside of the appetite of standard commercial lines;
- *Hanover Specialty Industrial* business, which provides property insurance to small and medium-sized chemical, paint, solvent and other manufacturing and distribution companies, and fire and allied lines coverages; and
- *Specialty General Liability* business, which encompasses admitted coverages for higher hazard liability risks.

Surety and Other includes coverage for construction and other firms, as well as sole proprietors in the event of claims for non-performance or non-payment, and commercial surety coverage related to fiduciary or regulatory obligations.

We have continued to invest in our Specialty businesses, refining our broad product offering, focusing on the lower-end of the risk and account-sized spectrum, leveraging our highly regarded service center, which has been, and we expect will continue to be, a critical growth lever for us. We have developed a robust, diversified and profitable Specialty segment that we believe represents a distinct competitive advantage, with nine dedicated businesses and 18 distinct product areas.

We believe that this distribution of Specialty products, primarily through retail agents supplemented by select specialists helps to enhance our overall agent value and increase growth opportunities by providing agents easier access to placement solutions for Specialty needs, including those that complement Core Commercial accounts.

Personal Lines

Our Personal Lines segment generated $2.7 billion, or 40.6%, of consolidated operating revenues and $2.6 billion, or 41.2%, of net premiums written, for the year ended December 31, 2025.

The following table provides net premiums written by line of business for our Personal Lines segment.

YEAR ENDED DECEMBER 31, 2025 *(in millions, except ratios)*	Net Premiums Written	% of Total
Personal automobile	$ 1,489.9	57.2%
Homeowners and Other	1,117.0	42.8
Total	$ 2,606.9	100.0%

Personal Lines coverages include:

Personal automobile coverage insures individuals against losses incurred from personal bodily injury, bodily injury to third parties, property damage to an insured's vehicle, and property damage to other vehicles and other property.

Homeowners and other personal lines coverages insure individuals for losses related to:

- residences and personal property, such as those caused by fire, wind, hail, water damage (excluding flood), theft and vandalism;
- liability claims by a third-party for bodily injury and/or property damage experienced at residences; and
- personal umbrella, inland marine (jewelry, art, etc.), fire, personal watercraft, personal cyber and other miscellaneous coverages.

Our strategy in Personal Lines is to provide account–oriented business (i.e., writing both an insured's automobile and homeowners insurance, along with other Personal Lines coverages, when applicable) through select independent agents, with a focus on increasing geographic diversification. The market for our Personal Lines business is very competitive, with continued pressure on independent agents from direct insurance writers, as well as from the increased usage of real time comparative rating tools and increasingly sophisticated rating and pricing tools. We maintain a focus on working with high quality, value-added agents that stress the importance of consultative selling and account rounding (the conversion of single policy customers to accounts with multiple policies and/or additional coverages, to address customers' broader objectives). We are focused on making business investments that are intended to help us maintain profitability, build a distinctive position in the market, deliver value to agents and customers, and provide us with profitable growth opportunities. We continue to refine our products and to work closely with these high-potential agents to increase the percentage of business they place with us and to ensure that it is consistent with our preferred mix of business. Additionally, we remain focused on further diversifying our geographic mix beyond our largest historical core states of Michigan and Massachusetts. We expect these efforts to decrease our risk concentrations and our dependency on these states, as well as to contribute to improved profitability over time.

Other

The Other segment primarily includes earnings on holding company assets; holding company and other expenses, including certain costs associated with retirement benefits related to employees and agents of our former life insurance subsidiaries; and our run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty pools, and run-off product liability business.

MARKETING AND DISTRIBUTION

We serve a variety of standard, specialty and targeted industry markets. Consistent with our objective to diversify our underwriting risks on a geographic and line of business basis, our business is currently comprised of approximately 41% Personal Lines, 36% Core Commercial, and 23% Specialty. Core Commercial, including our small and middle market businesses, Personal Lines and the majority of our Specialty business distribute our products primarily through a network of independent agents.

Core Commercial, Specialty and Personal Lines

Our Core Commercial, Specialty and Personal Lines independent agency distribution and field structure are designed to maintain a strong focus on local markets and the flexibility to respond to specific market conditions. During 2025, we wrote 18.7% of our Core Commercial, Specialty and Personal Lines business in Michigan and 8.0% in Massachusetts. Our localized field management structure is a key factor in the establishment and maintenance of productive, long-term relationships with well-established independent agencies. We maintain 33 local offices across 23 states. The majority of processing support for these field locations is provided from our Worcester, Massachusetts; Howell, Michigan; Salem, Virginia; and Windsor, Connecticut offices.

Independent agents account for substantially all of the sales of our Core Commercial and Personal Lines property and casualty products, and the majority of our Specialty products. However, some Specialty business, such as Hanover Programs, is also distributed through managing general agents or wholesale distributors who have expertise in the industries served or products offered. We appoint agencies based on profitability, track record, financial stability, growth potential, professionalism and business strategy. Once appointed, we monitor their performance and, subject to legal and regulatory requirements, may take actions as necessary to change these business relationships, such as discontinuing the authority of the agent to underwrite certain products, or revising commissions or bonus opportunities. We compensate agents primarily through base commissions and bonus plans that are tied to an agency's premiums written, growth and profitability.

We are licensed to sell property and casualty insurance in all fifty states in the U.S., as well as in the District of Columbia and the Commonwealth of Puerto Rico. Throughout the U.S., we actively market Core Commercial and Specialty policies in 44 states and the District of Columbia, and Personal Lines policies in 19 states.

The following table provides our top Core Commercial, Specialty and Personal Lines geographical markets based on total net premiums written in each state in 2025.

YEAR ENDED DECEMBER 31, 2025	Core Commercial		Specialty		Personal Lines		Total	
(in millions, except ratios)	Net Premiums Written	% of Total	Net Premiums Written	% of Total	Net Premiums Written	% of Total	Net Premiums Written	% of Total
Michigan	$ 127.1	5.6%	$ 55.1	3.8%	$ 998.6	38.3%	$ 1,180.8	18.7%
Massachusetts	141.9	6.2	64.0	4.4	300.6	11.5	506.5	8.0
New York	154.0	6.8	101.4	7.0	227.4	8.7	482.8	7.6
California	271.2	11.9	180.2	12.5	—	—	451.4	7.1
Illinois	128.5	5.6	60.4	4.2	137.7	5.3	326.6	5.2
Texas	167.6	7.4	140.1	9.7	—	—	307.7	4.9
New Jersey	120.7	5.3	61.2	4.3	101.8	3.9	283.7	4.5
Georgia	103.5	4.5	50.6	3.5	98.1	3.8	252.2	4.0
Connecticut	50.0	2.2	24.0	1.7	151.0	5.8	225.0	3.5
Virginia	81.0	3.6	36.0	2.5	61.7	2.4	178.7	2.8
Wisconsin	55.2	2.4	25.4	1.8	84.3	3.2	164.9	2.6
Pennsylvania	60.5	2.7	37.7	2.6	63.6	2.4	161.8	2.6
Maine	53.7	2.4	17.3	1.2	74.6	2.9	145.6	2.3
Maryland	60.3	2.7	24.5	1.7	39.8	1.5	124.6	2.0
Tennessee	36.9	1.6	33.7	2.3	49.6	1.9	120.2	1.9
North Carolina	72.2	3.2	45.5	3.2	1.3	0.1	119.0	1.9
Ohio	34.6	1.5	34.0	2.4	41.4	1.6	110.0	1.7
Minnesota	72.1	3.2	35.7	2.5	—	—	107.8	1.7
Indiana	43.6	1.9	26.5	1.8	37.5	1.4	107.6	1.7
Florida	36.4	1.6	62.6	4.3	—	—	99.0	1.6
New Hampshire	32.7	1.4	11.1	0.8	51.9	2.0	95.7	1.5
Other	370.0	16.3	314.5	21.8	86.0	3.3	770.5	12.2
Total	$ 2,273.7	100.0%	$ 1,441.5	100.0%	$ 2,606.9	100.0%	$ 6,322.1	100.0%

We manage our Core Commercial and Specialty business portfolio with a focus on growth from the most profitable industry segments within our underwriting expertise. Our Core Commercial business is generally comprised of several complementary commercial lines of business, consisting of small and middle market accounts, which include targeted industry segments. Additionally, in our Specialty segment, we have multiple specialty lines of business. We seek to maintain strong agency relationships as an approach to secure and retain our agents' best accounts. We monitor the quality of our business written through ongoing quality reviews, accountability for which is shared at the local, regional and corporate levels.

We manage our Personal Lines business with a focus on acquiring and retaining preferred accounts. Currently, approximately 89% of our policies in force are account business. Approximately 50% of our Personal Lines net premiums written is generated in the combined states of Michigan and Massachusetts. In Michigan, based upon direct premiums written for 2025, we underwrite approximately 6% of the state's total personal lines market.

Approximately 62% of our Michigan Personal Lines net premiums written is in the personal automobile line and 35% is in the homeowners line. Michigan business represents approximately 41% of our total personal automobile net premiums written and approximately 35% of our total homeowners net premiums written. In Michigan, we are a prominent market for many of our appointed agencies, averaging an approximate $2.9 million of total direct premiums written, per agency, in 2025.

In 2019, Michigan enacted major reforms of its system governing personal and commercial automobile insurance, especially related to automobile Personal Injury Protection ("PIP") coverage. We believe that we are effectively executing to the reformed system and expect to navigate this market successfully. As of December 31, 2025, the net impact of these reforms was not significant to our total net premiums written and underwriting profit. For the full year 2025, net premiums written that were attributable to PIP coverage in Michigan were $110.1 million, or approximately 1.7% of our total consolidated full year 2025 net premiums written, while Michigan personal automobile net premiums written were $615.5 million, or approximately 9.7% of our total consolidated full year 2025 net premiums written. See also "Risk Factors" in Part I – Item 1A.

Approximately 63% of our Massachusetts Personal Lines net premiums written is in the personal automobile line and 33% is in the homeowners line. Massachusetts business represents approximately 13% of our total personal automobile net premiums written and approximately 10% of our total homeowners net premiums written.

We sponsor local and national agent advisory councils to gain the benefit of our agents' insight and enhance our relationships. These councils and our other strong agency relationships provide market and operational feedback, input on the development of products and services, guidance on marketing efforts, support for our strategies, and assist us in enhancing our local market presence.

PRICING AND COMPETITION

The property and casualty insurance industry is a very competitive market. In our Core Commercial, Specialty and Personal Lines segments, we market and distribute through independent agents and brokers, and compete for business on the basis of product, price, agency and customer service, local relationships, ratings and effective claims handling, among other things. Our competitors include national, international, regional and local companies that sell insurance through various distribution channels, including independent agencies, captive agency forces, brokers, and direct to consumers, through the internet or otherwise. They also include mutual insurance companies, reciprocals and exchanges. We believe that our emphasis on maintaining strong agency relationships and a local presence in our markets, coupled with investments in products, operating efficiency, technology and effective claims handling, enable us to differentiate ourselves and compete more effectively. Our broad product offerings in Core Commercial and Specialty, and total account strategy in Personal Lines, are instrumental to our ability to capitalize on these relationships and improve profitability.

We seek to achieve targeted combined ratios in each of our product lines. Targets vary by product and geography and change with market conditions. The targeted combined ratios reflect competitive market conditions, investment yield expectations, our loss payout patterns and target returns on equity. This approach is intended to enable us to achieve measured growth and consistent profitability.

For all major product lines in the Core Commercial, Specialty and Personal Lines segments, we employ pricing teams that produce exposure and experience-based rating models, some of which require regulatory approval, to support underwriting and pricing decisions. In addition, we seek to utilize our understanding of local markets to achieve superior underwriting results. We rely on market information provided by our local agents and on the knowledge of staff in the local branch offices. Since we maintain a strong local presence in many regions and a significant market share in a number of states, we can better apply our knowledge and experience in making underwriting and rate setting decisions. Also, we seek to gather objective and verifiable information at a policy level during the underwriting process, including prior loss experience, past driving records and, where permitted, credit histories.

CLAIMS MANAGEMENT

Claims management includes the receipt of initial loss notifications, generation of appropriate responses to claim reports, loss appraisals, identification and handling of coverage issues, determination of whether further investigation is required, retention of legal representation, where appropriate, establishment of case reserves, approval of loss payments, and notification to reinsurers. Part of our strategy focuses on efficient, timely and fair claim settlements to meet customer service expectations and maintain valuable independent agent relationships. Additionally, effective claims management is important to our business since claim payments and related loss adjustment expenses are our largest expenditures.

We utilize experienced claims adjusters, appraisers, medical specialists, managers and attorneys to manage our claims. Our property and casualty operations have both virtual and field claims adjusters located throughout the states and regions in which we do business. Claims staff members often work closely with the independent agents who bound the policies under which coverage is claimed. Claims adjusting staff are supported by general adjusters for large property and casualty losses, by automobile and heavy equipment damage appraisers for automobile material damage losses, and by medical specialists whose principal concentration is on workers' compensation and automobile injury cases. Additionally, the claims staff are supported by staff attorneys who specialize in litigation defense and claim settlements. We have a catastrophe response team to assist policyholders impacted by severe weather events. This team mobilizes quickly to impacted regions, often in advance for a large tracked storm, to support our local claims adjusters and facilitate a timely response to resulting claims. We also maintain a special unit that investigates suspected insurance fraud and abuse. We utilize claims processing technology, such as customer self-service applications and photo analytics technology, that enables most of the smaller and more routine Personal Lines claims to be processed at centralized locations.

CATASTROPHES

We are subject to claims arising out of catastrophes, which historically have had a significant impact on our results of operations and financial condition. Coverage for such events is a core part of our business, and we expect to experience catastrophe losses in the future, which could have a material adverse impact on our financial results. Catastrophes can be caused by various natural events including, among others, hurricanes, tornadoes and other windstorms, hail, flood, earthquakes, severe winter weather and other convective storms, fire, and explosions. Catastrophes can also be caused by various manmade events including, among others, fire, explosions, riots and terrorism. The incidence and severity of catastrophes are volatile and difficult to predict.

We endeavor to manage our catastrophe risks through underwriting procedures, including the use of deductibles and specific restrictions for flood and earthquake coverage, subject to regulatory restrictions and competitive pressures, and through geographic exposure management and reinsurance. Our catastrophe reinsurance program is structured to protect us on a per-occurrence basis. We monitor geographic location and coverage concentrations with a view toward managing corporate exposure to catastrophic events. Although catastrophes can cause losses in a variety of property and casualty lines, commercial multiple peril and homeowners property coverages have, in the past, generated the majority of catastrophe-related claims.

REINSURANCE

Reinsurance Program Overview

We maintain ceded reinsurance programs designed to protect against large or unusual loss and LAE activity. We utilize a variety of proportional and non-proportional reinsurance agreements, which are intended to control our individual policy and aggregate exposure to large property and casualty losses, stabilize earnings and protect capital resources. These programs include facultative reinsurance (to limit exposure on a specified risk); specific excess and proportional treaty reinsurance (to limit exposure on individual policies or risks within specified classes of business); and catastrophe excess of loss reinsurance (to limit exposure to any one event that might impact more than one individual policy). Our proportional reinsurance consists of quota share reinsurance agreements and our non-proportional reinsurance includes excess of loss and stop loss reinsurance agreements.

Catastrophe reinsurance is designed to protect us, as the ceding insurer, from significant losses arising from a single natural or manmade event including, among others, hurricanes, tornadoes and other windstorms, hail, flood, earthquakes, severe winter weather and other convective storms, fire, explosions, riots, and terrorism. We determine the appropriate amount of reinsurance based on our evaluation of the risks insured, exposure analyses prepared by advisors, our risk appetite, and market conditions, including the availability and pricing of reinsurance. Although we believe our catastrophe reinsurance program, including our retention and co-participation amounts for 2026 is appropriate given our surplus level and the current reinsurance pricing environment, there can be no assurance that our reinsurance program will provide coverage levels that will prove adequate should we experience losses from one significant or several large catastrophes during 2026. Additionally, as a result of the current economic environment, as well as losses incurred by reinsurers in the past several years, the availability and pricing of appropriate reinsurance programs may be adversely affected in future renewal periods. We may not be able to pass these costs on to policyholders, or there may be a delay in passing these costs to policyholders, in the form of higher premiums or assessments.

We cede to reinsurers a portion of our risk based upon insurance policies subject to such reinsurance. Reinsurance contracts do not relieve us from our obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to us. We believe that the terms of our reinsurance contracts are consistent with industry practice in that they contain standard terms with respect to lines of business covered, limit and retention, arbitration, and occurrence. Some of our reinsurance contract renewals contain varying forms of pandemic and other exclusions, which we believe are consistent with current reinsurance contract exclusions in the market generally. We believe our reinsurers are financially sound, based upon our ongoing review of the financial strength ratings assigned to them by rating agencies, their reputations in the reinsurance marketplace, our collections history, information and advice from third parties, and the analysis and guidance of our reinsurance advisors.

Reference is made to Note 13 — “Reinsurance” in the Notes to Consolidated Financial Statements. Reference is also made to “Involuntary Residual Markets” below.

Our 2026 reinsurance program for our Core Commercial, Specialty and Personal Lines segments is fundamentally similar to our 2025 program. The following discussion summarizes both our 2025 and 2026 reinsurance programs for our Core Commercial, Specialty and Personal Lines segments (excluding coverage available under the U.S. federal terrorism program which is described below under “Terrorism”), but does not purport to be a complete description of the program or the various restrictions or limitations which may apply:

- Our Core Commercial, Specialty and Personal Lines segments are primarily protected by a property catastrophe occurrence excess of loss reinsurance program, a property per risk excess of loss treaty, as well as a casualty excess of loss treaty, with retentions of $200 million, $3 million, and $2.5 million, respectively.
- The core property catastrophe occurrence excess of loss reinsurance program provides coverage up to $1.9 billion, less a $200 million retention, with no co-participation. Additionally, coverage extends to $2.05 billion for Northeast named

storm events, less a $200 million retention, with no co-participation. Coverage is secured through the traditional reinsurance marketplace as well as through reinsurance agreements supported by catastrophe bonds as described in further detail below.

- The property per risk excess of loss treaty provides coverage, on a per risk basis, up to $100 million, less a $3 million retention, with a co-participation for the second half of 2025 and the first half of 2026 of 45.75% for reinsurance placed in the $3 million to $5 million layer, 13.75% for reinsurance in the $5 million to $12.5 million layer, and no co-participation for reinsurance layers placed between $12.5 million and $100 million.
- For the 2025 treaty year, the casualty excess of loss treaty provides coverage, on a per occurrence basis for each loss, up to $75 million less a $2.5 million retention, with a co-participation of 10.0% in the $2.5 million to $5 million layer, 5.0% in the $5 million to $10 million layer, and no co-participation for reinsurance layers placed between $10 million and $75 million.
- Our 2026 casualty excess of loss treaty renewed effective January 1, 2026, securing comparable coverage on a per occurrence basis for each loss, up to $75 million less a $2.5 million retention, with a co-participation of 10.0% in the $2.5 million to $5.0 million layer, 1.35% in the $5 million to $10 million layer, and no co-participation for reinsurance layers placed between $10 million and $75 million.
- For 2025 and 2026, Core Commercial and Specialty segments are further protected by excess of loss treaty agreements for specific lines of business. For example, the Specialty segment's surety and fidelity bond excess of loss treaty provides coverage, on a per principal basis, up to $70 million, less a $7.5 million retention, with no co-participation.
- In addition, we employ other reinsurance, including facultative, excess of loss, quota share and stop loss for individual segments and portfolios. The type and structure of reinsurance are generally customized for the profile of the exposure.

Our intention is to renew the surety and fidelity bond treaty, the property per risk excess of loss treaty and the property catastrophe occurrence excess of loss treaty in July 2026 with the same or similar terms and conditions, but there can be no assurance that we will be able to maintain our current levels of reinsurance, pricing, and terms and conditions.

During 2021, we entered into an agreement to transfer our Excess and Casualty Reinsurance Association (“ECRA”) pool participations to a third-party reinsurer. This transfer was executed through a 100% reinsurance arrangement for our ECRA claim liability participations, which were written during the period 1950 to 1982. In 1982, the pool was dissolved and since that time, the business has been in run-off. In 2025, we completed an insurance business transfer of our ECRA liabilities to a third-party insurer pursuant to Oklahoma law, which novation has fully relieved us of our obligations to ECRA policyholders. This transaction had no significant impact on our results of operations.

Catastrophe Bonds

We have catastrophe protection through per occurrence excess of loss reinsurance agreements with Commonwealth Re Ltd. (“Commonwealth Re”), an independent company, licensed as a Special Purpose Insurer in Bermuda. This program includes two active agreements that were effective July 1, 2025 (“2025 agreement”) and July 1, 2023 (“2023 agreement”).

In connection with the 2025 agreement and the 2023 agreement, Commonwealth Re issued notes (generally referred to as “catastrophe bonds”) to unrelated investors for an aggregate principal amount of $200 million and $150 million, respectively, consistent with the amount of coverage provided under the reinsurance agreements as described below. The proceeds have been deposited in a reinsurance trust account.

Coverage under the 2025 agreement includes specified personal and commercial property in all fifty states of the U.S. and the District of Columbia for catastrophe losses from named tropical storms or hurricanes, including all events or perils directly resulting from such storms or storm systems, as well as from earthquake, severe thunderstorms, winter storms and wildfires. Coverage under the 2023 reinsurance agreement is limited to the following geographies in the United States: Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia and all waters contiguous thereto, and coverage is provided for catastrophe losses from named tropical storms or hurricanes, including all events or perils directly resulting from such storms or storm systems.

The reinsurance agreements meet the requirements to be accounted for as reinsurance in accordance with the guidance for reinsurance contracts. Catastrophe events under the 2025 agreement are covered through June 30, 2028. This agreement provides up to $200 million of coverage, subject to a $1.1 billion retention; whereas the 2023 agreement provides up to $150 million of coverage, subject to a $1.8 billion retention, through June 30, 2026. The attachment point and maximum limit under these agreements are reset annually to adjust the expected loss of the layer within a predetermined range. Under the terms of the reinsurance agreement, we are obligated to pay annual reinsurance premiums to Commonwealth Re for the reinsurance coverage. Amounts payable under the reinsurance agreement with respect to any covered event cannot exceed our actual losses from such event. The principal amount of the catastrophe bonds will be reduced by any amounts paid to us under these reinsurance agreements.

As with any reinsurance agreement, there is credit risk associated with collecting amounts due from reinsurers. With regard to Commonwealth Re, since the reinsurance coverage is fully collateralized by the proceeds from the catastrophe bond offering, the credit risk is largely mitigated. Commonwealth Re has funded a reinsurance trust account with money market funds that invest primarily in cash or direct U.S. federal government obligations and obligations backed by the U.S. federal government with maturities of no more than 397 calendar days. The money market funds must have a principal stability rating of at least AAAm by Standard & Poor's or Aaa by Moody's on the issuance date of the bonds and thereafter must be rated by Standard & Poor's and Moody's, as applicable.

With regards to Commonwealth Re, we evaluated the applicability of the accounting guidance that addresses variable interest entities ("VIE"). Under this guidance, an entity that is formed for business purposes is considered a VIE if (a) the equity investors lack the direct or indirect ability through voting rights or similar rights to make decisions about an entity's activities that have a significant effect on the entity's operations or (b) the equity investors do not provide sufficient financial resources for the entity to support its activities. Additionally, a company that absorbs a majority of the expected losses from a VIE's activities or is entitled to receive a majority of the entity's expected residual returns, or both, is considered to be the primary beneficiary of the VIE and is required to consolidate the VIE in the company's financial statements. We concluded that Commonwealth Re was a VIE because the conditions described in items (a) and (b) above were present. However, while Commonwealth Re was determined to be a VIE, we concluded that we do not have a variable interest in the entity, as the variability in its results, caused by the reinsurance agreement, is expected to be absorbed entirely by the investors in the catastrophe bonds issued by Commonwealth Re and residual amounts earned by it, if any, are expected to be absorbed by the equity investors (we have neither an equity nor a residual interest in Commonwealth Re). Accordingly, we are not the primary beneficiary of Commonwealth Re and do not consolidate that entity in our consolidated financial statements. Additionally, because we have no intention to pursue any transaction that would result in our acquisition of an interest in and becoming the primary beneficiary of Commonwealth Re, the consolidation of that entity in our consolidated financial statements in future periods is unlikely.

We have not incurred any losses that have resulted or are expected to result in a recovery under agreements with Commonwealth Re.

Terrorism

As a result of the continuing threat of terrorist attacks, the insurance industry maintains a high level of focus with respect to the potential for losses caused by terrorist acts. Insured losses may encompass people, property and business operations covered under workers' compensation, commercial multiple peril and other commercial lines policies, in both our Core Commercial and Specialty lines, as well as Personal Lines policies. In certain cases, such as workers' compensation, we are not able to exclude coverage for these losses, either because of regulatory requirements or competitive pressures. Losses caused by terrorist acts are not excluded from homeowners or personal automobile policies. We continually evaluate the potential effect of these low frequency, but potentially high severity, events in our overall pricing and underwriting plans, especially for policies written in major metropolitan areas.

Although certain terrorism-related risks embedded in our Core Commercial, Specialty and Personal Lines are covered under the existing catastrophe, property per risk, and casualty excess of loss corporate reinsurance treaties (see "Reinsurance – Reinsurance Program Overview" above for additional information), private sector catastrophe reinsurance is limited or unavailable for losses attributed to acts of terrorism, particularly those involving nuclear, biological, chemical and/or radiological events. As a result, the industry's primary reinsurance protection against large-scale terrorist attacks in the U.S. is provided through a federal program that provides compensation for insured losses resulting from acts of terrorism.

The Terrorism Risk Insurance Act of 2002 first established the Terrorism Risk Insurance Program (the "Program"). Coverage under the Program applies to workers' compensation, commercial multiple peril and certain other commercial lines policies in both our Core Commercial and Specialty segments for direct written policies. The Program will expire in December 2027. All commercial property and casualty insurers are required to participate in the Program. Under the Program, a participating issuer, in exchange for making terrorism insurance available, may be entitled to be reimbursed by the Federal government for a portion of its aggregate losses. The Program does not cover losses to surety bonds within Specialty, Personal Lines, or certain other lines of business.

As required by the Program, we offer policyholders, in specific lines of commercial insurance, the option to elect terrorism coverage. For a loss event to be reinsured under the Program, the loss event must meet aggregate industry loss minimums and must be the result of an act of terrorism as certified by the Secretary of the Treasury in consultation with the Secretary of Homeland Security and the U.S. Attorney General. Losses from events which do not qualify or are not so certified will not receive the benefit of the Program. Such losses may be deemed covered losses under the insured's policy whether or not terrorism coverage was purchased. Further, under the Terrorism Risk Insurance Program Reauthorization Act of 2019, our share of U.S. domestic losses in 2025 from such events, if deemed certified terrorist events, would have been limited to 20% of losses in excess of an approximate $608 million deductible, which represented 20.5% of year-end 2024 statutory policyholder surplus of our insurers and, is estimated to be $629 million in 2026, representing 18.8% of 2025 year-end statutory policyholder surplus, up to a combined annual aggregate limit for the Federal government and all insurers of $100 billion.

Given the unpredictability of terrorism losses, future losses from acts of terrorism could be material to our operating results, financial position, and/or liquidity.

Reinsurance Recoverables

When we experience loss events that are subject to a reinsurance contract, reinsurance recoverables are recorded. The amount of the recorded reinsurance recoverable depends on the estimated size of the individual loss or the aggregate amount of all losses in a particular line, book of business or an aggregate amount associated with a particular accident year. The valuation of losses recoverable depends on whether the underlying loss is a reported loss, or an incurred but not reported loss. For reported losses, we value reinsurance recoverables at the time the underlying loss is recognized, in accordance with contract terms. For incurred but not reported losses, we estimate the amount of reinsurance recoverable based on the terms of the reinsurance contracts and historical reinsurance recovery information and apply that information to the gross loss reserve estimates. The most significant assumption we use is the average size of the individual losses that will exceed our reinsurance retentions for those claims that have occurred but have not yet been reported to us. The reinsurance recoverable is based on what we believe are reasonable estimates and is disclosed separately on the financial statements. However, the ultimate amount of the reinsurance recoverable is not known until all losses are settled.

Other than our investment portfolio, the single largest asset class is our reinsurance recoverables, which consist of our estimate of amounts recoverable from reinsurers with respect to losses incurred to date (including losses incurred but not reported) and unearned premiums, net of amounts estimated to be uncollectible. These estimates are expected to be revised at each reporting period and such revisions, which could be material, affect our results of operations and financial position. Reinsurance recoverables include amounts due from state mandatory reinsurance or other involuntary risk sharing mechanisms, and private reinsurers to whom we have voluntarily ceded business.

We are subject to concentration of risk with respect to reinsurance ceded to various mandatory residual markets, facilities and pooling mechanisms. As a condition to conduct business in various states, we are required to participate in residual market mechanisms, facilities, and pooling arrangements, which usually are designed to provide insurance coverages to individuals or other entities that are otherwise unable to purchase such coverage voluntarily or at rates deemed reasonable. These market mechanisms, facilities, and pooling arrangements comprise $832.7 million of our total reinsurance recoverables on paid and unpaid losses and unearned premiums at December 31, 2025, $829.2 million of which is attributable to the Michigan Catastrophic Claims Association ("MCCA").

The MCCA is a mandatory reinsurance association that reinsures claims that arise under Michigan's unlimited personal injury protection coverage, which is one of the available coverage options under Michigan's no-fault automobile insurance statute. The MCCA reinsures all such claims in excess of a statutorily established company retention, currently $675,000. Funding for the MCCA comes from assessments against automobile insurers based upon their share of insured automobiles in the state for which the policyholders have elected unlimited PIP benefits. Insurers are allowed to pass along this cost to Michigan automobile policyholders. This recoverable accounted for 49% and 52% of our total personal automobile gross reserves at December 31, 2025 and 2024, respectively. Because the MCCA is supported by assessments permitted by statute, and there have been no significant uncollectible balances from MCCA identified during the three years ending December 31, 2025, we believe that we have no significant exposure to uncollectible reinsurance balances from this entity.

In addition to the reinsurance ceded to various residual market mechanisms, facilities, and pooling arrangements, we had $1,178.4 million of reinsurance assets due from traditional reinsurers as of December 31, 2025. These amounts are due principally from highly-rated reinsurers, defined as rated A- or higher by A.M. Best or other equivalent rating agencies. In certain instances, for example in our Hanover Programs business, we also require from the reinsurer, a deposit of assets in trust, letters of credit or other acceptable collateral in order to support balances due from reinsurers that provide reinsurance only on a collateralized basis.

The following table displays balances recoverable from our ten largest reinsurance groups at December 31, 2025, along with the A.M. Best rating for each group's ultimate parent or lead rating unit, if an A.M. Best rating is available. Reinsurance recoverables are comprised of paid losses recoverable, outstanding losses recoverable, incurred but not reported losses recoverable, and ceded unearned premium.

REINSURERS	A.M. Best Rating	Reinsurance Recoverable
(in millions)		
HDI Group (Hannover Ruckversicherungs AG)	A+	$ 251.0
Berkshire Hathaway Inc. (Transatlantic Reinsurance Co. and General Reinsurance Corp)	A++	190.3
Societe De Groupe D'Assurance Mut Covea (Partner Reinsurance Company of the U.S.)	A+	87.6
Lloyd's Syndicates	A+	87.3
Chubb Limited	A++	62.8
Munich Reinsurance Companies	A+	62.1
Toa Reinsurance Company Ltd.	A	53.3
Nationwide Mutual Insurance Company	A	44.5
Liberty Mutual Holding Company Inc.	A	35.4
Swiss Re Ltd.	A+	34.5
Subtotal		908.8
All other reinsurers		269.6
Residual markets, facilities, and pooling arrangements		832.7
Total		$ 2,011.1

Reinsurance recoverable balances in the table above are shown before consideration of balances owed to reinsurers and any potential rights of offset, including collateral held by us, and are net of an allowance for uncollectible recoverables. Reinsurance treaties are generally purchased on an annual basis. Treaties typically contain provisions that allow us to demand that a reinsurer post letters of credit or assets as security if a reinsurer is an unauthorized reinsurer under applicable regulations, or if its rating falls below a predetermined contractual level. In regards to reinsurance recoverables due from Lloyd's Syndicates, as part of the Lloyd's "chain of security" afforded to all of its policyholders, recourse is available through the Lloyd's Central Fund in the event of the failure of an individual syndicate and its capital providers.

Although reinsurance makes the reinsurer liable to us to the extent the risk is transferred or ceded to the reinsurer, ceded reinsurance arrangements do not eliminate our obligation to pay claims to our policyholders. Accordingly, we bear credit risk with respect to our reinsurers. Specifically, our reinsurers may not pay claims made by us on a timely basis, or they may not pay some or all of these claims. In addition, from time to time, insurers and reinsurers may disagree on the scope of the reinsurance or on the underlying insured risks. Any of these events would increase our costs and could have a material adverse effect on our business.

We have established a reserve for uncollectible reinsurance of $6.8 million as of December 31, 2025, or 0.3% of the total reinsurance recoverable balance, which was determined by considering reinsurer specific default risk on paid and unpaid recoverables as indicated by their financial strength ratings, any ongoing solvency issues, any current risk of dispute on paid recoverables, and our past collection experience. There have been no significant balances determined to be uncollectible and thus no significant charges recorded during 2025 for uncollectible reinsurance recoverables.

Our exposure to credit risk from any one reinsurer is managed through diversification by reinsuring with a number of different reinsurers, principally in the United States and European reinsurance markets. When reinsurance for our Core Commercial, Specialty and Personal Lines segments is placed, our standards of acceptability generally require that a reinsurer must have a minimum policyholder surplus of $500 million, a rating from A.M. Best and/or S&P Global of "A" or better, or an equivalent financial strength, if not rated. In addition, for lower-rated or non-rated reinsurers, we customize collateral and restrict participation to effectively manage counterparty risk, with review and approval required by the counterparty credit committee.

REGULATION

Our insurance subsidiaries are subject to extensive regulation in the states in which they transact business and are supervised by the individual state insurance departments. Numerous aspects of our business are subject to regulation, including premium rates, mandatory covered risks, limitations on the ability to cancel, non-renew, reject business or limit writings in certain geographic areas, prohibited exclusions, licensing and appointment or termination of agents, restrictions on the size of risks that may be insured under a single policy, reserves and provisions for unearned premiums, losses and other obligations, deposits of securities for the benefit of policyholders, investments and capital, policy forms and coverages, advertising, claims handling, and other conduct, including restrictions on the use of credit information and other factors in underwriting, as well as other underwriting and claims practices, including, but not limited to, the use of artificial intelligence. These restrictions limit the ability of insurers to underwrite or price policies on the basis of available third-party information (such as "social media") and "big data." Insurers are also subject to state laws and regulations governing the protection of their data systems and the use and protection of personal information collected in

the ordinary course of operations. States also regulate various aspects of the contractual relationships between insurers and independent agents.

Such laws, rules and regulations are usually overseen and enforced by the various state insurance departments, as well as through private rights of action and by state attorneys general. Such regulations or enforcement actions are often responsive to current consumer and political sensitivities, such as automobile and homeowners insurance rates and coverage forms, or which may arise after a major event. Such rules and regulations may result in rate suppression, limit our ability to manage our exposure to unprofitable or volatile risks, require expenditures to facilitate compliance, or lead to fines, premium refunds or other adverse consequences. The Federal government also may regulate aspects of our businesses, such as the use of insurance (credit) scores or other information in underwriting and the protection of confidential information.

In addition, as a condition to writing business in certain states, insurers are required to participate in various pools or risk sharing mechanisms or to accept certain classes of risk, regardless of whether such risks meet their underwriting requirements for voluntary business. Some states also limit or impose restrictions on the ability of an insurer to withdraw from certain classes of business. For example, Massachusetts, New York and California each impose material restrictions on a company's ability to materially reduce its exposures or to withdraw from certain lines of business in their respective states. The state insurance departments can impose significant charges on an insurer in connection with a market withdrawal or refuse to approve withdrawal plans on the grounds that they could lead to market disruption. Laws and regulations that limit cancellation and non-renewal of policies or that subject withdrawal plans to prior approval requirements may significantly restrict our ability to exit unprofitable markets. Such actions and related regulatory restrictions may limit our ability to reduce our potential exposure to hurricane and other catastrophe-related losses.

The insurance laws of many states subject property and casualty insurers doing business in those states to statutory property and casualty guaranty fund assessments. The purpose of a guaranty fund is to protect policyholders by requiring that solvent property and casualty insurers pay the insurance claims of insolvent insurers. These guaranty associations generally pay these claims by assessing solvent insurers proportionately based on each insurer's share of voluntary premiums written in the state. While most guaranty associations provide for recovery of assessments through subsequent rate increases, surcharges or premium tax credits, there is no assurance that insurers will ultimately recover these assessments, which could be material, particularly following a large catastrophe or in markets which become disrupted.

We are subject to periodic financial and market conduct examinations conducted by state insurance departments. We are also required to file annual and other reports with state insurance departments relating to the financial condition of our insurance subsidiaries and other matters. The National Association of Insurance Commissioners ("NAIC") and the Federal Insurance Office are each actively engaged in reviewing and considering proposed insurer risk-based capital standards, risk analysis, solvency assessments and other regulatory initiatives.

INVOLUNTARY RESIDUAL MARKETS

As noted above, as a condition of our license to write business in various states, we are required to participate in mandatory property and casualty residual market mechanisms which provide insurance coverages where such coverage may not otherwise be available or at rates deemed reasonable. Such mechanisms provide coverage primarily for personal and commercial property, personal and commercial automobile, and workers' compensation, and include assigned risk plans, reinsurance facilities and involuntary pools, joint underwriting associations, fair access to insurance requirements ("FAIR") plans and commercial automobile insurance plans.

For example, since most states compel the purchase of a minimal level of automobile liability insurance, states have developed shared market mechanisms to provide the required coverages and in many cases, optional coverages, to those drivers who, because of their driving records or other factors, cannot find insurers who will insure them voluntarily. Also, FAIR plans and other similar property insurance shared market mechanisms increase the availability of property insurance in circumstances where homeowners are unable to obtain insurance at rates deemed reasonable, such as in coastal areas or in areas subject to other hazards. Licensed insurers writing business in such states are often required to pay assessments to cover reserve deficiencies generated by such plans.

With respect to FAIR plans and other similar property insurance shared market mechanisms that have significant exposures, it is difficult to accurately estimate our potential financial exposure for future events. Assessments following a large wildfire event affecting California, or a large coastal event, particularly one affecting Massachusetts, Texas, North Carolina or South Carolina, could be material to our results of operations. Our participation in such shared markets or pooling mechanisms is generally proportional to our direct writings for the type of coverage written by the specific pooling mechanism in the applicable state or other jurisdiction. For example, we are subject to mandatory participation in the Michigan Assigned Claims ("MAC") facility. MAC is an assigned claim plan covering people injured in uninsured motor vehicle accidents. Our participation in the MAC facility is based on our share of personal and commercial automobile direct written premium in the state and resulted in loss costs of $16.7 million in 2025. There were no other mandatory residual market mechanisms that were significant to our 2025 results of operations.

RESERVE FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Reference is made to "Results of Operations – Segments – Reserve for Losses and Loss Adjustment Expenses" of Management's Discussion and Analysis for discussion of prior year development. Additionally, information regarding loss and LAE reserve development appears in Note 14 – "Liabilities for Outstanding Claims, Losses and Loss Adjustment Expenses" in the Notes to Consolidated Financial Statements.

The following table reconciles reserves determined in accordance with accounting practices prescribed or permitted by insurance statutory authorities ("Statutory") to reserves determined in accordance with generally accepted accounting principles ("GAAP"). The primary difference between the Statutory reserves and our GAAP reserves is the requirement, on a GAAP basis, to present reinsurance recoverables as an asset, whereas Statutory guidance provides that reserves are reflected net of the corresponding reinsurance recoverables. We do not use discounting techniques in establishing GAAP reserves for property and casualty losses and LAE.

DECEMBER 31	**2025**	**2024**	**2023**
(in millions)			
Statutory reserve for losses and LAE	**$ 6,003.0**	$ 5,733.2	$ 5,618.7
GAAP adjustments:			
Reinsurance recoverables on unpaid losses of our insurance subsidiaries	**1,850.3**	1,829.8	1,795.0
Statutory reserves for discontinued accident and health business	**(114.2)**	(116.6)	(118.1)
Other	**16.1**	14.8	12.5
GAAP reserve for losses and LAE	**$ 7,755.2**	$ 7,461.2	$ 7,308.1

Reserves for discontinued accident and health business of our insurance subsidiaries are included in liabilities of discontinued operations for GAAP and loss and loss adjustment expenses for Statutory reporting.

DISCONTINUED OPERATIONS

Discontinued operations primarily include our former accident and health insurance business. This discontinued accident and health business includes interests in 22 accident and health reinsurance pools and arrangements that we retained subsequent to the sale of First Allmerica Financial Life Insurance Company ("FAFLIC") in 2009. We ceased writing new premiums in this business in 1999, subject to certain contractual obligations. The reinsurance pool business consists primarily of long-term care, the medical and disability portions of workers' compensation risks, assumed personal accident, individual medical, long-term disability, and special risk business. This business also includes residual health insurance policies. Total reserves for the assumed accident and health business were $107.4 million at December 31, 2025. The long-term care pool accounted for approximately 72% of these reserves as of December 31, 2025. Reserves for the long-term care pool are discounted. Reserves for individual medical, residual health insurance policies, and all other assumed accident and health business are undiscounted. Assets and liabilities related to the discontinued accident and health business are reflected as assets and liabilities of discontinued businesses.

Loss estimates associated with substantially all of the discontinued accident and health business are provided by managers of each pool. We adopt reserve estimates for this business that consider this information, expected returns on assets assigned to this business, and other facts. We update these reserves as new information becomes available and further events occur that may affect the ultimate resolution of unsettled claims. Based on information provided to us by the pool managers, we believe the reserves recorded related to this business are adequate. However, reserve and claim cost estimates related to the discontinued accident and health business are dependent on several assumptions including, but not limited to, morbidity, lapses, benefit utilization, future premium rates, future health care costs, persistency of medical care inflation and investment performance. Additionally, these assumptions can be impacted by technical developments and advancements in the medical field, medical and long-term care inflation and other factors, as such there can be no assurance that the reserves established for this business will prove sufficient. Revisions to these reserves could have a material adverse effect on our results of operations for a particular quarterly or annual period or on our financial position. See also "Risk Factors" in Part I – Item 1A.

Our long-term care pool accounts for the majority of our remaining reinsurance pool business. The potential risk and exposure of our long-term care pool is based upon expected estimated claims and payment patterns, using assumptions for, among other things, morbidity, lapses, benefit utilization, future premium rates, and the interest rate used for discounting the future projected cash flows. The long-term exposure of this pool depends upon how our actual experience compares with these future cash flow projection assumptions.

Also included in discontinued operations are our former life insurance and Chaucer businesses, which include activities that were not significant to our 2025 results. We retain indemnification obligations with respect to these businesses.

INVESTMENT PORTFOLIO

We held $11.5 billion of investment assets and cash at December 31, 2025. Approximately 95% of our total investment holdings are managed externally including our investment-grade fixed maturities, limited partnership investments, commercial mortgage loan participations, high-yield fixed maturity portfolio and leveraged loan holdings.

Our in-house investment professionals directly manage our investments in equity securities and operational cash, as well as select and monitor each of our external managers, set asset allocation targets, oversee compliance with policies and guidelines, and monitor investment performance. Our external managers implement these targeted strategies and provide value over time through sector allocation and security selection. A primarily outsourced approach allows us to consider a variety of views on the risk and return profiles of a broad set of asset classes in a cost-effective manner.

Our investment strategy seeks to balance the goals of liquidity, capital preservation, net investment income stability and total return. The asset allocation process takes into consideration the profile and expected payout pattern of our liabilities, the level of capital required to support growth across lines of business and the risk profiles of a wide range of asset classes.

The majority of our assets are invested in investment-grade fixed income securities across various sectors including U.S. government, municipals, corporates, residential and commercial mortgage-backed securities, and asset-backed securities. Our holdings are diversified within and across major investment and industry sectors to mitigate concentration risk. We monitor the credit quality of our investments and our exposure to individual markets, borrowers, industries, sectors and, in the case of commercial mortgage-backed securities and commercial mortgage loan participations, property types and geographic locations. We consider sustainability factors as part of the investment research process, to the extent those factors influence the expected risk and return profile of various investment opportunities.

Investments held by our regulated insurance subsidiaries are subject to state insurance statutes governing permitted investments. Investment considerations include asset/liability profile, including duration, convexity and other characteristics within specified risk tolerances. At December 31, 2025, our fixed maturity portfolio duration was approximately 4.3 years. We seek to maintain sufficient liquidity to support the cash flow requirements associated with our insurance and corporate liabilities by laddering the maturities within the portfolio, closely monitoring fixed maturity duration, and holding high-quality liquid public securities.

Reference is made to “Investments” in Management’s Discussion and Analysis.

RATING AGENCIES

Insurance companies are rated by rating agencies to provide both industry participants and insurance consumers information on specific insurance companies. Higher ratings generally indicate the rating agencies’ opinion regarding financial stability and a stronger ability to pay claims.

We believe that strong ratings are important factors in marketing our products to our agents and customers, since rating information is broadly disseminated and generally used throughout the industry. Insurance company financial strength ratings are assigned to an insurer based upon factors deemed by the rating agencies to be relevant to policyholders and are not directed toward protection of investors. Such ratings are neither a rating of securities nor a recommendation to buy, hold or sell any security. Customers typically focus on claims-paying ratings, while creditors focus on debt ratings. Investors consider both rating types when evaluating a company’s overall financial strength.

EMPLOYEES AND HUMAN CAPITAL RESOURCES

As of December 31, 2025, we had approximately 4,900 employees, all of whom are located in the United States. We believe our relations with employees are positive, as evidenced by employee feedback received through employee surveys and other formal and informal channels.

To successfully operate our business, we rely on our corporate culture and on attracting, developing and retaining qualified employees to differentiate our company and deliver on our commitments to our independent agents, customers, investors and other stakeholders.

The following is a description of the material human capital measures and objectives that management focuses on in managing the business with the oversight and support of our Board of Directors.

Engagement and Alignment with Company Culture

We believe that an employee workforce that is engaged and aligned with our core cultural values of collaboration, accountability, respect and empowerment (our CARE values) is fundamental to delivering on our business commitments. Management focuses on maintaining an engaged workforce by providing transparent communications and soliciting employee feedback informally, and through focus groups and employee surveys, including a comprehensive survey of our entire workforce in 2025, by an independent third-party firm. To foster accountability, every employee, regardless of role, receives a formal evaluation and performance discussion annually, and the evaluation process is aligned to our CARE values and expected leadership behaviors. In addition, we expect that performance connections take place between manager and employee on an ongoing basis to review goals, overall performance, development opportunities, and demonstration of leadership and corporate values.

Development and Succession Planning

We recognize the importance of employee development for our team members throughout their careers as an important driver of workforce engagement, retention, and succession planning. Management focuses on providing learning and development through multiple modalities, including utilizing a robust online learning management platform that accommodates various schedules and diverse learning styles, engaging in experiential learning through growth assignments and special projects, a formal mentorship program, using virtual and classroom workshops, providing reimbursement for tuition and education-related fees (including professional and industry designations), and through the course of our goal-setting and performance evaluation process.

We are committed to identifying and investing in the development of our future leaders and accomplish this through formal talent review and succession planning processes that are aligned to standard leadership capabilities and our critical roles. Our development focus may include 360 feedback assessments, formal leadership development programs, executive and mid-level leadership coaching and experiential development opportunities for many employees.

Incentivized Workforce

The emphasis on our overall performance is intended to align the employee's financial interests with the interests of shareholders. Our compensation philosophy is based on a merit system where employees are paid for their performance and recognized for their talents and contributions. We are committed to fair and equitable total compensation that includes base pay and short- and long-term incentives that are competitive with others in our industry, while also promoting internal equity across our organization. We offer a 401(k) plan with a company matching contribution, flexible paid time off policies, a tuition reimbursement program, an employee stock purchase program, retirement planning services, and health and well-being benefits described below, among other benefits. Most employees receive some form of short-term incentive compensation either based on annual goals with the funding and metrics approved by the Compensation and Human Capital Committee of the Board of Directors ("CHCC") or through a general bonus program. Additionally, our senior leaders receive long-term incentive compensation in the form of equity awards.

Employee Health and Well-being

Our benefits packages are designed to maintain the physical, financial, mental and social well-being of our employees, their families and dependents. We offer medical plan selections and other health and well-being offerings, including, among others, dental, vision and hearing health options, life and disability insurance, financial planning assistance, an employee assistance program, paid parental leave and family and medical leave, flexible work schedules and remote work arrangements, health advocacy services, adoption and surrogacy assistance benefit, and child care and elder care support.

We have transitioned to a fully hybrid work environment that provides flexibility based on business needs and that serves as a strong lever for employee engagement and retention. We have implemented measures intended to enhance operational efficiencies related to remote work such as investing in our technology and business continuity infrastructure.

Inclusion and Diversity

We strive to foster an environment of inclusion and diversity that welcomes the unique perspectives, experiences and insights of individuals from all backgrounds because we believe that this will lead to greater engagement of our employees in pursuit of our business objectives. Our goal is to continue to develop an inclusive and diverse workforce that fosters trust, innovation, respect and collaboration.

Additionally, we are investing in internal business resource groups to support our Company's cultural values and business initiatives, meet the needs of both internal and external stakeholders, and foster our commitment to build an inclusive and diverse work environment. Management's continued objectives with regard to building a future-oriented organization include reinforcing inclusive behaviors at all levels of our organization and continuing to focus on our internal business resource groups to promote belonging, engagement and the importance of allyship.

Accountability for building an organization of the future has been established by incorporating Board oversight of these issues, as part of our larger corporate culture, into the charter of the CHCC and by including support of and progress on these initiatives as part of the incentive compensation evaluation process.

EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to "Directors, Executive Officers and Corporate Governance" in Part III – Item 10.

AVAILABLE INFORMATION

We file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, our definitive proxy statement on Schedule 14A, and other required information with the Securities and Exchange Commission (the "SEC"). Shareholders may obtain reports, proxy and information statements, and other information with respect to our filings, at the SEC's website, https://www.sec.gov.

Our website address is https://www.hanover.com. We make available, free of charge, on or through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Code of Conduct is also available, free of charge, on our website. Additionally, our Corporate Governance Guidelines and the charters of our Audit Committee, CHCC, Committee of Independent Directors, and Nominating and Corporate Governance Committee, are available on our website. All documents are also available in print to any shareholder who requests them. Unless specifically incorporated by reference, information on our website is not part of this Annual Report on Form 10-K.

ITEM 1A–RISK FACTORS

RISK FACTORS AND FORWARD-LOOKING STATEMENTS

The following important factors, among others, in some cases have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from historical results and from those expressed in any forward-looking statements made from time to time by us on the basis of our then-current expectations. The words "believes," "anticipates," "expects," "projections," "outlook," should," "could," "plan," "guidance," "likely," "on track to," "potential," "continue," "targeted," "designed" and similar expressions are intended to identify forward-looking statements. Our businesses are in rapidly changing and competitive markets, and involve a high degree of risk and unpredictability. Forward-looking projections are subject to these risks and unpredictability.

Risks Related to Underwriting, Risk Aggregation and Risk Management

Our results may fluctuate as a result of cyclical or non-cyclical changes in the property and casualty insurance industry.

The property and casualty insurance industry historically has been subject to significant fluctuations and uncertainties. Our profitability is materially affected by the following items:

- increases in costs, particularly those occurring after the time our insurance products are priced, including construction, automobile repair, and medical and rehabilitation costs. These have resulted from, and may continue to result from, inflation, rises in the cost of products due to disruptions in supply chains, tariffs or other factors, as well as "cost shifting" from health insurers to casualty and liability insurers (whether as a result of injured parties without health insurance, coverage changes in health policies to make such coverage secondary to casualty policies, state or federal healthcare legislation, lower reimbursement rates by health insurers or government-sponsored insurance, or legislation and/or litigation related to the Medicare Secondary Payer Act, which may impose reporting, additional costs, and other requirements with respect to medical and related claims paid for Medicare eligible individuals). As it relates to construction, there are often increases in the cost of building supplies and construction labor after a significant event (for example, so called "demand surge" that causes the cost of labor, construction materials and other items to increase in a geographic area affected by a catastrophe). In addition, we are limited in our ability to negotiate and manage reimbursable expenses incurred by our policyholders;
- competitive and regulatory pressures, which affect the prices of our products and the nature of the risks covered;
- volatile and unpredictable developments, including severe weather, catastrophes, wildfires, infrastructure failure, civil unrest, pandemics and terrorist actions;
- legal, regulatory and socio-economic developments, such as new theories of insured and insurer liability and related claims and extra-contractual awards such as punitive damages, financed litigation, where a third party unrelated to a lawsuit provides capital to a plaintiff in return for a portion of any financial recovery from the lawsuit, and "social inflation" or other increases in the costs of litigation, size of jury awards or changes in applicable laws and regulations (such as changes in the thresholds affecting "no fault" liability or when non-economic damages are recoverable for bodily injury claims or coverage requirements) that impact our claim payouts; and
- fluctuations in interest rates, as a result of a change in monetary policy or otherwise, inflationary pressures, default rates, commodity prices, and other factors that affect net income, including with respect to investment returns and operating results for certain of our lines of business.

Demand for property and casualty insurance can also vary significantly based on general economic conditions (either nationally or regionally), rising as the overall level of economic activity increases and falling as such activity decreases. Loss patterns also tend to vary inversely with local economic conditions, sometimes increasing during difficult or unstable economic times and moderating during economic upswings or periods of stability. Fluctuations in demand and competition could produce unpredictable underwriting results.

Due to geographical concentration in our business, changes in economic, regulatory and other conditions in the regions where we operate could have a significant negative impact on our business as a whole. Geographic concentrations also expose us to losses that are potentially disproportionate to our market share in the event of natural or other catastrophes.

We generate a significant portion of our net premiums written and earnings in Michigan, Massachusetts and other states in the Northeast. In addition, a significant amount of Core Commercial and Specialty net written premium is generated in California and Texas. For the year ended December 31, 2025, approximately 18.7% and 8.0% of our net premiums written in our business were generated in the states of Michigan and Massachusetts, respectively, and approximately 11.9% and 7.4% of our Core Commercial and approximately 12.5% and 9.7% of our Specialty net premiums written were generated in California and Texas, respectively. Many states in which we do business impose significant rate control and residual market charges, and/or restrict an insurer's ability to exit such markets (for example, the Insurance Commissioner in California has taken steps to limit non-renewal of property policies in geographic areas prone to wildfires). The revenues and profitability of our insurance subsidiaries are subject to prevailing economic, regulatory, demographic and other conditions, including adverse weather. Because of our geographic concentration in certain regions, our business, as a whole, could be significantly affected by changes in the economic, regulatory and other conditions in such areas.

Further, certain new catastrophe models assume an increase in frequency and severity of certain weather or other events, such as fires, flooding from heavy precipitation and hurricanes, as a result of changing weather patterns and global climate change, or otherwise. Financial strength rating agencies emphasize capital and reinsurance adequacy for insurers with geographic concentrations of risk that may be subject to disproportionate risk of loss. These factors also may result in insurers seeking to diversify their geographic exposure, which could result in increased regulatory restrictions in those markets where insurers seek to exit or reduce coverage, as well as an increase in competitive pressures in less weather-exposed markets. Such actions may adversely impact top-line growth or retention while price increases and other changes in terms or conditions are implemented to manage geographical concentration.

Our profitability may be adversely affected if our pricing models differ materially from actual results.

The profitability of our business depends on the extent to which our actual claims experience is consistent with the assumptions we use in pricing our policies. We price our business in a manner that is intended to be consistent, over time, with actual results and return objectives. Our estimates and models, and/or the assumptions behind them, may differ materially from actual results. Highly dynamic economic, social, regulatory or environmental conditions, in isolation or in combination, may impact the effectiveness of our pricing models.

If we fail to appropriately price the risks we insure, fail to change or are slow to change our pricing model to appropriately reflect our current experience, or if our claims experience is more frequent or severe than our underlying risk assumptions, our profit margins will be negatively affected. If we underestimate the frequency and/or severity of extreme adverse events, our financial condition may be adversely affected. If we overestimate the risks we are exposed to, we may overprice our products, and new business growth and retention of our existing business may be adversely affected.

Our business is dependent on our ability to manage risk, and the failure of the risk mitigation strategies we utilize could have a material adverse effect on our financial condition or results of operations.

Our business performance is highly dependent on our ability to manage operational risks arising from numerous day-to-day business activities, including insurance underwriting, claims processing, servicing, investment management, financial and tax reporting, compliance with regulatory requirements and other activities. We utilize numerous strategies to mitigate our insurance risk exposure, including: underwriting; setting exposure limits, deductibles and exclusions to mitigate policy risk; updating and reviewing the terms and conditions of our policies; managing risk aggregation by product line, geography, industry type, credit exposure and other bases; and ceding insurance risk. We seek to monitor and control our exposure to risks arising out of these activities through an enterprise-wide risk management framework. However, there are inherent limitations in each of these tactics, and no assurance can be given that these processes and procedures will effectively control all known risks or effectively identify unforeseen risks, or that an event or series of events will not result in loss levels in excess of our probable maximum loss models, which could have a material adverse effect on our financial condition or results of operations. It is also possible that losses could manifest themselves, or business growth or retention could be adversely impacted, in ways that we do not anticipate and that our risk mitigation strategies are not designed to address. Such a manifestation of losses could have a material adverse effect on our financial condition or results of operations. These risks may be heightened during times of challenging macroeconomic or socio-economic conditions, such as a recession.

Risks Related to Reserves and Claims

Actual losses from claims against our insurance subsidiaries may exceed their reserves for claims.

We maintain reserves to cover the estimated ultimate liability for losses and loss adjustment expenses with respect to reported and unreported claims incurred as of the end of each accounting period. Reserves do not represent an exact calculation of liability. Rather, reserves represent estimates, involving actuarial projections and judgments at a given time, of what we expect the ultimate settlement and administration of incurred claims will cost based on facts and circumstances then known, predictions of future events, estimates of future trends in claims frequency and severity and theories of liability, costs of repair and replacement, legislative activity and myriad other factors.

The inherent uncertainties of estimating reserves are greater for certain types of insurance lines, particularly liability lines. These include automobile bodily injury liability, automobile personal injury protection, general liability, and workers' compensation, where a longer period of time may elapse before a definitive determination of ultimate liability may be made (sometimes referred to as "long-tail" business); environmental liability, where the technological, judicial and political climates involving these types of claims are continuously evolving; and casualty coverages such as professional liability. There is also greater uncertainty in establishing reserves with respect to new business, particularly new business that is generated with respect to newer product lines, by newly appointed agents, or in new geographies where we have less experience in conducting business. In these cases, there is less historical experience or knowledge and less data on which the actuaries can rely. A combination of business that is both new to us and has longer development periods, provides even greater uncertainty in estimating insurance reserves.

In several Specialty lines, we are modestly increasing, and expect to continue to increase, our exposure to longer-tailed liability lines. In addition, we have experienced extensions of the "tails" in certain lines of business as the full value of claims are presented later than had been our historical experience. Shifts in claim settlement patterns due to delayed court proceedings and other issues, such as third-party litigation funding, may contribute to the extension of "tails," increased loss costs and greater uncertainty in reserve estimates.

Estimating reserves is further complicated by unexpected claims or unintended coverages that emerge due to changing conditions. These emerging issues may increase the size or number of claims beyond our underwriting intent and may not become apparent for many years after a policy is issued, such as was the case for the industry with respect to environmental, asbestos, and certain product liability claims. Similar concerns have emerged with what has been called "silent" cyber, or claims arising for cyber losses under traditional policies where such coverage is not intended or contemplated. These losses appear through prior year reserve development. Although we undertake underwriting actions that are designed to limit losses once emerging issues are identified, we remain subject to losses on policies issued during those years preceding the underwriting actions.

Additionally, the introduction of new Core Commercial products and the development of new niche and Specialty lines present new risks. Certain Specialty products, such as the human services program, non-profit directors and officers liability and employment practices liability policies, lawyers and other professional liability policies, healthcare lines and directors and officers coverage may also require a longer period of time (the so-called "tail") to determine the ultimate liability associated with the claims and may produce more volatility in our results and less certainty in our accident year reserves. Some lines of business, such as surety, are less susceptible to establishing reserves based on actuarial or historical experience, and losses may be episodic, depending on economic and other factors. Changes in laws, such as so-called "reviver" statutes that retrospectively change the statutes of limitations for certain claims, such as sexual molestation claims, add further uncertainty to the adequacy of prior estimates.

Underwriting results and operating income could be adversely affected by further changes in our net loss and LAE estimates related to significant events or emerging risks, such as risks related to attacks on or breaches of information systems, including cloud-based data information storage or network systems, privacy compliance, or disruptions caused by major power grid failures or widespread electrical and electronic equipment failure due to aging infrastructure, natural factors like hurricanes, earthquakes, wildfires, solar flares and pandemics, or societal factors, like terrorism and civil unrest.

Estimating losses following any major catastrophe, or with respect to emerging claims, is an inherently uncertain process. Factors that add to the complexity of estimating losses from these events include legal and regulatory uncertainty, the complexity of factors contributing to the losses, delays in claim reporting, and with respect to areas with significant property damage, the impact of "demand surge" and a slower pace of recovery resulting from the extent of damage sustained in the affected areas due, in part, to the availability and cost of resources to effect repairs. Emerging claims issues may involve complex coverage, liability and other costs that could significantly affect LAE. As a result, there can be no assurance that our ultimate costs associated with these events will not be substantially different from current estimates (for example, actual losses arising from an event could have varied widely depending on the interpretation of various policy provisions). Investors should consider the risks and uncertainties in our business that may affect net loss and LAE reserve estimates and future performance, including the difficulties in arriving at such estimates.

Anticipated losses associated with business interruption exposure, the impact of wind versus water as the cause of loss, disputes over the extent of damage caused by hailstorms (particularly with respect to roof damage claims), supplemental payments on previously closed claims caused by the development of latent damages or new theories of liability, regulatory impacts and inflationary pressures leading to claims cost escalation could also have a negative impact on future loss reserve development. Many states permit insureds to simply sign-over their claims to contractors or others (so-called "assignment of benefits"), which frequently generate higher claim demands.

Because of the inherent uncertainties involved in setting reserves and establishing current and prior-year "loss picks," including those related to catastrophes, we cannot provide assurance that the existing reserves or future reserves established by our insurance subsidiaries will prove adequate in light of subsequent events. Our results of operations and financial condition have in the past been, and in the future could be, materially affected by adverse loss development for events that we insured in prior periods.

Risks Related to Weather Events, Catastrophes and Climate Change

Limitations on the ability to predict the potential impact of weather events and catastrophes may impact our future profits and cash flows.

Our business is subject to claims arising out of catastrophes that may have a significant impact on our results of operations and financial condition. We have experienced, and in the future will experience, catastrophe losses, which could have a material adverse impact on our business. Catastrophes can be caused by various natural or manmade events, including hurricanes, tornadoes and other windstorms, hail, floods, earthquakes, fires, drought, severe winter weather and other convective storms, volcanic eruptions, tropical storms, solar flares, tsunamis, sabotage, civil unrest, terrorist actions, explosions, nuclear accidents and power outages, which could be exacerbated by infrastructure failures. The frequency and severity of catastrophes are inherently unpredictable.

The extent of gross losses from a catastrophe is a function of the total amount of insured exposure in the area affected by the event and the severity of the event. The extent of net losses depends on the applicability, amount and collectability of reinsurance.

Additionally, the severity of certain catastrophes could be so significant that it restricts the ability of certain locations to recover their economic viability in the near term. Repeated catastrophes, or the threat of catastrophes, could undermine the long-term economic viability of certain locations like coastal or wildfire-exposed communities, which could have a significant negative impact on our business.

Although catastrophes can cause losses in a variety of property and casualty lines, homeowners and commercial multiple peril property insurance have, in the past, generated the vast majority of our catastrophe-related claims. Our catastrophe losses have historically been principally weather-related, particularly from hurricanes and hail damage, as well as snow and ice damage from winter storms.

Although the insurance industry and rating agencies have developed various models intended to help estimate potential insured losses under thousands of scenarios, there is no reliable way of predicting the probability of such events or the magnitude of such losses before a specific event occurs. We utilize various models and other techniques in an attempt to measure and manage potential catastrophe losses within various income and capital risk appetites. However, such models and techniques have many limitations, and changes in climate conditions may also cause our historical underlying modeling data to not adequately reflect the frequency and severity of weather-related events in the future, limiting our ability to effectively evaluate and manage risks of catastrophes and severe weather events. In addition, due to historical concentrations of business, regulatory restrictions and other factors, our ability to manage such concentrations is limited, particularly in the Northeast, and in the state of Michigan.

We purchase catastrophe reinsurance as protection against catastrophe losses. Reinsurance is subject to the adequacy and counterparty reinsurance risks described below. Should we experience losses from one significant or several large catastrophes, there can be no assurance that our reinsurance program will provide adequate coverage levels.

Climate change may adversely impact our results of operations and/or our financial position.

Global climate change from rising planet temperatures over the last several decades has been linked to a number of factors that contribute to the increased unpredictability, frequency, duration and severity of weather events, including: changing weather patterns, a rise in ocean temperatures, sea level rise, and drought. Further increases or persistence in these conditions could lead to higher overall losses, which we may not be able to recoup, particularly in a highly regulated and competitive environment, and to higher reinsurance costs. Certain catastrophe models assume an increase in frequency and severity of certain weather or other events, which could result in a disproportionate impact on insurers with certain geographic concentrations of risk. This would also likely increase the risks of writing property insurance in coastal areas or areas susceptible to wildfires or flooding, particularly in jurisdictions that restrict pricing and underwriting flexibility. The threat of catastrophe losses, such as rising sea levels, as a result of global climate change, may also cause property values in coastal or such other communities to decrease, reducing the total amount of insurance coverage that is required.

In addition, global climate change and global climate change-driven systemic transitions could lead to new or enhanced regulation, compliance with which may be difficult or costly, or impact assets in which we invest, and may result in realized and unrealized losses in future periods that could have a material adverse impact on our results of operations and/or financial position. It is not possible to foresee the impacts of potential future climate regulation, or which, if any, assets, industries or markets may be materially and adversely affected by global climate change and global climate change-driven systemic transitions, nor is it possible to foresee the magnitude of such effects.

Risks Related to Reinsurance

We cannot guarantee the adequacy of or ability to maintain our current level of reinsurance coverage.

Like insurance companies, reinsurance companies can also be adversely impacted by catastrophes. In setting our retention levels and coverage limits, we consider our level of statutory surplus and exposures, as well as the current reinsurance pricing environment and available capacity, but there can be no assurance that we have adequately set these levels or limits or that we will be able to maintain our current or desired levels of reinsurance coverage. In particular, and as discussed under "Reinsurance Program Overview" in Information About Operating Segments - Reinsurance, not all of our 2026 reinsurance programs for the Core Commercial, Specialty and Personal Lines are fully placed. Reinsurance is a significant factor in our overall cost of providing primary insurance. However, unlike primary insurers, reinsurers are not subject to rate or other rules requiring them to continue to provide reinsurance coverage, limit cost increases, or mandate coverage forms. An individual insurer's reinsurance expense is correlated to the level of losses experienced by its reinsurers. Future catastrophic events and other changes in the reinsurance marketplace, including as a result of investment losses or disruptions due to challenges in the financial markets that have occurred or could occur again in the future, may adversely affect our ability to obtain such reinsurance coverages, as well as adversely affect the cost of obtaining that coverage.

Additionally, the availability, scope of coverage, and cost of reinsurance, as well as the creditworthiness of reinsurers could continue to be adversely affected by new or more frequent catastrophes, terrorist attacks, cyber risks, and the perceived risks associated with future terrorist activities, global conflicts, the threat of nuclear conflict, changing legal and regulatory environments (including changes that could create new insured risks) and currency risk. Federal reinsurance for terrorism risks coverage offered by insurers is available under the federal terrorism risk insurance program, but it only applies to certified events of terrorism (as defined in the legislation) and contains certain caps and deductibles. Although the federal terrorism risk insurance program coverage is in effect through December 31, 2027, if this program is modified unfavorably by the government, then private reinsurance for events of terrorism may not be available to us or available at reasonable or acceptable rates given the stabilizing effect this federal terrorism program provides the reinsurance market.

Although we monitor their financial soundness, we cannot be sure that our reinsurers will pay in a timely fashion, if at all.

We purchase reinsurance by transferring (known as ceding) part of the risk that we have assumed to reinsurance companies in exchange for part of the premium we receive in connection with the risk. As of December 31, 2025, our reinsurance recoverables (including from the MCCA) amounted to approximately $2.0 billion. Although reinsurance makes the reinsurer liable to us to the extent the risk is transferred or ceded to the reinsurer, it does not relieve us (the reinsured) of our liability to our policyholders. Accordingly, we bear counterparty risk with respect to our reinsurers, including risks resulting from over-concentration of exposures within the industry. Although we monitor our reinsurers and their financial condition, we cannot be sure that they will pay the reinsurance recoverables owed to us currently or in the future or that they will pay such recoverables on a timely basis. The contractual obligations under reinsurance agreements are typically with individual subsidiaries of the reinsurance group and are not typically guaranteed by other group members. In certain circumstances, with "unauthorized" reinsurers or those with lower financial strength ratings, we may require collateral equal to 100% of estimated reinsurance recoverables. The collateral can serve to mitigate credit risk. In the event of losses, we may look to "draw down" on this collateral to satisfy reinsurance recoveries due to us, but if the collateral held is insufficient to meet those recoveries, we will be exposed to losses.

Risks Related to Regulation, Mandatory Market Mechanisms and Mandatory Assessments

Our businesses are heavily regulated, and changes in regulation may reduce our profitability.

Our insurance businesses are subject to supervision and regulation by the state insurance authority in each state where we transact business. This system of supervision and regulation relates to numerous aspects of an insurance company's business and financial condition, including: limitations on the authorization of lines of business; underwriting limitations; the ability to utilize credit-based insurance scores; pricing models; use artificial intelligence ("AI"); use of gender, geographic location, publicly available information (such as on social media), education, occupation, income, or other factors in underwriting; the setting of premium rates; the requirement to write certain classes of business that we might otherwise avoid, or charge different premium rates; restrictions on the ability to withdraw from certain lines of business or terminate policies, or classes of policyholders and the approval of policy forms; the establishment of standards of solvency; the licensing of insurers and agents; the ability to terminate agents; supervisory and liability responsibilities for agents; compensation of and contractual arrangements with independent agents; concentration of investments; levels of reserves; the payment of dividends; transactions with affiliates; changes of control; and, information security, protection of private information of our agents, policyholders, claimants and others (which may include highly sensitive financial or

medical information or other private information such as social security numbers, driving records or driver's license numbers). From time to time, various states and Congress have proposed to prohibit or otherwise restrict the use of credit-based insurance scores or other risk-based pricing factors in underwriting or rating our Personal Lines business. The elimination of the use of risk-based pricing factors could cause significant disruption to our business and our confidence in our pricing and underwriting. Most insurance regulations are designed to protect the interests of policyholders rather than stockholders and other investors.

Legislative and regulatory restrictions are constantly evolving and are subject to the then-current political pressures. For example, following major events, states have considered, and in some cases adopted, proposals such as homeowners' "Bill of Rights," restrictions on storm deductibles, additional mandatory claim handling guidelines and mandatory coverages. More recently, the California Insurance Commissioner restricted the ability of carriers to non-renew certain coverages in wildfire disaster areas, and the New York Department of Financial Services and regulatory agencies in other states have enacted comprehensive cybersecurity regulations and required insurers to take steps related to global climate change.

Also, the federal Medicare, Medicaid and State Children's Health Insurance Program Extension Act mandates reporting and other requirements applicable to property and casualty insurance companies that make payments to or on behalf of claimants who are eligible for Medicare benefits. These requirements have made bodily injury claim resolutions more difficult, particularly for complex matters or for injuries requiring treatment over an extended period, and they impose significant penalties for non-compliance and reporting errors. These requirements also have increased the circumstances under which the federal government may seek to recover from insurers amounts paid to claimants in circumstances where the government had previously paid benefits.

State regulatory oversight and various proposals at the federal level, through the Federal Insurance Office or other agencies, may, in the future, adversely affect our ability to sustain adequate returns in certain lines of business or in some cases, operate lines profitably. In recent years, the state insurance regulatory framework has come under increased federal scrutiny, and certain state legislatures have considered or enacted laws that alter and, in many cases, increase state authority to regulate insurance companies and insurance holding company systems.

Our business could be negatively impacted by adverse state and federal legislation, regulation, executive orders, or judicial developments, including those resulting in: decreases in rates, including for example, recent regulatory or bureau actions to mandate reduced premiums for workers' compensation insurance; limitations on premium levels or limitations that inhibit our ability to secure timely approvals of rate filings; coverage and benefit mandates; limitations on the ability to manage care and utilization or other claim costs; requirements to write certain classes of business or in certain geographies; restrictions on underwriting, methods of compensating independent producers, or our ability to cancel or renew certain business (which negatively affects our ability to reduce concentrations of property risks); higher liability exposures for our insureds; increased assessments or higher premium or other taxes; and enhanced ability to pierce "no fault" thresholds, recover non-economic damages (such as "pain and suffering"), or pierce policy limits.

These regulations serve to protect customers and other third parties and are often heavily influenced by the then-current political environment. If we are found to have violated an applicable regulation, an administrative or judicial proceeding may be initiated against us that could result in censures, fines, civil penalties (including punitive damages), the issuance of cease-and-desist orders, premium refunds or the reopening of closed claim files, among other consequences. These actions could have a material adverse effect on our financial position and results of operations.

In addition, we are reliant upon independent agents and brokers to market our products. Changes in regulations related to insurance agents and brokers that materially impact the profitability of the agent and broker business or that restrict the ability of agents and brokers to market and sell insurance products would have a material adverse effect on our business.

Further, as we continue to expand our business into new regions, either organically or through acquisitions, we may become subject to the regulations and different regulatory bodies governing such business in those locales.

From time to time, we are also involved in investigations and proceedings by federal, state, and other governmental and self-regulatory agencies. We cannot provide assurance that these investigations, proceedings and inquiries will not result in actions that would adversely affect our results of operations or financial condition.

We are subject to uncertainties related to Michigan PIP Reform.

Starting in 1973, the state of Michigan required all personal and commercial automobile polices issued in the state to include no-fault personal injury protection ("PIP") coverage without a cap on maximum benefits allowed (i.e., "unlimited PIP benefits"). Insurers were required to retain a portion of the risk and the MCCA, a legislatively-created reinsurance mechanism, reinsures the portion of the risk in excess of the insurer's mandated retention. The mandatory retention amount increases biennially at a statutory mandated rate and is currently $675,000. Premiums on Michigan automobile policies include a charge for both the insurer's retained amount and a separately identified pass-through charge determined by the MCCA.

In response to concerns about the overall cost and affordability of automobile insurance, in June 2019, Michigan enacted legislation (which became effective July 2, 2020) that significantly changed no-fault and PIP systems. The legislation eliminated the requirement that all insureds purchase unlimited PIP coverage and instead substituted tiered limits, ranging from zero (for those with certain health benefits meeting specified criteria) to unlimited benefits. In contrast, the minimum amounts of bodily injury coverage drivers were required to purchase increased. The legislation included underwriting and other restrictions and mandates, in addition to subjecting rates, forms and rules to prior approval from the Michigan Department of Insurance and Financial Services ("Michigan Insurance Department") before implementation.

The legislation also imposed various cost controls, including medical fee schedules based on a multiple of Medicare reimbursement rates, and mandated PIP premium rate reductions with an eight-year premium rate freeze for the PIP component of automobile policies. The Michigan Insurance Department also enacted regulations to establish statutorily required utilization controls. The rate freeze was effective contemporaneously with the adoption of the legislation and the mandatory rate reduction was effective July 2, 2020, and the expense and utilization controls went into effect on July 1, 2021.

In most years, MCCA operates with a deficit, which may fluctuate significantly based on investment returns, discount rates, incurred claims, annual assessments and other factors, although historically its annual operations have been cash flow positive. As of December 31, 2025, our estimated reinsurance recoverable from the MCCA was $829.2 million. This estimate is subject to change and will be revised further as the actual impacts of these cost saving measures emerge in the future, or in the event that recent legal challenges or legislative revisions to the reform ultimately prevail.

Many medical and other providers who receive reimbursement under the PIP system strenuously objected to the fee schedules, cost controls and utilization restrictions imposed by the new legislation, and since its adoption, we have experienced (and may continue to experience) an increase in litigation from these providers demanding higher reimbursements. This litigation could increase depending on the outcome of these and other ongoing legal challenges.

For the year ending December 31, 2025, Michigan personal automobile insurance represented approximately 41% of our total personal automobile net premiums written. PIP net written premium (which does not include the MCCA pass-through assessment) represents approximately 18% of those Michigan personal automobile premiums. It is not clear at this time whether projected savings from the various cost control measures, assuming they remain in effect, will be commensurate with the required PIP reductions and rate controls. Accordingly, there is increased uncertainty attributable to these changes regarding the future performance of our Michigan personal automobile lines.

We may incur financial losses resulting from our participation in shared market mechanisms, mandatory reinsurance programs and mandatory pooling arrangements.

In most of the jurisdictions that we operate in, our insurance subsidiaries are required to participate in mandatory property and casualty shared market mechanisms, government-sponsored reinsurance programs or pooling arrangements. These arrangements are designed to provide various insurance coverages to individuals or other entities that are otherwise unable to purchase such coverage or to support the costs of uninsured motorist claims in a particular state or region. We cannot predict whether our participation in these shared market mechanisms or pooling arrangements will provide underwriting profits or losses to us. For the years ended December 31, 2025, 2024 and 2023 our participation in these mechanisms and pooling arrangements was not significant to our underwriting results. However, our results of operations could be adversely affected in the future.

Additionally, increases in the number of participants or insureds in state-sponsored reinsurance pools, FAIR plans or other residual market mechanisms, particularly in the states of California, Massachusetts, Texas, or North Carolina, combined with regulatory restrictions on the ability to adequately price, underwrite, or non-renew business, as well as new legislation, or changes in existing case law, could expose us to significant risks of increased assessments from these residual market mechanisms. There could also be a significant adverse impact as a result of losses incurred in those states due to hurricane or other high loss exposures, as well as the declining number of carriers providing coverage in those regions. We are unable to predict the likelihood or impact of such potential assessments or other actions.

We also have credit risk associated with certain mandatory reinsurance programs, such as the MCCA. See "We are subject to uncertainties related to Michigan PIP Reform," above for more information on the MCCA.

We are subject to mandatory assessments by state guaranty funds; an increase in these assessments could adversely affect our results of operations and financial condition.

All fifty U.S. states and the District of Columbia have insurance guaranty fund laws requiring property and casualty insurance companies doing business within the state to participate in guaranty associations. These associations are organized to pay contractual obligations under insurance policies issued by impaired or insolvent insurance companies. The associations levy assessments, up to prescribed limits, on all member insurers in a particular state based on the proportionate share of the premiums written by member insurers in the lines of business that the impaired or insolvent insurer is engaged in. Although mandatory assessments by state guaranty funds that are used to cover losses to policyholders of insolvent or rehabilitated companies can be substantially recovered over time through policyholder surcharges or a reduction in future premium taxes in many states (provided the collecting insurer continues to

write business in such state), there can be no assurance that all funds will be recoupable in the future. During 2025, we had net assessments totaling $2.0 million levied against us. As of December 31, 2025, we had $1.7 million of reserves related to guaranty fund assessments. In the future, these assessments may increase above levels experienced in prior years. Future increases in these assessments depend upon the rate of insolvencies of insurance companies.

We are subject to litigation risks, including risks relating to the application and interpretation of contracts, and adverse outcomes in litigation and legal proceedings could adversely affect our results of operations and financial condition.

We are subject to litigation risks, including risks relating to the application and interpretation of insurance and reinsurance contracts and our handling of claim matters (which can lead to bad faith and other forms of extra-contractual liability), and are routinely involved in litigation that challenges specific terms and language incorporated into property and casualty contracts, such as claims reimbursements, covered perils and exclusion clauses, among others, or the interpretation or administration of such contracts. We are also involved in legal actions that do not arise in the ordinary course of business, some of which, from time to time, assert claims for substantial amounts. Adverse outcomes could materially affect our results of operations and financial condition.

Risks Related to Our Agency Distribution and Growth Strategies

Our profitability could be adversely affected by our relationships with our agencies.

Substantially all of our products are distributed through independent agents and brokers who have the principal relationships with policyholders. Agents and brokers generally own the "renewal rights," and thus our business model is dependent on our relationships with, and the success of, the agents and brokers with whom we do business.

We periodically review the agencies, including managing general agencies, with which we do business to identify those that do not meet our profitability standards or are not aligned with our business objectives. Following these periodic reviews, we may restrict such agencies' access to certain types of insurance products or terminate our relationship with them, subject to applicable contractual and regulatory requirements that limit our ability to terminate agents or require us to renew policies. Even through the utilization of these measures, we may not achieve the desired results.

Because we rely on independent agents as our sales channel, any deterioration in the relationships with our independent agents or failure to provide competitive compensation to our independent agents could lead agents to place more premium with other carriers and less premium with us. In addition, we could be adversely affected if the agencies with whom we do business, including managing general agencies, exceed the authority that we have given them, fail to transfer collected premium to us or breach the obligations that they owe to us. Although we routinely monitor our agency relationships, such actions could expose us to liability.

Also, if agency consolidation continues at its current pace or increases in the future, and more agencies are consolidated into larger agencies or managing general agencies, our sales channel could be materially affected in a number of ways, including loss of market access or market share in certain geographic areas if an acquirer is not one of our appointed agencies, loss of agency talent as the people most knowledgeable about our products and with whom we have developed strong working relationships exit the business following a disposition of an agency, increases in our commission costs as larger agencies acquire more negotiating leverage over their fees, and interference with the core agency business of selling insurance due to integration or distraction. Any such disruption that materially affects our sales channel could have a negative impact on our results of operations and financial condition.

As the speed of digitization accelerates, we are subject to risks associated with both our agents' and our ability to keep pace. In an increasingly digital world, agents who cannot provide a digital or technology-driven experience risk losing customers who demand such an experience, and such customers may choose to utilize more technology-driven agents or abandon the independent agency channel altogether. Additionally, if we are not able to keep pace with competitors' digital offerings or advancements in the use of new technologies, such as AI tools, we may not be able to meet the demand from our agents or their customers, which could lead to a loss of customers, agents or both.

We may not be able to grow as quickly or as profitably as we intend, which is important to our current strategy.

Over the past several years, we have made, and our current plans are to continue to make, significant investments in our Core Commercial, Specialty and Personal Lines of businesses, in order to, among other things, strengthen our product offerings and service capabilities, expand into new geographic areas, improve technology and our operating models, build expertise in our personnel, and expand our distribution capabilities, with the ultimate goal of achieving significant, sustained growth. From time to time, we may also identify opportunities for growth through acquisitions. The ability to achieve significant profitable premium growth in order to earn adequate returns on such investments and expenses, and to grow further without proportionate increases in expenses, is an important part of our current strategy. There can be no assurance that we will be successful at profitably growing our business, either organically or through acquisitions, or that we will not alter our current strategy due to changes in our markets, economic conditions or an inability to successfully maintain acceptable margins on new or existing business or for other reasons, including general economic conditions, elevated weather severity or otherwise, in which case premiums written and earned, operating income and net book value could be adversely affected.

We may be affected by disruptions caused by the introduction of new products, related technology changes, and new operating models in our Core Commercial, Specialty, and Personal Lines businesses, and future acquisitions, and expansion into new geographic areas.

There are increased underwriting risks associated with premium growth and the introduction of new products or programs in our Core Commercial, Specialty and Personal Lines businesses. Additionally, there are increased underwriting risks associated with the appointment of new agencies and managing general agencies and with the expansion into new geographical areas.

The introduction of new Core Commercial products and the development of new niche and specialty lines presents new risks. Certain new Specialty products may present longer "tail" risks and increased volatility in profitability. Our expansion into new jurisdictions presents additional underwriting risks since the regulatory, geographic, natural risk, legal environment, demographic, business, economic and other characteristics of these states present different challenges from those in the states where we historically have conducted business. In addition, our agency relationships in these new geographies are not as developed.

Our Personal Lines production and earnings may be unfavorably affected by the continued introduction of new products, expanded risk appetites and our focus on account business (i.e., policyholders who have both automobile and homeowner insurance with us) that we believe, despite pricing discounts, will ultimately be more profitable business. We may also experience adverse selection, which occurs when insureds purchase our products because of underpricing, operational difficulties or implementation impediments with independent agents or the inability to grow new markets after the introduction of new products or the appointment of new agents.

As we enter new states or regions or grow our business, either organically or through acquisitions, there can be no assurance that we will not experience higher loss trends than anticipated.

Risks Related to Technology, Information Security, Privacy and Third-Party Suppliers

If we or our suppliers experience unforeseen interruptions or difficulties in the operation of the information technology systems that support our business, our operations, reputation, and financial results could be negatively affected.

We and certain third-party partners rely on the continuous availability and proper functioning of our information technology systems and those of our third-party vendors to process, store, retrieve, evaluate, and use internal and external data and to perform necessary insurance functions. These functions include providing insurance quotations, processing premium payments, servicing, and modifying existing policies, filing and paying claims, supporting agents, brokers, and policyholders, and managing our investment portfolios. Our systems, and those of our suppliers, may be subject to interruptions, failures, or degradation due to technological or human errors, software or hardware defects, vulnerabilities, system capacity limitations, computer or communications failures, power outages, disruptions during system upgrades or replacements, adverse weather, or natural disasters, cyberattacks, or other unexpected events.

If these systems are disrupted or become inaccessible to our employees, agents, brokers, or policyholders for an extended period, and if our disaster recovery or business continuity plans or those of our suppliers are inadequate or do not function as intended, our ability to conduct business could be impaired. Prolonged or severe disruptions could result in the loss of critical data, harm to policyholder, agent, and partner relationships, increased claims or operating costs, reputational damage, and adverse impacts on our operations and financial results.

Our inability to adapt to or implement new technologies, including artificial intelligence, could adversely affect our business and results of operations, and the use of new technologies may create unforeseen exposure or coverage issues.

We rely on a broad range of advanced technologies, including AI, to support our operations. As these technologies continue to rapidly evolve, our business could be adversely affected if we are unable to effectively adopt, update, integrate, or scale new capabilities in a timely or cost-effective manner. Competitors with greater technology investments or faster innovation cycles may introduce enhanced AI enabled tools, digital experiences, or analytic capabilities that improve efficiency, the customer or agent experience, and business outcomes. If we fail to keep pace with such developments, we may face disadvantages in attracting and retaining policyholders, supporting our distribution partners, or achieving operational efficiency, which could adversely affect our business and results of operations. New or evolving technologies, including AI, may also create unforeseen exposures or coverage issues under the policies we write or introduce new forms of claims fraud or cybercrime. In addition, regulatory standards relating to the use of AI in the states where we do business are also evolving and may increase the complexity of our compliance and reporting obligations, as well as the regulatory risks associated with our use of this technology.

Our operations, financial performance and reputation could be adversely affected, and we could be subject to legal liability or regulatory enforcement actions, if we, or our suppliers, are unable to protect against, or effectively respond to, cyberattacks or other cyber incidents.

We rely extensively on the security, integrity, and availability of our information technology systems and those of our agents, brokers, third-party administrators, claims vendors, catastrophe response partners, and other service providers to underwrite policies, price risk, service policyholders, adjust and pay claims, manage reinsurance arrangements, and store and process large volumes of sensitive personal and commercial information. These systems are exposed to continuously evolving cybersecurity threats, including unauthorized access, malware, ransomware, distributed denial of service attacks, phishing and other social engineering schemes,

insider threats, software vulnerabilities, and operational or system failures. A cybersecurity attack or other security incident affecting us or a third-party service provider could disrupt our ability to quote, bind, issue, or service policies, impede claims intake, investigation, or settlement, compromise or misappropriate confidential agent, policyholder, claimant, or commercial customer information, affect our catastrophe response capabilities, or interfere with the operation of telematics, Internet of Things devices, or other data collection tools used in underwriting or claims processing. Such events could also expose us to regulatory investigations or enforcement actions by state insurance departments, litigation, contractual liabilities to distribution partners, remediation costs, operational delays, reputational harm, and adverse impacts on our financial condition or results of operations. Although we maintain a cybersecurity program designed to prevent, detect, and respond to security threats and continually enhance our defenses, no control environment can eliminate all risk. Like many companies in the property and casualty insurance industry, we and our third-party service providers have experienced, and are likely to continue to experience, cybersecurity events and attempts to compromise systems. To date, these events have not had a material adverse effect on our business, but there is no assurance that future incidents will not be material. Cybersecurity threats continue to grow in frequency and complexity, including due to the rapid advancement and use of AI by threat actors. As a result, we may be required to devote additional financial, technological, and personnel resources to monitor, detect, investigate, contain, mitigate, remediate, or defend against such threats. These efforts may increase costs and divert resources from other operational or strategic priorities.

We also rely on numerous third parties, including agents, brokers, claims adjusters, contractors, independent appraisers, managed repair networks, cloud providers, and other vendors, all of whom face similar cybersecurity risks. A cybersecurity incident affecting one of these third parties could compromise our data or systems, disrupt our business processes, or increase our exposure to regulatory, operational, or financial risks through the interconnected nature of our business relationships. While we employ oversight and protective measures intended to reduce these risks, we cannot guarantee that our controls or those of our third parties will prevent all cybersecurity incidents.

For more information on how we handle cybersecurity, see Item 1C. Cybersecurity.

Any failure to protect the confidentiality of personal information could adversely affect our reputation or expose us to fines, penalties or litigation, which could have a material adverse effect on our business, financial condition and results of operations.

We are required to safeguard the confidential and personal information of our customers, business partners, employees, claimants and applicants. We are subject to an increasing number of federal, state, local and international laws and regulations regarding privacy, data security, and contractual commitments. These laws and regulations are rapidly evolving, complex, vary significantly from jurisdiction to jurisdiction, and sometimes conflict. In the absence of updated, uniform federal privacy legislation, there is a growing trend in the states in which we operate, to adopt comprehensive privacy legislation that provides consumers with various privacy rights and imposes significant compliance burdens on covered companies. Failure to comply with data security or privacy laws or regulations could subject us to regulatory enforcement actions and fines, penalties, litigation, private rights of action or public statements against us by consumer advocacy groups or others if confidential personal information is misappropriated from our systems, those of our vendors or others with whom we do business, or otherwise. Despite the security measures that may be in place, any such systems may be vulnerable to the types of attacks and security incidents described above. Any well-publicized compromise of security could deter people from entering into transactions that involve transmitting confidential information, impart reputational or other harm, and/or have a material adverse effect on our business. Additionally, privacy legislation may make our business partners more reluctant to share information with us that is useful in conducting our business.

If we fail to effectively manage our third-party suppliers, or if their ability to perform were negatively impacted, our business, financial performance and reputation could be adversely affected.

We rely upon, and in the future may increase our reliance upon, third-party vendors for certain of our technology, data storage and business process functions. If we do not effectively manage these vendors, they do not perform as anticipated, if the costs associated with using such suppliers increase or if they experience technological, data security or other problems, we may not realize productivity improvements or cost efficiencies, and we may experience operational difficulties, increased costs, liabilities for breaches of confidential or personal information, loss of business, and reputational damage. Moreover, if our use of third-party providers outside of the United States were to be impacted by global differences in social and cultural expectations, political instability, or substantially different, conflicting or onerous regulatory requirements or policies, it could also impact our operational effectiveness.

Risks Related to Competition and Competitors in the Property and Casualty Insurance Market

Intense competition could negatively affect our ability to maintain or increase our profitability, particularly in light of the various competitive, financial, strategic, technological, structural, informational and resource advantages that our competitors have.

We compete, and will continue to compete, with a large number of companies, including international, national and regional insurers, specialty insurance companies, underwriting agencies and financial services institutions. We also compete with mutual insurance companies, reciprocal and exchange companies that may not have shareholders and may have different profitability targets than publicly or privately owned companies. In prior years, there has been substantial consolidation and convergence among companies in the financial services industry, resulting in increased competition from large, well-capitalized financial services firms. Many of our competitors have greater financial, technical, technological, and operating resources than we do, greater access to data analytics or large-scale data, and may be able to offer a wider range of, or more sophisticated, core commercial, specialty and personal line products. Some of our competitors also have different marketing, advertising and sales strategies than we do and market and sell their products to consumers directly. In addition, competition in the U.S. property and casualty insurance market has intensified over the past several years. This competition has had, and may continue to have, an adverse impact on our revenues and profitability.

The industry and we are challenged by changing practices caused by the Internet, the increasing use of AI, application-based programs relying on algorithms and computer modeling to underwrite policies and administer claims, and the increased usage of real time comparative rating tools and claims management processes, which have led to greater competition in the insurance business in general, particularly on the basis of price and pressure to reduce coverages to compete on price and to respond to customer requests as quickly as possible.

We also face heightened competition resulting from the entry of new competitors and the introduction of new products by new and existing competitors. Recent entries into the property and casualty marketplace by large technology companies, retail companies, so-called “Insurtech” companies and other non-traditional insurance providers, who aim to leverage their technology, expertise, direct access to customers, access and ability to manipulate large-scale data, use of AI, speed in responding to customer requests and other developing opportunities, may increase competition. Increased competition could make it difficult for us to obtain new or retain existing customers. It could also result in increasing our service, administrative, policy acquisition or general expenses as we seek to distinguish our products and services from those of our competitors. In addition, our administrative, technology and management information systems’ expenditures could increase substantially as we try to maintain or improve our competitive position or keep up with evolving technology in order to deliver the same or similar customer or agency experience as those offered by our competitors.

We compete for business not just on the basis of price, but also on the basis of product coverages, reputation, financial strength, quality of service (including claims adjustment service), experience and breadth of product offering. We cannot provide assurance that we will be able to maintain a competitive position in the markets where we operate, or that we will be able to expand our operations into new markets.

Risks Related to Financial Strength and Debt Ratings

We are rated by several rating agencies, and downgrades to our ratings could adversely affect our operations.

Our ratings are important in establishing our competitive position and marketing the products of our insurance companies to our agents and customers. Rating information is broadly disseminated and generally used throughout the industry. Many policyholders, particularly larger commercial customers, will not purchase, and many agents will not distribute, products of insurers that do not meet certain financial strength ratings.

Our insurance company subsidiaries are rated by A.M. Best, Moody’s, and S&P Global. These ratings reflect the rating agency’s opinion of our insurance subsidiaries’ financial strength, operating performance, position in the marketplace, risk management, and the ability to meet policyholder obligations. These ratings are not evaluations directed to investors, and are not recommendations to buy, sell or hold our securities. Our ratings are subject to periodic review by the rating agencies, and we cannot guarantee the continued retention or improvement of our current ratings. This is particularly true given that rating agencies may change their ratings criteria.

A downgrade in one or more of our or any of our subsidiaries’ claims-paying ratings could negatively impact our business and competitive position, particularly in lines where customers require us to maintain minimum ratings. Additionally, a downgrade in one or more of our debt ratings could adversely impact our ability to access the capital markets and other sources of funds, increase the cost of current credit facilities, and/or adversely affect pricing of new debt that we may seek in the capital markets in the future. Our ability to raise capital in the equity markets could also be adversely affected.

Negative changes in our level of statutory surplus could adversely affect our ratings and profitability.

The capacity for an insurance company’s growth in premiums is in part a function of its statutory surplus. Maintaining appropriate levels of statutory surplus, as measured by state insurance regulators, is considered important by state insurance regulatory authorities and by rating agencies. As our business grows, or due to other factors, regulators may require that additional capital be retained or contributed to increase the level of statutory surplus. Failure to maintain certain levels of statutory surplus could result in increased regulatory scrutiny, action by state regulatory authorities or a downgrade by private rating agencies. Surplus in our insurance company subsidiaries is affected by, among other things, results of operations and investment gains, losses, impairments, and dividends from

each of those companies to its parent company. A number of these factors affecting our level of statutory surplus are, in turn, influenced by factors that are out of our control, including the frequency and severity of catastrophes, changes in policyholder behavior, changes in rating agency models and economic factors, such as changes in equity markets, credit markets or interest rates.

The NAIC uses a system for assessing the adequacy of statutory capital for property and casualty insurers. The system, known as risk-based capital, is in addition to the states' fixed dollar minimum capital and other requirements. The system is based on risk-based formulas that apply prescribed factors to the various risk elements in an insurer's business and investments to report a minimum capital requirement proportional to the amount of risk assumed by the insurer. Any failure to maintain appropriate levels of statutory surplus would have an adverse impact on our ability to maintain or grow our business.

Risks Related to Discontinued Operations

We could be subject to additional losses related to the sales of our discontinued FAFLIC and variable life insurance and annuity businesses and our former Chaucer business.

On January 2, 2009, we sold our remaining life insurance subsidiary, FAFLIC, to Commonwealth Annuity and Life Insurance Company ("Commonwealth Annuity"). Coincident with the sale transaction, Hanover Insurance and FAFLIC entered into a reinsurance contract whereby Hanover Insurance assumed FAFLIC's discontinued accident and health insurance business. We previously owned Commonwealth Annuity, but sold it in 2005 in conjunction with our disposal of our variable life insurance and annuity business. In connection with these transactions, we have agreed to indemnify Commonwealth Annuity for certain contingent liabilities, including litigation and other regulatory matters.

On December 28, 2018, we sold the majority of our Chaucer business (specifically our U.K.-based Lloyd's entities) to China Re, with the rest of the Chaucer sale completed in April 2019. In connection with these transactions, we made certain representations and warranties and agreed to indemnify China Re for certain pre-sale contingent liabilities, including tax matters.

We may incur financial losses related to our discontinued assumed accident and health reinsurance pools and arrangements.

We previously participated, through FAFLIC, in approximately 40 assumed accident and health reinsurance pools and arrangements. The business was retained in the sale of FAFLIC and assumed by Hanover Insurance through a reinsurance agreement. In 1999, prior to the sale of FAFLIC to Commonwealth Annuity, FAFLIC had ceased writing new premiums in this business, subject to certain contractual obligations. We are currently monitoring and managing the run-off of our related participation in the 22 pools with remaining liabilities. See "Item 1 – Business – Discontinued Operations," for information on the processes and risks associated with reserves established for these businesses.

Our long-term care pool accounts for the majority of our remaining accident and health reinsurance pool reserves. The potential risk and exposure of our long-term care pool is based upon expected estimated claims and payment patterns, using assumptions for, among other things, morbidity, lapses, future premium rates, the impact of policy inflation protection riders, and the interest rate used for discounting the future projected cash flows. The long-term exposure of this pool depends upon how our actual experience compares with these future cash flow projection assumptions. If any of our assumptions prove to be inaccurate, our reserves may be inadequate, which may have a material adverse effect on our results of operations.

Based on the information provided by the pool managers, we believe that the recorded reserves related to this business are appropriate. However, due to the inherent volatility in this business and the reporting lag of losses that tend to develop over time and which ultimately affect excess covers, as well as uncertainty surrounding both future claim expenses and with future premium rate levels for certain of these businesses, there can be no assurance that current reserves are adequate or that we will not have additional losses in the future.

Risks Related to Investments, Capital Markets and Economic Conditions

Market fluctuations and difficult general economic, market and political conditions may negatively affect our business, profitability, investment portfolio, and the market value of our common stock.

It is difficult to predict the impact of a challenging economic environment on our business. In our Core Commercial and Specialty lines, a difficult economy in the past has resulted in reductions in demand for insurance products and services since there are more companies ceasing to do business and there are fewer business start-ups, particularly as businesses are affected by a decline in overall consumer and business spending, and also in lines of business where premium levels may be dependent upon payroll volumes and/or employment levels. Additionally, claims frequency could increase as policyholders submit and pursue claims more aggressively than in the past, fraud incidences may increase, or we may experience higher incidents of abandoned properties or poorer maintenance, which may also result in more claims activity. In the past, during difficult economic times, we have experienced higher workers' compensation claims as injured employees take longer to return to work, increased surety losses as construction companies experience financial pressures and higher retroactive premium returns as audit results reflect lower payrolls. Additionally, during periods of economic uncertainty, our ability to increase pricing has been impacted as agents and policyholders have been more price sensitive, customers shop for policies more frequently or aggressively, utilize comparative rating models or, in Personal Lines in particular, turn to direct sales channels rather than independent agents, and we have experienced decreased new business premium levels, retention

and renewal rates, and renewal premiums. Specifically, in Personal Lines, policyholders may reduce coverages or change deductibles to reduce premiums, experience declining home values, or be subject to increased foreclosures, and policyholders may retain older or less expensive automobiles and purchase or insure fewer ancillary items such as boats, trailers and motor homes for which we provide coverages. Additionally, if as a result of a difficult economic environment, drivers continue to eliminate automobile insurance coverage or to reduce their bodily injury limit, we may be exposed to more uninsured and underinsured motorist coverage losses.

At December 31, 2025, we held approximately $11.5 billion of investment assets in categories such as fixed maturities, limited partnerships, commercial mortgage loans, equity securities, other investments, and cash and short-term investments. Our investments are primarily concentrated in the domestic market. Our investment returns, and thus our profitability, statutory surplus and shareholders' equity, may be adversely affected from time to time by conditions affecting our specific investments and, more generally, by bond, stock, real estate and other market fluctuations and general economic, market and political conditions, changing government policies, including monetary policies, fiscal policies, governmental shutdowns, and geopolitical risks (which may include the impact of terrorism in various parts of the world, civil unrest, pandemic events, and global or regional hostilities). These broader market conditions are out of our control. Our ability to make a profit on insurance products depends in significant part on the returns on investments supporting our obligations under these products, and the value of specific investments may fluctuate substantially depending on the foregoing conditions. We may use a variety of strategies to hedge our exposure to interest rates and other market risks. However, hedging strategies are not always available and carry certain credit risks, and our hedging could be ineffective.

Additionally, the aggregate performance of our investment portfolio depends, to a significant extent, on the ability of our investment managers to select and manage appropriate investments. As a result, we are also exposed to operational and compliance risks, which may include, but are not limited to, a failure to follow our investment guidelines, technological and staffing deficiencies and inadequate disaster recovery plans. The failure of these investment managers to perform their services in a manner consistent with our expectations and investment objectives could adversely affect our ability to conduct our business.

Debt securities comprise a material portion of our investment portfolio. Although we have an investment strategy that provides for asset diversification, the concentration of our investment portfolio in any one type of investment, industry or geography could have a disproportionately adverse effect on our investment portfolio. The issuers of debt securities, as well as borrowers under the loans we make, customers, trading counterparties, banks which have commitments under our various borrowing arrangements, and reinsurers, may be affected by declining market conditions or credit weaknesses. These parties may default on their obligations to us due to lack of liquidity, downturns in the economy or real estate values, operational failure, bankruptcy or other reasons. Changes in interest rates can also affect our debt securities. Future increases could result in increased defaults as borrowers are unable to pay the additional borrowing costs on variable rate securities or obtain refinancing. Conversely, future decreases could result in increased prepayments as borrowers refinance outstanding debt resulting in acceleration of portfolio cash flows and lower investment income. We cannot provide assurance that impairment charges will not be necessary in the future. In addition, evaluation of fixed income securities for credit-related impairment losses includes inherent uncertainty and subjective determinations. We cannot be certain that such impairments are adequate as of any stated date. Our ability to fulfill our debt and other obligations could be adversely affected by the default of third parties on their obligations owed to us.

Deterioration in the global financial markets may adversely affect our investment portfolio and have a related impact on our other comprehensive income, shareholders' equity and overall investment performance. Also, the effects of geo-political developments and conditions in global financial markets could change rapidly in ways that we cannot anticipate, resulting in additional realized and unrealized losses.

Market conditions also affect the value of assets under our employee pension plans, including our qualified defined benefit plan. The expense or benefit related to this plan results from several factors, including, but not limited to, changes in the market value of plan assets, interest rates, regulatory requirements or judicial interpretation of benefits. At December 31, 2025, our plan assets included approximately 90% of fixed maturities and 10% of equity securities and other assets. Additionally, our qualified plan assets exceeded liabilities by $4.3 million at December 31, 2025. Declines in the market value of plan assets and lower interest rates from levels at December 31, 2025, among other factors, could impact our funding estimates and negatively affect our results of operations. Deterioration in market conditions and differences between our assumptions and actual occurrences and behaviors, could result in a need to fund more into the qualified plan to maintain an appropriate funding level.

Additional uncertainties, which could affect our business prospects and investments include the current U.S. political environment, which is characterized by potentially sharp policy differences that may affect all aspects of the economy.

We may experience unrealized losses on our investments, especially during a period of heightened volatility, or if assumptions related to our investment valuations are changed, which could have a material adverse effect on our results of operations or financial condition.

Our investment portfolio and shareholders' equity can be, and in the past have been, significantly impacted by changes in the market values of our securities. U.S. and global financial markets and economies remain uncertain, particularly in light of inflationary pressures and potential recessionary impacts on the economy. Market uncertainty could result in unrealized and realized losses in future periods, and adversely affect the liquidity of our investments, which could have a material adverse impact on our results of operations and our financial position. Information with respect to interest rate sensitivity is included in "Quantitative and Qualitative Disclosures" in Management's Discussion and Analysis. Valuation of financial instruments (i.e., Level 1, 2, or 3) include methodologies, estimates, assumptions and judgments that are inherently subjective and open to different interpretations and could result in changes to investment valuations or the ability to receive such valuations upon sale. During periods of market disruption, it may be difficult to value certain of our securities if trading becomes less frequent and/or market data becomes less observable. In addition, in times of financial market disruption, certain asset classes that were in active markets with significant observable data may become illiquid. In those cases, the valuation process includes inputs that are less observable and require more subjectivity and judgment by management. Changes in these subjective methodologies, estimates, assumptions and judgments used to value our investments could also materially affect the valuation of certain investments.

If, following such declines, we are unable to hold our investment assets until they recover in value, or if such asset value never recovers, we would incur impairment losses that would be recognized as realized losses in our results of operations, reduce net income and earnings per share and adversely affect our liquidity and capital position. Impairment determinations, like valuations, are also subjective, and changes to the methodologies, estimates, assumptions and judgments used to determine impairments may affect the timing and amount of impairment losses recognized in our results of operations. Temporary declines in the market value of our available-for-sale fixed maturities are recorded as unrealized losses, which do not affect net income and earnings per share, but increase accumulated other comprehensive loss or reduce accumulated other comprehensive income, which is reflected on our Consolidated Balance Sheets. We cannot provide assurance that we will not have additional impairment losses and/or unrealized or realized investment losses in the future.

We invest a portion of our portfolio in limited partnerships, common stocks, and preferred stocks. The value of these assets fluctuates with the equity markets, and for certain limited partnerships, the real estate markets. Particularly in times of economic weakness, the market value and liquidity of these assets may decline, and may impact net income, capital and cash flows.

We are exposed to significant capital market risks related to changes in interest rates, credit spreads, equity prices and, to a lesser extent, real estate market conditions which may adversely affect our results of operations, financial position or cash flows.

We are exposed to significant capital market risks related to changes in interest rates, credit spreads, equity prices, and real estate market conditions. Significant declines in equity prices and real estate market conditions, changes in interest rates, and changes in credit spreads each could have a material adverse effect on our results, financial position or cash flows. Our exposure to interest rate risk relates primarily to the market price and cash flow variability associated with changes in interest rates. Our investment portfolio contains interest rate sensitive instruments, such as fixed income securities, which may be adversely affected by changes in interest rates from governmental policies, domestic and international economic and political conditions and other factors beyond our control. A rise in market yields would reduce the fair value of our investment portfolio, but it provides the opportunity to earn higher rates of return on funds reinvested. A decline in interest rates, on the other hand, would increase the fair value of our investment portfolio, but we would earn lower rates of return on reinvested assets. We may be forced to liquidate investments prior to maturity at a loss in order to cover liabilities, and such liquidation could be accelerated in the event of significant loss events, such as catastrophes. Although we take measures to manage the economic risks of investing in a changing interest rate environment, we may not be able to mitigate the interest rate risk of our assets relative to our liabilities.

Our investment portfolio is invested primarily in high quality, investment-grade fixed income securities. However, we also invest in non-investment-grade fixed income securities, limited partnerships, and commercial mortgage loans. These securities, which pay a higher rate of interest, also have a higher degree of credit or default risk. These securities may also be less liquid in times of economic weakness or market disruptions. The issuers of high-yield fixed income securities, limited partnerships that hold equity ownership positions in real properties and invest in debt secured by real properties, and borrowers under the commercial mortgage loans we make may be affected by downturns in the economy or real estate values and may default on their obligations to us. Additionally, reported values of our investments do not necessarily reflect the lowest current market price for the asset, and if we require significant amounts of cash on short notice, we may have difficulty selling our investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both. While we have procedures to monitor the credit risk and liquidity of our invested assets, we expect from time to time, and particularly in periods of economic weakness, to experience default losses in our portfolio. This would result in a corresponding reduction of net income, capital and cash flows.

Inflationary pressures may negatively impact expenses and reserves.

Inflationary pressures in the U.S. may negatively impact the results of our operations and the adequacy of our prior reserves through increased costs associated with paying claims and operational expenses. Given the breath of our underwriting portfolio, inflation impacts could vary based on coverage and market conditions, ranging from the cost of construction or automobile parts to the cost of health care and medical procedures, to the rise of litigation trends and awards.

Risks Related to Capital, Liquidity and Cash Flow

We are a holding company and rely on our insurance company subsidiaries for cash flow; we may not be able to receive dividends from our subsidiaries in needed amounts and may be required to provide capital to support their operations.

We are a holding company for a group of insurance companies, and our principal assets are the shares of capital stock of these subsidiaries. Our ability to make required interest payments on our debt, as well as our ability to pay operating expenses and pay dividends to shareholders, depends upon the receipt of sufficient funds from our subsidiaries. The payment of dividends by our insurance company subsidiaries is subject to regulatory restrictions and will depend on the surplus and future earnings of these subsidiaries. We are required to notify insurance regulators prior to paying any dividends from our insurance subsidiaries, and pre-approval is required with respect to "extraordinary dividends."

Because of the regulatory limitations on the payment of dividends from our insurance company subsidiaries, we may not always be able to receive dividends from these subsidiaries at times and in amounts necessary to meet our debt and other obligations, or to pay dividends to our shareholders. The inability of our subsidiaries to pay dividends to us in an amount sufficient to meet our debt interest and funding obligations would have a material adverse effect on us. These regulatory dividend restrictions also impede our ability to transfer cash and other capital resources among our subsidiaries. Similarly, our insurance subsidiaries may require capital from the holding company to support their operations.

Our dependence on our insurance subsidiaries for cash flow, and their potential need for capital support, exposes us to the risk of changes in their ability to generate sufficient cash inflows from new or existing customers, from inadequate investment returns, or from increased cash outflows. Cash outflows may result from claims activity and expense payments. Because of the nature of our business, claims activity can arise suddenly and in amounts which could outstrip our capital or liquidity resources (particularly in the event of a large catastrophe loss). Reductions in cash flow or capital demands from our subsidiaries could have a material adverse effect on our business and results of operations.

We may require additional capital or credit in the future, which may not be available or only available on unfavorable terms.

We monitor our capital adequacy on a regular basis. Our future capital and liquidity requirements depend on many factors, including premiums written, loss reserves and claim payments, investment portfolio composition and risk exposures, the availability of letters and lines of credit, and maturing outstanding debt, as well as regulatory and rating agency capital requirements. In addition, our capital strength can affect our ratings.

To the extent that our existing capital is insufficient or unavailable to fund our future operating requirements and/or cover claim losses, we may need to raise additional funds through financings or limit our growth. Any future equity or debt financing, if available, may be on terms that are unfavorable to us. In the case of equity financings, dilution to our shareholders could result and, in any case, such securities may have rights, preferences, and privileges that are senior to our common stock. If we are not able to obtain additional capital as necessary, our business, results of operations and financial condition could be adversely affected.

General Risk Factors

If we are unable to attract, develop and retain qualified personnel, or if we experience the loss or retirement of key executives or other key employees, particularly those experienced in the property and casualty industry, we may not be able to compete effectively, and our operations could be impacted significantly.

Errors or omissions, misconduct or fraud in connection with the administration of any of our insurance operations may cause our business and profitability to be negatively impacted.

Changes in current accounting practices and future pronouncements may require us to incur considerable additional compliance expenses, to retroactively apply new requirements, or to make financial restatements.

Failure to design, implement or maintain effective internal control over financial reporting could have a material adverse effect on financial statements, financial reporting, investor confidence, our business and stock price.

Our stock price is influenced by our financial performance, industry trends and sentiment and other larger macro-economic factors described above in risk factors related to investments, capital markets and economic conditions that are out of our control. These factors could cause the market price of our common stock to fluctuate, become volatile, and there is no guarantee that it will remain at or exceed current or historical levels.

ITEM 1B–UNRESOLVED STAFF COMMENTS

None.

ITEM 1C–CYBERSECURITY

Risk Management and Strategy

Our business operations depend heavily on the ability of our employees, agents, brokers, claims vendors, catastrophe response partners, cloud providers, and other third parties to access internal and external systems and data needed to perform essential insurance functions. We rely on the confidentiality, integrity, and availability of large volumes of data and information, including non-public information, and on the technology systems that process and store such information. These systems are critical to underwriting, pricing, claims handling, policy servicing, reinsurance management, financial reporting, and other activities important to our ability to grow our business, operate efficiently, and generate earnings. As described in "Risk Factors" in Part I Item 1A, we and our third-party service providers have experienced, and are likely to continue to experience, cybersecurity events and data incidents. While none of these events have had a material adverse effect on our business to date, no assurance can be given that future events will not have a material adverse impact on our business, results of operations, financial condition, or relationships with business partners and customers.

We maintain an enterprise-wide cybersecurity program that provides governance, structure, and executive oversight for identifying, assessing, and managing cybersecurity risks. Our cybersecurity program aligns with leading industry frameworks including the National Institute of Standards and Technology Cyber Security Framework and the Control Objectives for Information and Related Technologies framework. The program is designed to identify relevant assets and associated risks, protect against unauthorized access or misuse, detect and respond to cybersecurity events, and support the timely recovery of systems and information. The program uses a defense in depth approach supported by layered technical and administrative controls intended to protect the confidentiality, integrity, and availability of our information assets.

We continually assess our cybersecurity and threat detection capabilities, including our ability to identify and respond to emerging tactics, techniques, and procedures used by threat actors. This includes monitoring the increased use of artificial intelligence by threat actors and evaluating potential impacts on our threat landscape. Our cybersecurity program incorporates ongoing risk management practices such as maintenance of a cyber risk register, threat intelligence tracking, control monitoring using key performance indicators, independent control testing performed by internal audit, annual third-party risk assessments, external penetration testing, and regular cyber incident response exercises. We also use a security capability mapping process, together with our cyber risk and enterprise risk assessments, to evaluate emerging technologies and to inform ongoing investment decisions that support the maturity of our cybersecurity program.

We collaborate with industry associations, government agencies, peers, and external advisors to monitor the evolving threat environment and to incorporate industry best practices into our cybersecurity processes. These collaborations contribute to our understanding of threat actor behavior, regulatory developments, and effective approaches to cybersecurity readiness, including incident response procedures. Cybersecurity risk management activities are integrated into our enterprise risk management framework so that cyber risks are evaluated alongside other enterprise level risks to support decision making, planning, and governance.

Our third-party risk management program assesses the inherent risks associated with third party service providers and helps guide our due diligence and ongoing monitoring of those parties. Through this process, information security personnel, in coordination with our vendor management operations, evaluate the information security, privacy, and business continuity practices of both prospective and existing service providers.

We manage cybersecurity incidents through a documented incident response plan executed by an incident response team consisting of senior leaders and subject matter experts from information security, legal, compliance, risk management, communications, facilities, operations, marketing and distribution, finance, and human resources. The plan also provides for the engagement of external legal counsel and digital forensics resources who are familiar with our systems and incident response processes and who participate in our tabletop exercises. We maintain a formal escalation process based on incident nature and severity for notifying and engaging executive leadership, the Audit Committee and the Board of Directors. The incident response plan is integrated with our business continuity and emergency response plans.

Governance

Our Board of Directors oversees major risks facing the organization, including cybersecurity and operational risks, and reviews management's plans to mitigate such risks. The Board has designated the Audit Committee to have primary responsibility for oversight of cybersecurity risk management. The Audit Committee reviews management's approach to managing cybersecurity and privacy risk and receives updates regarding the programs used to monitor, detect, and respond to cybersecurity threats. These updates include information regarding emerging threats, internal and external risk assessments, key developments in cybersecurity risk management practices, security and infrastructure investments, regulatory and compliance updates, and cybersecurity incidents.

Our Chief Information Security Officer ("CISO") has primary responsibility for our cybersecurity program and leads our information security department. Our CISO has 25 years of experience in information technology, including 15 years of experience in cybersecurity in the property and casualty insurance industry. Our information security team includes personnel with diverse experience and relevant certifications. The CISO reports to our Chief Information and Innovation Officer ("CIIO"), who reports directly to our Chief Operating Officer. The CISO and the CIIO regularly update executive management regarding cybersecurity risks, threats, incidents, and program developments. Members of the information security team also participate in our Enterprise Risk Management Group, which includes senior leaders who meet regularly to evaluate new and emerging risks, including cybersecurity related risks.

ITEM 2–PROPERTIES

We conduct our business operations primarily in our company-owned facilities in Worcester, Massachusetts and Howell, Michigan. We also lease offices throughout the United States for branch sales, underwriting and claims processing functions, and the operations of acquired subsidiaries.

We believe our facilities are adequate for our present needs in all material respects.

ITEM 3–LEGAL PROCEEDINGS

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such action or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on the Company's financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

ITEM 4–MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5–MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

COMMON STOCK AND STOCKHOLDER OWNERSHIP

Our common stock is traded on the New York Stock Exchange under the symbol "THG." On February 18, 2026, we had approximately 12,262 shareholders of record and 35,149,316 shares of common stock outstanding. On the same date, the trading price of our common stock was $174.47 per share.

DIVIDENDS

We currently expect that quarterly cash dividends, comparable to the $0.95 per share dividend we paid in the fourth quarter of 2025, will continue to be paid in the future; however, the payment of future quarterly cash dividends or, from time to time, the payment of special dividends, on our common stock will be determined by the Board of Directors based upon cash available at our holding company, our results of operations and financial condition, and such other factors as the Board of Directors considers relevant.

Dividends to shareholders may be funded from dividends paid to us from our subsidiaries. Dividends from insurance subsidiaries are subject to restrictions imposed by state insurance laws and regulations. See "Liquidity and Capital Resources" in Management's Discussion and Analysis and Note 11 – "Dividend Restrictions" in the Notes to Consolidated Financial Statements.

ISSUER PURCHASES OF EQUITY SECURITIES

The Board of Directors authorized a stock repurchase program which provides for aggregate repurchases of our common stock of up to $1.3 billion. Under the repurchase authorization, we may repurchase, from time to time, common stock in amounts, at prices and at such times as we deem appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs or other transactions. We are not required to purchase any specific number of shares or to make purchases by any certain date under this program. During 2025, we repurchased approximately 0.7 million shares, at an aggregate cost of $130.1 million. As of December 31, 2025, we had repurchased 8.8 million shares under this $1.3 billion program and had approximately $173 million available for additional repurchases.

Shares purchased in the fourth quarter of 2025 were as follows:

PERIOD	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs *(in millions)*
October 1 - 31, 2025	143,180	$ 174.06	143,180	$ 204
November 1 - 30, 2025	56,074	$ 179.25	55,786	$ 194
December 1 - 31, 2025	110,189	$ 182.67	108,010	$ 173
Total	309,443	$ 178.07	306,976	$ 173

(1) Includes 288 shares and 2,179 shares withheld to satisfy tax withholding amounts due from employees related to the receipt of stock which resulted from the exercise or vesting of equity awards for the months ended November 30 and December 31, 2025, respectively.

ITEM 6–[RESERVED]

ITEM 7–MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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INTRODUCTION

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist readers in understanding the consolidated results of operations and financial condition of The Hanover Insurance Group, Inc. and its subsidiaries ("THG") for the years ended December 31, 2025 and 2024. This discussion and analysis includes comparative information between 2025 and 2024. Comparisons between 2024 and 2023 have been omitted from this Annual Report on Form 10-K; however, these comparisons may be found in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our 2024 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 24, 2025. This discussion should also be read in conjunction with the Consolidated Financial Statements and related footnotes included elsewhere herein.

Consolidated results of operations and financial condition are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Results of operations include the accounts of The Hanover Insurance Company ("Hanover Insurance") and Citizens Insurance Company of America ("Citizens"), our principal property and casualty companies, and certain other insurance and non-insurance subsidiaries. Our results of operations also include the results of our discontinued operations, consisting of our former accident and health insurance business, as well as our former Chaucer business.

The following discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this discussion and analysis, words such as: "believes," "anticipates," "expects," "projections," "outlook," "should," "could," "plan," "guidance," "likely," "on track to," "potential," "continue," "targeted," "designed," and similar expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We caution readers that accuracy with respect to forward-looking projections is difficult and subject to risks and uncertainties. Those risks and uncertainties, in some cases, have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from historical results and from those expressed in any of our forward-looking statements. For important factors that could cause actual results to differ materially from those contained in forward-looking statements, see "Risk Factors" in Part I – Item 1A.

EXECUTIVE OVERVIEW

Business operations consist of four reporting segments: Core Commercial, Specialty, Personal Lines and Other.

Our strategy, which focuses on the independent agency distribution channel, supports THG's commitment to our select independent agents. It is designed to generate profitable growth by leveraging the strengths of our distribution approach, including expansion of our agency footprint in underpenetrated geographies, as warranted. As part of that strategy, we have increased our capabilities in specialty markets and made investments designed to develop growth solutions for our agency distribution channel that meet the needs of our customers. Our goal is to grow responsibly in all of our businesses, while managing earnings volatility.

Net income was $662.5 million in 2025, compared to $426.0 million in 2024, an increase of $236.5 million, primarily due to higher after-tax operating income.

Operating income before interest expense and income taxes (a non-GAAP financial measure; see also "Results of Operations – Consolidated – Non-GAAP Financial Measures") was $933.0 million in 2025 compared to $650.1 million in 2024, an increase of $282.9 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results in our Personal Lines segment, higher net investment income, and earned premium growth. These improvements were partially offset by higher current accident year losses in our Core Commercial segment. The improved Personal Lines current accident year underwriting results were primarily due to the benefit of earned pricing outpacing loss trends in both homeowners and personal automobile lines, and moderated loss frequency trends, particularly in homeowners property and automobile collision coverages.

Pre-tax catastrophe losses were $276.3 million in 2025, compared to $375.9 million in 2024, a decrease of $99.6 million. The catastrophe losses in 2025 were due to severe convective storms across multiple states, and, to a lesser extent, the California Palisades and Eaton wildfires. The higher catastrophe losses in 2024 were primarily due to several convective storms across multiple states, with wind and hail damage representing the majority of reported losses, primarily in the Midwest, and, to a lesser extent, the impacts of hurricanes Helene and Beryl.

Net favorable development on prior years' loss reserves was $70.4 million in 2025, compared to $67.4 million in 2024, an increase of $3.0 million.

Core Commercial

Core Commercial includes two businesses, small commercial and middle market, both of which focus on account business, including coverage for commercial multiple peril, commercial automobile, workers' compensation and other core commercial (commercial umbrella, monoline general liability, claims-made liability, and monoline property). Small commercial focuses on small businesses, with annual policy premiums generally up to $50,000. Middle market provides coverage to mid-sized businesses with annual policy premiums generally between $50,000 and $500,000. Middle market offers coverage in distinct industry segments, including

technology, human services, manufacturing, retail, and real estate, among others. We believe that our account-focused approach to the small commercial market and distinctiveness in the middle market, including our diversified portfolio of products, delivers significant value to agents and policyholders. We continue to pursue our core strategy of developing strong relationships with independent agents, enhancing franchise value through selective distribution, distinctive products and coverages, and through continued investment in products for additional industry segmentation.

Net premiums written increased 3.6% in 2025, compared to 2024, primarily due to renewal price increases and an increase in new business. Operating income before interest expense and income taxes decreased in 2025, primarily due to higher catastrophe losses and higher current accident year losses, partially offset by higher net investment income. The competitive nature of the Core Commercial market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business.

Specialty

Specialty offers a comprehensive suite of products focused predominately on small to mid-sized businesses. This includes numerous specialized product areas that are organized into four distinct divisions – Professional and Executive Lines, Specialty Property and Casualty ("Specialty P&C"), Marine, and Surety and Other. We believe that this diverse set of Specialty products, distributed primarily through independent agents, including wholesalers, helps to enhance our overall agent value and increase growth opportunities by providing agents easier access to placement solutions for Specialty needs, including those that complement Core Commercial accounts.

Net premiums written increased 4.9% in 2025, compared to 2024, primarily due to renewal price increases and an increase in new business. Operating income before interest expense and income taxes increased in 2025, primarily due to higher net investment income, earned premium growth and higher net favorable development on prior year loss reserves. The competitive nature of the Specialty market requires us to be highly disciplined in our underwriting process to ensure that we write business at acceptable margins, and we continue to seek rate increases across many lines of business, as appropriate.

Personal Lines

Personal Lines focuses on working with high quality, value-oriented agencies that deliver consultative selling to customers and stress the importance of total account solutions, which is the conversion of single policy customers to accounts with multiple policies and/or additional coverages, to address customers' broader needs and objectives. Approximately 89% of our policies in force ("PIF") have been issued to customers with multiple policies and/or coverages with us. We are focused on seeking profitable growth opportunities, building a distinctive position in the market in order to meet our customers' needs, and diversifying geographically. We continue to seek appropriate rate increases that meet or exceed underlying loss cost trends, subject to regulatory and competitive considerations.

Net premiums written increased 3.7% in 2025, compared to 2024, primarily due to renewal price increases, higher retention, and increased new business. Operating income before interest expense and income taxes increased in 2025, compared to 2024, primarily due to lower catastrophe losses, improvements in current accident year underwriting results, higher net investment income and earned premium growth.

DESCRIPTION OF SEGMENTS

Primary business operations include insurance products and services currently provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers' compensation, and other commercial lines coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Professional and Executive Lines, Specialty P&C, Marine, and Surety and Other. Specialty P&C includes coverages such as program business (providing commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses), specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages, such as umbrella. The Other segment includes earnings on holding company assets; holding company and other expenses, including certain costs associated with retirement benefits due to our former life insurance subsidiaries' employees and agents; and our run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty pools, and run-off product liability business.

We report interest expense on debt separately from the earnings of our reporting segments. This consists primarily of interest on our senior and subordinated debentures.

RESULTS OF OPERATIONS – CONSOLIDATED

2025 Compared to 2024

Consolidated net income was $662.5 million in 2025, compared to $426.0 million in 2024, an increase of $236.5 million. This increase was primarily due to higher after-tax operating income of $210.3 million, and, to a lesser extent, a decrease in after-tax net realized and unrealized investment losses of $23.1 million. Operating income before interest expense and income taxes was $933.0 million in 2025, compared to $650.1 million in 2024, an increase of $282.9 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results in our Personal Lines segment, higher net investment income, and earned premium growth. These improvements were partially offset by higher current accident year losses in our Core Commercial segment.

The following table reflects operating income (loss) before interest expense and income taxes for each reporting segment and a reconciliation to consolidated net income from operating income before interest expense and income taxes (a non-GAAP measure).

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Operating income (loss) before interest expense and income taxes:			
Core Commercial	**$ 250.9**	$ 281.6	$ 167.2
Specialty	**296.1**	257.7	243.5
Personal Lines	**379.8**	111.3	(304.3)
Other	**6.2**	(0.5)	(0.8)
Operating income before interest expense and income taxes	**933.0**	650.1	105.6
Interest expense on debt	**(43.2)**	(34.1)	(34.1)
Operating income before income taxes	**889.8**	616.0	71.5
Income tax expense on operating income	**(193.6)**	(130.1)	(15.3)
Operating income	**696.2**	485.9	56.2
Non-operating items:			
Net realized and unrealized investment losses	**(46.0)**	(75.8)	(32.5)
Other non-operating	**—**	(2.4)	2.1
Income tax benefit on non-operating items	**10.5**	17.6	7.7
Income from continuing operations, net of taxes	**660.7**	425.3	33.5
Discontinued operations (net of taxes):			
Income from discontinued life businesses	**1.5**	—	0.6
Income from Chaucer business	**0.3**	0.7	1.2
Net income	**$ 662.5**	$ 426.0	$ 35.3

Non-GAAP Financial Measures

In addition to consolidated net income, discussed above, we assess our financial performance based upon pre-tax "operating income," and we assess the operating performance of each of our four reporting segments based upon the pre-tax operating income (loss) generated by each segment. As reflected in the table above, operating income before interest expense and income taxes excludes interest expense on debt and certain other items, which we believe are not indicative of our core operations, such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income before interest expense and income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income before interest expense and income taxes are important components in understanding and assessing our overall financial performance, we believe a discussion of operating income before interest expense and income taxes enhances an investor's understanding of our results of operations by highlighting net income attributable to the core operations of the business. However, operating income before interest expense and income taxes, which is a non-GAAP measure, should not be construed as a substitute for income before income taxes or income from continuing operations, and operating income should not be construed as a substitute for net income.

Catastrophe losses and prior years' reserve development are significant components in understanding and assessing the financial performance of our business. Management reviews and evaluates catastrophes and prior years' reserve development separately from the other components of earnings. References to "current accident year underwriting results" exclude prior accident year reserve development and may also be presented "excluding catastrophes." Prior years' reserve development and catastrophes are not predictable as to timing or the amount that will affect the results of our operations and have an effect on each year's operating and net income. Management believes that providing certain financial metrics and trends excluding the effects of catastrophes and prior years' reserve development helps investors to understand the variability in periodic earnings and to evaluate the underlying performance of our operations. Discussion of catastrophe losses in this Management's Discussion and Analysis includes development on prior years'

catastrophe reserves and, unless otherwise indicated, such development is excluded from discussions of prior year loss and loss adjustment expenses ("LAE") reserve development.

RESULTS OF OPERATIONS - SEGMENTS

The following is our discussion and analysis of the results of operations by business segment. The operating results are presented before interest expense, income taxes and other items which management believes are not indicative of our core operations, including realized gains and losses, as well as unrealized gains and losses on equity securities, and the results of discontinued operations.

The following table summarizes the results of operations for the periods indicated:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Operating revenues:			
Net premiums written	**$ 6,322.1**	$ 6,083.6	$ 5,810.2
Net premiums earned	**$ 6,161.1**	$ 5,912.6	$ 5,663.1
Net investment income	**454.4**	372.6	332.1
Other income	**24.9**	28.0	30.8
Total operating revenues	**6,640.4**	6,313.2	6,026.0
Losses and operating expenses:			
Losses and LAE	**3,729.3**	3,757.4	4,134.6
Amortization of deferred acquisition costs	**1,285.2**	1,221.7	1,176.0
Other operating expenses	**692.9**	684.0	609.8
Total losses and operating expenses	**5,707.4**	5,663.1	5,920.4
Operating income before interest expense and income taxes	**$ 933.0**	$ 650.1	$ 105.6

2025 Compared to 2024

Operating income before interest expense and income taxes was $933.0 million for the year ended December 31, 2025, compared to $650.1 million for the year ended December 31, 2024, an improvement of $282.9 million. This increase was primarily due to lower catastrophe losses, improvements in current accident year underwriting results in our Personal Lines segment, higher net investment income, and earned premium growth. These improvements were partially offset by higher current accident year losses in our Core Commercial segment. Pre-tax catastrophe losses were $276.3 million for the year ended December 31, 2025, compared to $375.9 million for the year ended December 31, 2024, a decrease of $99.6 million. The catastrophe losses in 2025 were due to severe convective storms across multiple states, and to a lesser extent, the California Palisades and Eaton wildfires. The higher catastrophe losses in 2024 were primarily due to several convective storms across multiple states, with wind and hail damage representing the majority of reported losses, primarily in the Midwest, and, to a lesser extent, the impacts of hurricanes Helene and Beryl. The improved Personal Lines current accident year underwriting results were primarily due to the benefit of earned pricing outpacing loss trends in both homeowners and personal automobile lines, and moderated loss frequency trends, particularly in homeowners property and automobile collision coverages. The increase in Core Commercial current accident year losses was primarily in our commercial automobile and workers' compensation lines of business, partially offset by lower current accident year losses in our commercial multiple peril line of business.

Net premiums written increased $238.5 million for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase in net premiums written was primarily due to renewal price increases and new business.

PREMIUM PRODUCTION AND UNDERWRITING RESULTS

The following tables summarize premiums written on a gross and net basis, net premiums earned and, catastrophe loss, loss and LAE (including catastrophe losses), expense, and combined ratios for our Core Commercial, Specialty and Personal Lines segments. Loss and LAE, catastrophe loss and combined ratios shown below include prior year reserve development. These items were not meaningful for our Other segment.

	YEAR ENDED DECEMBER 31, 2025						
(dollars in millions)	**Gross Premiums Written**	**Net Premiums Written**	**Net Premiums Earned**	**Catastrophe Loss Ratios**	**Loss & LAE Ratios**	**Expense Ratios**	**Combined Ratios**
Core Commercial	**$ 2,624.1**	**$ 2,273.7**	**$ 2,211.0**	**5.1**	**63.9**	**33.5**	**97.4**
Specialty	**1,688.2**	**1,441.5**	**1,398.3**	**2.4**	**48.4**	**37.3**	**85.7**
Personal Lines	**2,710.3**	**2,606.9**	**2,551.8**	**5.0**	**64.3**	**25.7**	**90.0**
Total	**$ 7,022.6**	**$ 6,322.1**	**$ 6,161.1**	**4.5**	**60.5**	**31.1**	**91.6**

	YEAR ENDED DECEMBER 31, 2024						
(dollars in millions)	**Gross Premiums Written**	**Net Premiums Written**	**Net Premiums Earned**	**Catastrophe Loss Ratios**	**Loss & LAE Ratios**	**Expense Ratios**	**Combined Ratios**
Core Commercial	$ 2,503.1	$ 2,195.5	$ 2,148.8	3.6	60.6	33.8	94.4
Specialty	1,611.0	1,373.9	1,322.0	2.8	48.9	37.6	86.5
Personal Lines	2,618.8	2,514.2	2,441.8	10.7	74.0	25.6	99.6
Total	$ 6,732.9	$ 6,083.6	$ 5,912.6	6.4	63.5	31.3	94.8

	YEAR ENDED DECEMBER 31, 2023						
(dollars in millions)	**Gross Premiums Written**	**Net Premiums Written**	**Net Premiums Earned**	**Catastrophe Loss Ratios**	**Loss & LAE Ratios**	**Expense Ratios**	**Combined Ratios**
Core Commercial	$ 2,394.4	$ 2,107.0	$ 2,060.3	8.3	65.8	33.2	99.0
Specialty	1,537.3	1,293.3	1,274.2	3.4	50.7	35.5	86.2
Personal Lines	2,501.2	2,409.9	2,328.6	20.4	91.6	25.5	117.1
Total	$ 6,432.9	$ 5,810.2	$ 5,663.1	12.2	73.0	30.5	103.5

The following tables summarize net premiums written, and loss and LAE and catastrophe loss ratios by line of business for the Core Commercial, Specialty and Personal Lines segments. Loss and LAE and catastrophe loss ratios include prior year reserve development.

	YEAR ENDED DECEMBER 31, 2025		
(dollars in millions)	**Net Premiums Written**	**Loss & LAE Ratios**	**Catastrophe Loss Ratios**
Core Commercial	**$ 2,273.7**	**63.9**	**5.1**
Specialty	**1,441.5**	**48.4**	**2.4**
Personal Lines:			
Personal automobile	**1,489.9**	**70.6**	**0.9**
Homeowners & Other	**1,117.0**	**55.6**	**10.7**
Total Personal Lines	**2,606.9**	**64.3**	**5.0**
Total	**$ 6,322.1**	**60.5**	**4.5**

	YEAR ENDED DECEMBER 31, 2024		
(dollars in millions)	**Net Premiums Written**	**Loss & LAE Ratios**	**Catastrophe Loss Ratios**
Core Commercial	$ 2,195.5	60.6	3.6
Specialty	1,373.9	48.9	2.8
Personal Lines:			
Personal automobile	1,463.6	72.0	1.3
Homeowners & Other	1,050.6	76.8	23.7
Total Personal Lines	2,514.2	74.0	10.7
Total	$ 6,083.6	63.5	6.4

(dollars in millions)	YEAR ENDED DECEMBER 31, 2023 Net Premiums Written	Loss & LAE Ratios	Catastrophe Loss Ratios
Core Commercial	$ 2,107.0	65.8	8.3
Specialty	1,293.3	50.7	3.4
Personal Lines:			
Personal automobile	1,404.2	81.3	2.5
Homeowners & Other	1,005.7	106.1	46.1
Total Personal Lines	2,409.9	91.6	20.4
Total	$ 5,810.2	73.0	12.2

The following tables summarize GAAP underwriting results for our Core Commercial, Specialty, Personal Lines and Other segments and reconciles them to operating income (loss) before interest expense and income taxes.

(in millions)	YEAR ENDED DECEMBER 31, 2025 Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	**$ 158.5**	**$ 174.6**	**$ 365.3**	**$ —**	**$ 698.4**
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	**7.1**	**56.8**	**7.2**	**(0.7)**	**70.4**
Prior year favorable catastrophe development	**11.0**	**4.0**	**11.0**	**—**	**26.0**
Current year catastrophe losses	**(124.4)**	**(38.1)**	**(139.8)**	**—**	**(302.3)**
Underwriting profit (loss)	**52.2**	**197.3**	**243.7**	**(0.7)**	**492.5**
Net investment income	**202.5**	**102.6**	**128.5**	**20.8**	**454.4**
Fees and other income	**5.2**	**4.8**	**14.7**	**0.2**	**24.9**
Other operating expenses	**(9.0)**	**(8.6)**	**(7.1)**	**(14.1)**	**(38.8)**
Operating income before interest expense and income taxes	**$ 250.9**	**$ 296.1**	**$ 379.8**	**$ 6.2**	**$ 933.0**

(in millions)	YEAR ENDED DECEMBER 31, 2024 Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	$ 174.3	$ 166.5	$ 252.2	$ —	$ 593.0
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	17.7	46.2	4.9	(1.4)	67.4
Prior year favorable (unfavorable) catastrophe development	32.3	14.7	(5.0)	—	42.0
Current year catastrophe losses	(109.5)	(52.2)	(256.2)	—	(417.9)
Underwriting profit (loss)	114.8	175.2	(4.1)	(1.4)	284.5
Net investment income	170.4	84.5	106.7	11.0	372.6
Fees and other income	5.0	5.9	15.7	1.4	28.0
Other operating expenses	(8.6)	(7.9)	(7.0)	(11.5)	(35.0)
Operating income (loss) before interest expense and income taxes	$ 281.6	$ 257.7	$ 111.3	$ (0.5)	$ 650.1

(in millions)	YEAR ENDED DECEMBER 31, 2023 Core Commercial	Specialty	Personal Lines	Other	Total
Underwriting profit, excluding prior year reserve development and catastrophes	$ 192.6	$ 167.2	$ 90.0	$ —	$ 449.8
Prior year favorable (unfavorable) loss and LAE reserve development on non-catastrophe losses	(4.7)	48.8	(25.9)	(2.3)	15.9
Prior year favorable (unfavorable) catastrophe development	6.7	8.3	(15.0)	—	—
Current year catastrophe losses	(178.0)	(51.4)	(460.7)	—	(690.1)
Underwriting profit (loss)	16.6	172.9	(411.6)	(2.3)	(224.4)
Net investment income	151.8	71.1	96.8	12.4	332.1
Fees and other income	4.7	6.4	16.7	3.0	30.8
Other operating expenses	(5.9)	(6.9)	(6.2)	(13.9)	(32.9)
Operating income (loss) before interest expense and income taxes	$ 167.2	$ 243.5	$ (304.3)	$ (0.8)	$ 105.6

2025 Compared to 2024

Core Commercial

Core Commercial net premiums written were $2,273.7 million for the year ended December 31, 2025, compared to $2,195.5 million for the year ended December 31, 2024. The $78.2 million increase in net premiums written was primarily driven by renewal price increases and an increase in new business.

Core Commercial underwriting profit for the year ended December 31, 2025 was $52.2 million, compared to $114.8 million for the year ended December 31, 2024, a decrease of $62.6 million. Catastrophe losses for the year ended December 31, 2025 were $113.4 million, compared to $77.2 million for the year ended December 31, 2024, an increase of $36.2 million. Net favorable development on prior years' loss reserves for the year ended December 31, 2025 was $7.1 million, compared to $17.7 million for the year ended December 31, 2024, a decrease of $10.6 million.

Core Commercial current accident year underwriting profit, excluding catastrophes, was $158.5 million for the year ended December 31, 2025, compared to $174.3 million for the year ended December 31, 2024. The $15.8 million decrease in underwriting results was primarily due to higher current accident year losses, partially offset by lower expenses and earned premium growth. Higher current accident year losses were primarily due to our commercial automobile and workers' compensation lines of business, partially offset by lower losses in our commercial multiple peril line.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases is affected by many factors, including regulatory activity and the competitive pricing environment, particularly within the workers' compensation line.

Specialty

Specialty net premiums written were $1,441.5 million for the year ended December 31, 2025, compared to $1,373.9 million for the year ended December 31, 2024. The $67.6 million increase in net premiums written was primarily due to renewal price increases and an increase in new business.

Specialty underwriting profit for the year ended December 31, 2025 was $197.3 million, compared to $175.2 million for the year ended December 31, 2024, an increase of $22.1 million. Catastrophe losses for the year ended December 31, 2025 were $34.1 million, compared to $37.5 million for the year ended December 31, 2024, a decrease of $3.4 million. Net favorable development on prior years' loss reserves for the year ended December 31, 2025 was $56.8 million, compared to $46.2 million for the year ended December 31, 2024, an increase of $10.6 million.

Specialty current accident year underwriting profit, excluding catastrophes, was $174.6 million for the year ended December 31, 2025, compared to $166.5 million for the year ended December 31, 2024. The $8.1 million increase in underwriting results was primarily due to earned premium growth.

We continue to manage underwriting performance through rate actions, risk selection and mitigation, pricing segmentation, specific underwriting actions and targeted new business growth. Our ability to achieve overall rate increases is affected by many factors, including regulatory activity and the competitive pricing environment.

Personal Lines

Personal Lines net premiums written were $2,606.9 million for the year ended December 31, 2025, compared to $2,514.2 million for the year ended December 31, 2024. The $92.7 million increase in net premiums written was primarily due to renewal price increases, higher retention, and increased new business.

Net premiums written in the personal automobile line of business for the year ended December 31, 2025 were $1,489.9 million, compared to $1,463.6 million for the year ended December 31, 2024, an increase of $26.3 million. Personal automobile policies in force decreased by 3.1% since December 31, 2024. Net premiums written in the homeowners and other lines of business for the year ended December 31, 2025 were $1,117.0 million, compared to $1,050.6 million for the year ended December 31, 2024, an increase of $66.4 million. Homeowners policies in force decreased by 2.6% since December 31, 2024.

Personal Lines underwriting profit for the year ended December 31, 2025 was $243.7 million, compared to an underwriting loss of $4.1 million for the year ended December 31, 2024, a favorable change in underwriting results of $247.8 million. Catastrophe losses for the year ended December 31, 2025 were $128.8 million, compared to $261.2 million for the year ended December 31, 2024, a decrease of $132.4 million. Net favorable development on prior years' loss reserves for the year ended December 31, 2025 was $7.2 million, compared to $4.9 million for the year ended December 31, 2024, an increase of $2.3 million.

Personal Lines current accident year underwriting profit, excluding catastrophes, was $365.3 million for the year ended December 31, 2025, compared to $252.2 million for the year ended December 31, 2024. The $113.1 million increase in underwriting results was primarily due to lower current accident year losses in our homeowners and personal automobile lines and, to a lesser extent, earned premium growth. The improved Personal Lines current accident year results were primarily due to the benefit of earned pricing outpacing loss trends in both homeowners and personal automobile lines, and moderated loss frequency trends, particularly in homeowners property and automobile collision coverages.

We obtained pricing increases of approximately 14% in our homeowners line and 9% in our personal automobile line during 2025 and believe that our ability to obtain pricing increases, although moderating, will continue. Consistent with our expectations, PIF declined in 2025, driven by lower policies available to renew year over year from prior margin recapture actions taken. Additionally, our Personal Lines net premiums written may be affected by price competition and the regulatory and overall macroeconomic environment. These factors may also affect our ability to maintain and improve underwriting results.

Other

Our Other segment had an operating profit of $6.2 million for the year ended December 31, 2025, compared to an operating loss of $0.5 million for the year ended December 31, 2024, an improvement of $6.7 million, due primarily to an increase in net investment income.

RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

Overview of Loss Reserve Estimation Process

We maintain reserves for our insurance products to provide for our ultimate liability for losses and loss adjustment expenses (our "loss reserves") with respect to reported and unreported claims incurred as of the end of each accounting period. These reserves are estimates, taking into account past loss experience, modified for current trends, as well as prevailing economic, legal and social conditions. Loss reserves represent our largest liability.

Management's process for establishing loss reserves is comprehensive and involves input from multiple functions throughout our organization, including actuarial, finance, claims, legal, underwriting, distribution, and business operations management. The process incorporates facts currently known, as well as the current, and in some cases, the anticipated, state of the law and coverage litigation. Based on information currently available, we believe that the aggregate loss reserves at December 31, 2025 were adequate to cover claims for losses that had occurred as of that date, including both those known to us and those yet to be reported. However, as described below, there are significant uncertainties inherent in the loss reserving process. Our estimate of the ultimate liability for losses that had occurred as of December 31, 2025 is expected to change in future periods as we obtain further information, and such changes could have a material effect on our results of operations and financial position.

Our loss reserves include case estimates for claims that have been reported and estimates for claims that have been incurred but not reported ("IBNR") at the balance sheet date. They also include estimates of the expenses associated with processing and settling all reported and unreported claims, less estimates of anticipated salvage and subrogation recoveries. Our loss reserves are not discounted to present value.

Case reserves are established by our claim personnel individually, on a claim by claim basis, and based on information specific to the occurrence and terms of the underlying policy. For some classes of business, average case reserves are used initially. Case reserves are periodically reviewed and modified based on new or additional information pertaining to the claim.

Our ultimate IBNR reserves are estimated by management and our reserving actuaries on an aggregate basis for each line of business or coverage for loss and loss expense liabilities not reflected within the case reserves. The sum of the case reserves and the IBNR reserves represents our estimate of total unpaid losses and loss adjustment expenses.

We regularly review our loss reserves using a variety of industry accepted analytical techniques. We update the loss reserves as historical loss experience develops, additional claims are reported and resolved, and new information becomes available. Net changes in loss reserves are reflected in operating results in the period in which the reserves are changed.

The IBNR reserve includes both a provision for claims that have occurred but have not yet been reported to us, some of which may not yet be known to the insured, and a provision for future development on reported claims. IBNR represents a significant proportion of our total net loss reserves (i.e., net of estimated reinsurance recoverables), particularly for long-tail liability classes. In fact, approximately 56% of our aggregate net loss reserves at December 31, 2025 were for IBNR losses and loss expenses.

Critical Judgments and Key Assumptions

We determine the amount of our net loss reserves based on an estimation process that is complex and considers information from both company specific and industry data, as well as general economic and other information. The estimation process utilizes a combination of objective and subjective information, the blending of which requires significant professional judgment. There are various assumptions required, including future trends in frequency and severity of claims, operational changes in claim handling and case reserving practices, and trends related to general economic and social conditions. Informed judgments as to our ultimate exposure to losses are an integral component of our loss reserve estimation process.

There is greater inherent uncertainty in estimating insurance reserves for certain types of property and casualty insurance lines, particularly liability lines, where a longer period of time may elapse before a definitive determination of ultimate liability and losses may be made (sometimes referred to as "long-tail" business). In addition, the technological, judicial, regulatory and political climates involving these types of claims are continuously evolving. There is also greater uncertainty in establishing reserves with respect to business that is new to us, particularly new business which is generated with respect to newly introduced product lines, by newly appointed agents, or in geographies in which we have less experience in conducting business. In each of these cases, there is less

historical experience or knowledge, and less data upon which we can rely. A combination of business that is both new to us and has longer development periods provides even greater uncertainty in estimating insurance reserves. In addition, in recent periods, we have experienced extensions of the "tails" in certain lines of business as the full value of claims are presented later than had been our historical experience.

We regularly update our reserve estimates as new information becomes available and additional events occur which may impact the resolution of unsettled claims. Reserve adjustments are reflected in the results of operations as adjustments to losses and LAE. Often, these adjustments are recognized in periods subsequent to the period in which the underlying policy was written and the loss event occurred. When these types of subsequent adjustments affect prior years, they are described separately as "prior year reserve development." Such development can be either favorable or unfavorable to our financial results and may vary by line of business. As discussed below, estimated loss and LAE reserves for claims occurring in prior years, in the aggregate, developed favorably by $70.4 million and $67.4 million for the years ended December 31, 2025 and 2024, respectively, although there was some significant variance by segment. Additionally, our estimated loss and LAE reserves for catastrophe claims occurring in prior years developed favorably by $26.0 million for the year ended December 31, 2025 and $42.0 million for the year ended December 31, 2024. There can be no assurance that current loss and LAE reserves will be sufficient.

We regularly review our reserving techniques, our overall reserving position and our reinsurance. Based on (i) our review of historical data, legislative enactments, judicial decisions, legal developments in impositions of damages and policy coverage, political attitudes and trends in general economic conditions, (ii) our review of per claim information, (iii) our historical loss experience and that of the industry, (iv) the nature of policies written by us, and (v) our internal estimates of required reserves, we believe that adequate provision has been made for loss reserves. Given the inherent complexity of our loss reserve estimation process and the potential variability of the assumptions used, the actual emergence of losses will vary, perhaps substantially, from the estimate of losses included in our financial statements, particularly in those instances where settlements or other claim resolutions do not occur until well into the future. Our net loss reserves at December 31, 2025 were $5.9 billion. Therefore, a relatively small percentage change in the estimate of net loss reserves would have a material effect on our results of operations. Similarly, a one percentage point change in the aggregate loss and LAE ratio resulting from a change in reserve estimation is currently projected to have an approximate $62 million impact on operating income, based on 2025 full year premiums.

The major causes of material uncertainty relating to ultimate losses and LAE ("risk factors") generally vary for each line of business, as well as for each separately analyzed component of the line of business. In some cases, such risk factors are explicit assumptions of the estimation method and in others, they are implicit. For example, a method may explicitly assume that a certain percentage of claims will close each year, but will implicitly assume that the legal interpretation of existing contract language will remain substantially unchanged. Actual results will likely vary from expectations for each of these assumptions, resulting in an ultimate claim liability that is different from that being estimated currently.

Some risk factors affect multiple lines of business. Examples include changes in claim handling and claim reserving practices, changes in claim settlement patterns, claims complexion, regulatory and legislative actions, increased attorney involvement in claims, court actions or delays in legal proceedings, social inflation and legal system abuse dynamics, timeliness of claim reporting, state mix of claimants and degree of claimant fraud. The extent of the impact of a risk factor will also vary by components within a line of business. Individual risk factors are subject to interactions with other risk factors within line of business components. Thus, risk factors can have offsetting or compounding effects on required reserves.

Inflation generally increases the cost of losses covered by insurance contracts. The effect of inflation varies by product. Our insurance premiums are established before the amount of losses and LAE and the extent to which inflation may affect such expenses are known. Consequently, we attempt, in establishing rates and reserves, to anticipate the potential impact of inflation in the projection of ultimate costs. For example, we monitor, and continue to experience, increases in medical costs, wages, and legal defense costs, all of which are key considerations in setting reserve assumptions for workers' compensation, bodily injury and other liability lines. We are also monitoring the continued advancements in technology and design found in automobiles and homes, and the increased claims settlement costs that result from labor shortages, and repairs or replacement of such equipment impacted by supply chain disruptions, which could lead to material shortages and elevated prices of building materials. Estimated increases are reflected in our current reserve estimates, but continued increases are expected to contribute to increased losses and LAE in the future.

We are also defendants in various litigation matters, including putative class actions, which may seek punitive damages, bad faith or extra-contractual damages, legal fees and interest, or claim a broader scope of policy coverage or settlement and payment obligations than our interpretation. Resolution of these cases is often highly unpredictable, could result in extending the time to settle, and could involve material unanticipated damage awards. We have experienced, and others in the industry have reported, increased attorney involvement in claims resulting in delayed claim settlements, legal system abuse dynamics, and a trend toward higher valued settlements and litigation, all of which contribute to uncertainty regarding reserve estimates.

Loss and LAE Reserves by Line of Business

Reserving Process Overview

Our loss reserves include amounts related to short-tail and long-tail classes of business. "Tail" refers to the time period between the occurrence of a loss and the final settlement of the claim. The longer the time span between the incidence of a loss and the settlement of the claim (i.e., a longer tail), the more the ultimate settlement amount may likely vary from our original estimate.

Short-tail classes consist principally of automobile physical and property damage, homeowners property, commercial property, and marine business. For these property coverages, claims are generally reported and settled shortly after the loss occurs because the claims relate to tangible property and are more likely to be discovered shortly after the loss occurs. Consequently, the estimation of loss reserves for these classes is generally less complex. However, the estimation of loss reserves for these classes is more complex when there are rapid changes in the ultimate timing or future cost to settle the claims.

While we estimate that approximately half of our written premium is in, what we would characterize as, shorter-tail classes of business, most of our loss reserves relate to longer-tail liability classes of business. Long-tailed classes include commercial general liability, third-party coverage, automobile liability, personal and commercial umbrella, and workers' compensation. For many liability claims, significant periods of time, ranging up to several years or more, may elapse between the occurrence of the loss, the discovery and reporting of the loss to us and the settlement of the claim. As a result, loss experience in the more recent accident years for long-tailed liability coverage has limited statistical credibility because a relatively small proportion of losses in these accident years (the calendar years in which losses are incurred) are reported claims and an even smaller proportion are paid losses. Liability claims are also more susceptible to litigation and can be significantly affected by changing contract interpretations, the legal, political and social environments, the risk and expense of protracted litigation, legal system abuse dynamics, and inflation. Consequently, the estimation of loss reserves for these coverages is more complex and typically subject to a higher degree of variability and uncertainty compared to short-tailed coverages.

Most of our indirect business from our ongoing involuntary and run-off voluntary pools is assumed long-tailed casualty reinsurance. Reserve estimates for this business are therefore subject to the variability caused by extended loss emergence periods. The estimation of loss reserves for this business is further complicated by delays between the time the claim is reported to the ceding insurer and when it is reported by the ceding insurer to the pool manager and then to us, and by our dependence on the quality and consistency of the loss reporting by the ceding company and actuarial estimates by the pool manager. These reserving factors also apply to our discontinued assumed accident and health reinsurance pools and arrangements that are included in our liabilities of discontinued businesses (See "Risk Factors" in Part I – Item 1A for further discussion).

A review of loss reserves for each of the classes of business in which we write is conducted regularly, generally quarterly. This review process takes into consideration a variety of trends that impact the ultimate settlement of claims. Where appropriate, the review includes a review of overall payment patterns and the emergence of paid and reported losses relative to expectations.

The loss reserve estimation process relies on the basic assumption that past experience, adjusted for the effects of current developments and likely trends, is an appropriate basis for predicting future outcomes. As part of this process, we use a variety of analytical methods that consider experience, trends and other relevant factors. IBNR reserves are generally calculated by first projecting the ultimate cost of all claims that have been reported or expected to be reported in the future and then subtracting reported losses and loss expenses. Reported losses include cumulative paid losses and loss expenses plus case reserves. Within the loss reserving process, standard actuarial methods which include: (1) loss development factor methods; (2) expected loss methods (Bornheutter-Ferguson); and (3) adjusted loss methods (Berquist-Sherman), are given due consideration. These methods are described below:

- Loss development factor methods generally assume that the losses yet to emerge for an accident year are proportional to the paid or reported loss amount observed to date. Historical patterns of the development of paid and reported losses by accident year can be predictive of the expected future patterns that are applied to current paid and reported losses to generate estimated ultimate losses by accident year.
- Bornheutter-Ferguson methods utilize the product of the expected ultimate losses times the proportion of ultimate losses estimated to be unreported or unpaid to calculate IBNR. The expected ultimate losses are based upon current estimates of ultimate losses from prior accident years, adjusted to reflect expected earned premium, current rating, claims cost levels and changes in business mix. The expected losses, and corresponding loss ratios, are a critical component of Bornheutter-Ferguson methodologies and provide a general reasonability guide.

- Berquist-Sherman methods are used for estimating reserves in business lines where historical development patterns may be deemed less reliable for more recent accident years' ultimate losses. Under these methods, patterns of historical paid or reported losses are first adjusted to reflect current payment settlement patterns and case reserve adequacy and then evaluated in the same manner as the loss development factor methods described above. When the adequacy of case reserves change, the Berquist-Sherman incurred method may be deemed more reliable than the reported loss development factor method. Likewise, when the settlement patterns change, the Berquist-Sherman paid method may be deemed more reliable than the paid loss development factor method.

In addition to the methods described above, various tailored reserving methodologies are used for certain businesses. For example, for some low volume and high volatility classes of business, special reserving techniques are utilized that estimate IBNR by selecting the loss ratio that balances actual reported losses to expected reported losses as defined by the estimated underlying reporting pattern. Also, for some classes with long exposure periods (e.g., construction defect, engineering and surety), earnings patterns plus an estimated reporting lag applied to the Bornheutter-Ferguson initial expected loss ratio are used to estimate IBNR. This is done in order to reflect the changing average exposure periods by policy year (and consequently accident year).

In completing the loss reserve analysis, a variety of assumptions must be made for each line of business, coverage and accident year. Each estimation method has its own pattern, parameter and/or judgmental dependencies, with no estimation method being better than the others in all situations. The relative strengths and weaknesses of the various estimation methods, when applied to a particular class of business, can also change over time, depending on the underlying circumstances. In many cases, multiple estimation methods will be valid for the particular facts and circumstances of the relevant class of business. The manner of application and the degree of reliance on a given method will vary by line of business and coverage, and by accident year based on an evaluation of the above dependencies and the potential volatility of the loss frequency and severity patterns. The estimation methods selected or given weight at a particular valuation date are those that are believed to produce the most reliable indication for the loss reserves being evaluated. Selections incorporate input from claims personnel, pricing actuaries, and underwriting management on loss cost trends and other factors that could affect ultimate losses.

For most classes of shorter-tailed business in our Core Commercial, Specialty and Personal Lines segments, the emergence of paid and incurred losses generally exhibits a relatively stable pattern of loss development from one accident year to the next. Thus, for these classes, the loss development factor method is generally appropriate. For some of the classes of shorter-tailed business, the emergence of paid and incurred losses may exhibit a relatively volatile pattern of loss development from one accident year to the next. In these cases where there is a relatively low level of reliability placed on the available paid and incurred loss data, expected loss methods or adjusted loss methods are considered appropriate for the most recent accident year.

For longer-tailed lines of business, applying the loss development factor method often requires even more judgment in selecting development factors, as well as more significant extrapolation. For those long-tailed lines of business with high frequency and relatively low per-loss severity (e.g., personal automobile liability), volatility will often be sufficiently modest for the loss development factor method to be given significant weight, even in the most recent accident years, but expected loss methods and adjusted loss methods are always considered and frequently utilized in the selection process. For those long-tailed lines of business with low frequency and high loss potential (e.g., commercial general liability and personal and commercial umbrella), anticipated loss experience is less predictable because of the small number of claims and erratic claim severity patterns. In these situations, the loss development factor methods may not produce a reliable estimate of ultimate losses in the most recent accident years since many claims either have not yet been reported or are only in the early stages of the settlement process. Therefore, the loss reserve estimates for these accident years may be based on methods less reliant on extrapolation, such as Bornheutter-Ferguson. Over time, as a greater number of claims are reported and the statistical credibility of loss experience increases, loss development factor methods or adjusted loss methods are given increasing weight.

Management endeavors to apply as much available data as practicable to estimate the loss reserve amount for each line of business, coverage and accident year, utilizing varying assumptions, projections and methods. The ultimate outcome is expected to fall within a range of potential outcomes around this loss reserve estimated amount.

Our carried reserves for each line of business and coverage are determined based on our quarterly loss reserving process. In making the determination, we consider numerous quantitative and qualitative factors. Quantitative factors include changes in reserve estimates in the period, the maturity of the accident year, trends observed over the recent past, the level of volatility within a particular class of business, the estimated effects of reinsurance, including reinstatement premiums, general economic trends, and other factors. Qualitative factors may include legal and regulatory developments, changes in claim handling and case reserving practices, recent entry into new markets or products, changes in underwriting practices or business mix, concerns that we do not have sufficient or quality historical reported and paid loss and LAE information with respect to a particular line or segment of our business, effects of the economy and political outlook, litigation trends and legal system abuse dynamics, perceived anomalies in the historical results, and evolving trends or other factors. In doing so, we must evaluate whether a change in the data represents credible actionable information or an anomaly. Such an assessment requires considerable judgment. Even if a change is determined to be apparent, it is not always possible to determine the extent of the change. As a result, there can be a time lag between the emergence of a change and

a determination that the change should be partially or fully reflected in the carried loss reserves. In general, changes are made more quickly to reserves for more mature accident years and less volatile classes of business.

Reserving Process Uncertainties

As stated above, numerous factors (both internal and external) contribute to the inherent uncertainty in the process of establishing loss reserves, including changes in the rate of inflation for goods and services related to insured damages (e.g., medical care, home and automobile repairs, etc.), changes in the judicial interpretation of policy provisions and settlement obligations, changes in the general attitude of juries in determining damage awards, delayed court proceedings, legislative actions, such as expanding liability, coverage mandates or expanding or suspending statutes of limitations which otherwise limit the times within which claims can be made, changes in the extent of insured injuries and claims complexion, changes in the trend of expected frequency and/or severity of claims, changes in our book of business (e.g., change in mix due to new or modified product offerings, new or rapidly expanding geographic areas, etc.), changes in our underwriting practices, and changes in claim handling procedures and/or systems. Regarding our indirect business from involuntary and run-off voluntary pools, we are periodically provided loss estimates by managers of each pool. We adopt reserve estimates for the pools that consider this information and other facts.

In addition, we must consider the uncertain effects of emerging or potential claims and coverage issues that arise as legal, judicial and social conditions, political risks, and economic conditions change. For example, claims which we consider closed may be re-opened as additional damages surface or new liability or damage theories are presented. Also, historically, we have observed more frequent and higher severity in workers' compensation, bodily injury, umbrella and other liability claims and more credit-related losses (for example, in our surety business) during periods of economic uncertainty or high unemployment. Economic and labor force dynamics have resulted in many experienced workers retiring from their positions and being replaced with less skilled workers, which could result in more workplace accidents. Another example may be changes in driving behavior over time and the impacts to the make-up, complexity and severity of claims in the automobile lines of business. These, and other issues, could have a negative effect on our loss reserves by either extending coverage beyond the original underwriting intent or by increasing the number or size of claim settlements.

As part of our loss reserving analysis, we consider the various factors that contribute to the uncertainty in the loss reserving process. Those factors that could materially affect our loss reserve estimates include loss development patterns and loss cost trends, reporting lags, rate and exposure level changes, the effects of changes in coverage and policy limits, business mix shifts, the effects of regulatory and legislative developments, economic circumstances, the effects of changes in judicial interpretations, the level of attorney involvement in claims, the effects of legal system abuse dynamics, the effects of emerging claims and coverage issues, and the effects of changes in claim handling and claim reserving practices. In making estimates of reserves, however, we do not necessarily make an explicit assumption for each of these factors. Moreover, all estimation methods do not utilize the same assumptions and typically no single method is determinative in the reserve analysis for a line of business and coverage. Consequently, changes in our loss reserve estimates generally are not the result of changes in any one assumption. Instead, the variability will be affected by the interplay of changes in numerous assumptions, many of which are implicit to the approaches used.

For each line of business and coverage, we regularly adjust the assumptions and methods used in the estimation of loss reserves in response to our actual loss experience, as well as our judgments regarding changes in trends and/or emerging patterns. In those instances where we primarily utilize analyses of historical patterns of the development of paid and reported losses, this may be reflected, for example, in the selection of revised loss development factors. In longer-tailed classes of business and for which loss experience is less predictable due to potential changes in judicial interpretations, potential legislative actions, the cost of litigation or determining liability and the ultimate loss, inflation, potential claims, shifting claim settlement patterns due to delayed court proceedings, and other issues, this may be reflected in a judgmental change in our estimate of ultimate losses for particular accident years. Most of the insurance policies we have written over many years are written on an "occurrence" basis, which means we insure specified acts or events which occurred during the covered period, even if claims first arise from such events many years later. For example, the industry has incurred significant losses as a result of claims related from sexual abuse and molestation claims which occurred decades ago and were not known at such time, and in many cases policy limits were available for the years during which such occurrence policies were in place.

The future impact of the various factors that contribute to the uncertainty in the loss reserving process is impossible to predict. There is potential for significant variation in the development of loss reserves, particularly for long-tailed classes of business and classes of business that are more vulnerable to economic, social or political risks.

Reserving Process for Catastrophe Events

The estimation of claims and claims expense reserves for catastrophes is also comprised of estimates of losses from reported claims and IBNR, primarily for damage to property. In general, our estimates for catastrophe reserves are determined on an event basis by considering various sources of available information, including specific loss estimates reported to us based on claim adjuster inspections, overall industry loss estimates, our internal data regarding exposures related to the geographical location of the event and estimates of potential subrogation recoveries. However, depending on the nature of the catastrophe, the estimation process can be further complicated by other impediments. For example, for hurricanes and other severe wind storms and wildfires, complications

often include the inability of insureds to promptly report losses, delays in the ability of claims adjusting staff to inspect losses, difficulties in determining whether wind storm losses are covered by our homeowners policy (generally for damage caused by wind or wind-driven rain) or are specifically excluded from coverage caused by flood, challenges in estimating additional living expenses, assessing the impact of demand surge, exposure to mold or smoke damage, and the effects of numerous other considerations. Another example is the complication of estimating the cost of business interruption coverage on Core Commercial and Specialty policies. Estimates for catastrophes which occur at or near the end of a financial reporting period, may be even less reliable since we will have less claims data available and little time to complete our estimation process. In such situations, we may adapt our practices to accommodate the circumstances.

For events designated as catastrophes, we generally calculate IBNR reserves directly as a result of an estimated IBNR claim count and an estimated average claim amount for each event. Such an assessment involves a comprehensive analysis of the nature of the event, of policyholder exposures within the affected geographic area and of available claims intelligence. Depending on the nature of the event, available claims intelligence could include surveys of field claims associates within the affected geographic area, aerial photographs of the affected area, feedback from a catastrophe claims team sent into the area, as well as data on claims reported as of the financial statement date. In addition, loss emergence from similar historical events is compared to the estimated IBNR for our current catastrophe events to help assess the reasonableness of our estimates. However, in some cases, it may be difficult to estimate certain catastrophe losses which are unique and do not have instances of historical precedence, such as the property damage arising from the 2020 riots and civil unrest during the year those events occurred.

Reserving Sensitivity Analysis

The following discussion presents disclosure related to possible variation in net reserve estimates (i.e., net of estimated reinsurance recoverables) due to changes in key assumptions. This information is provided for illustrative purposes only. Many other assumptions may also lead to material reserve adjustments. If any such variations do occur, then they would likely occur over a period of several years and therefore their impact on our results of operations would be recognized during the same periods. It is important to note, however, that there is the potential for future variations greater than the amounts described below and for any such variations to be recognized in a single quarterly or annual period. No consideration has been given to potential correlation or lack of correlation among key assumptions or among lines of business and coverage as described below. As a result, and because there are so many other factors which affect our net reserve estimate, it would be inappropriate to take the amounts described below and simply add them together in an attempt to estimate volatility in total. While we believe these are reasonably possible scenarios, the reader should not consider the following sensitivity analysis as illustrative of a net reserve range.

- Personal and Commercial Automobile Bodily Injury – loss reserves recorded for bodily injury on voluntary business were $1,039.5 million as of December 31, 2025. A key assumption for bodily injury is the inflation rate underlying the estimated reserve. A five point change (e.g., 3% changed to 8% or -2%) in the embedded inflation rate would have changed total reserves by approximately $183 million, either positive or negative, at December 31, 2025.
- Personal Automobile Personal Injury Protection Medical Payment – loss reserves recorded for personal injury protection medical payment on voluntary business were $104.7 million as of December 31, 2025, of which approximately 87% relates to Michigan policies. A key assumption for this coverage is the inflation rate underlying the estimated reserve. Given the long reporting pattern for this line of business, an additional key assumption is the amount of additional development required to reach full maturity, thereby reflecting ultimate costs, as represented by the tail factor. A five point change in the embedded inflation rate (e.g., 6% changed to 11% or 1%) and a one point change to the tail factor assumption (e.g., 1% changed to 0% or 2%) would have changed total reserves by approximately $36 million, either positive or negative, at December 31, 2025.
- Workers' Compensation – loss reserves recorded for workers' compensation on voluntary business were $508.9 million as of December 31, 2025. A key assumption for workers' compensation is the inflation rate underlying the estimated reserve. Given the long reporting pattern for this line of business, an additional key assumption is the amount of additional development required to reach full maturity, thereby reflecting ultimate costs, as represented by the tail factor. A five point change in the embedded inflation rate (e.g., 4% changed to 9% or -1%) and a one point change to the tail factor assumption (e.g., 2% changed to 1% or 3%) would have changed total reserves by approximately $194 million, either positive or negative, at December 31, 2025.
- Monoline and Multiple Peril General Liability – loss reserves recorded for monoline and multiple peril general liability on voluntary business were approximately $1,282.5 million as of December 31, 2025. A key assumption for monoline and multiple peril general liability is the implied adequacy of the underlying case reserves. A ten point change in case adequacy (e.g., 10% deficiency changed to 0% or 20% deficiency) would have changed total reserves by approximately $175 million, either positive or negative, at December 31, 2025.

- Specialty Programs – loss reserves recorded for Hanover Programs were $285.5 million as of December 31, 2025. Two key assumptions underlying the actuarial reserve analysis for specialty programs are the inflation rate underlying the estimated reserve for our commercial automobile liability, general liability and workers' compensation coverages, as well as the tail factor selection for workers' compensation. A five point change to the embedded inflation rate for the aforementioned coverages (e.g., 4% changed to 9% or -1%), and a one point change in the workers' compensation tail factor on Hanover Programs (e.g., 0.1% changed to 1.1% or -0.9%) would have changed total reserves by approximately $43 million, either positive or negative, at December 31, 2025.

Carried Reserves and Reserve Rollforward

The following table provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Gross reserve for losses and LAE, beginning of year	**$ 7,461.2**	$ 7,308.1	$ 7,012.6
Reinsurance recoverable on unpaid losses	**1,829.8**	1,795.0	1,748.6
Net reserve for losses and LAE, beginning of year	**5,631.4**	5,513.1	5,264.0
Net incurred losses and LAE in respect of losses occurring in:			
Current year	**3,825.7**	3,866.8	4,150.5
Prior year non-catastrophe development	**(70.4)**	(67.4)	(15.9)
Prior year catastrophe development	**(26.0)**	(42.0)	—
Total incurred losses and LAE	**3,729.3**	3,757.4	4,134.6
Net payments of losses and LAE in respect of losses occurring in:			
Current year	**1,641.0**	1,800.6	2,037.9
Prior years	**1,814.8**	1,838.5	1,847.6
Total payments	**3,455.8**	3,639.1	3,885.5
Net reserve for losses and LAE, end of year	**5,904.9**	5,631.4	5,513.1
Reinsurance recoverable on unpaid losses	**1,850.3**	1,829.8	1,795.0
Gross reserve for losses and LAE, end of year	**$ 7,755.2**	$ 7,461.2	$ 7,308.1

The following table summarizes the gross reserve for losses and LAE by line of business and division.

DECEMBER 31 *(in millions)*	2025	2024	2023
Commercial multiple peril	**$ 1,618.3**	$ 1,563.4	$ 1,565.7
Workers' compensation	**779.6**	773.0	738.3
Commercial automobile	**593.5**	523.1	501.5
Other core commercial	**869.9**	753.9	662.9
Total Core Commercial	**3,861.3**	3,613.4	3,468.4
Specialty Property & Casualty	**853.6**	846.2	869.9
Professional and Executive Lines	**656.0**	610.1	551.1
Marine	**150.8**	134.2	130.9
Surety and Other	**72.5**	85.4	73.6
Total Specialty	**1,732.9**	1,675.9	1,625.5
Personal automobile	**1,689.3**	1,673.2	1,681.6
Homeowners and Other	**442.1**	435.8	467.2
Total Personal Lines	**2,131.4**	2,109.0	2,148.8
Total Other	**29.6**	62.9	65.4
Total loss and LAE reserves	**$ 7,755.2**	$ 7,461.2	$ 7,308.1

Loss and LAE reserves in our "Other core commercial" lines include monoline general liability, commercial umbrella and monoline property. "Specialty Property & Casualty" includes specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage, and program business. "Professional and Executive Lines" includes management liability, fidelity and crime, professional liability and other property and liability lines for healthcare firms. Loss and LAE reserves in our "Total Other" segment relate to our run-off direct asbestos and environmental business, our run-off voluntary assumed property and casualty reinsurance pools, and run-off product liability business.

Prior Year Development

Conditions and trends that have affected reserve development in the past will not necessarily recur in the future. As discussed under "Reserving Process Overview" in the preceding section, our historical loss experience and loss development patterns are important factors in estimating loss reserves, however, they are not the only factors we evaluate to establish reserves. Therefore, a mechanical application of standard actuarial methodologies in projecting ultimate claims could result in materially different reserves to those held. Accordingly, it is not appropriate to extrapolate future favorable or unfavorable development based on amounts experienced in prior periods.

The following table summarizes prior year (favorable) unfavorable development by segment:

FOR THE YEARS ENDED DECEMBER 31	**2025**			**2024**			**2023**		
(in millions)	**Loss & LAE**	**Catastrophe**	**Total**	**Loss & LAE**	**Catastrophe**	**Total**	**Loss & LAE**	**Catastrophe**	**Total**
Core Commercial	**$ (7.1)**	**$ (11.0)**	**$ (18.1)**	$ (17.7)	$ (32.3)	$ (50.0)	$ 4.7	$ (6.7)	$ (2.0)
Specialty	**(56.8)**	**(4.0)**	**(60.8)**	(46.2)	(14.7)	(60.9)	(48.8)	(8.3)	(57.1)
Personal Lines	**(7.2)**	**(11.0)**	**(18.2)**	(4.9)	5.0	0.1	25.9	15.0	40.9
Other	**0.7**	**—**	**0.7**	1.4	—	1.4	2.3	—	2.3
Total prior year favorable development	**$ (70.4)**	**$ (26.0)**	**$ (96.4)**	$ (67.4)	$ (42.0)	$ (109.4)	$ (15.9)	$ —	$ (15.9)

Catastrophe Loss Development

For the year ended December 31, 2025, favorable catastrophe loss development was $26.0 million, primarily due to lower than expected losses related to events from accident years 2023 through 2024, including several convective storms across multiple states, and Winter Storm Elliot. In 2024, prior year catastrophe loss development was favorable $42.0 million, primarily due to lower than expected losses related to events from accident years 2021 through 2023, including several convective storms across multiple states, Winter Storm Elliot and Hurricane Ian.

2025 Loss and LAE Development, excluding catastrophes

In 2025, net favorable loss and LAE development, excluding catastrophes, was $70.4 million. Specialty favorable loss and LAE development of $56.8 million was primarily due to lower than expected losses in our Specialty Property & Casualty division, primarily in our programs and excess and surplus lines businesses, Professional & Executive Lines division, primarily in our claims-made general liability coverages, and in our Marine division. Personal Lines favorable loss and LAE development of $7.2 million was primarily due to lower than expected losses in our homeowners line. Core Commercial favorable loss and LAE development was $7.1 million, with lower than expected losses in the workers' compensation, general liability, and commercial multiple peril product lines, which was partially offset by higher than expected losses in our commercial automobile and other core commercial lines.

2024 Loss and LAE Development, excluding catastrophes

In 2024, net favorable loss and LAE development, excluding catastrophes, was $67.4 million. Specialty favorable loss and LAE development of $46.2 million was primarily due to lower than expected losses in our general liability-claims-made coverage within our Professional and Executive Lines division, and in our Marine and Surety and Specialty Property & Casualty divisions. Core Commercial favorable loss and LAE development was $17.7 million, with favorability in each of the main product lines: commercial multiple peril, commercial automobile, workers' compensation and other commercial lines. Personal Lines favorable development of $4.9 million was primarily due to lower than expected losses in our personal automobile line and, to a lesser extent, lower than expected losses in our homeowners line, partially offset by higher than expected losses in other personal lines.

Asbestos and Environmental Reserves

As of December 31, 2025, we had $10.5 million of net asbestos and environmental reserves, comprised of $8.3 million of direct reserves and $2.2 million of assumed reinsurance pool reserves. This compares to net reserves of $10.9 million at December 31, 2024, comprised of $8.7 million of direct reserves and $2.2 million of assumed reinsurance pool reserves.

As of December 31, 2025, we had gross loss and LAE reserves for our assumed reinsurance pool business of $2.2 million compared to $29.9 million in December 31, 2024. These assumed reinsurance pool reserves relate to pools in which we have terminated our participation, however, we continue to be subject to claims related to years in which we were a participant. Results of operations from these pools are included in our Other segment. A significant part of our gross pool reserves at December 31, 2024 was related to our participation in the Excess and Casualty Reinsurance Association ("ECRA") voluntary pool for our ECRA claim liability participations. During 2025, we completed an insurance business transfer of our ECRA liabilities to a third-party, which novation has fully relieved us of our obligations to ECRA policyholders. This transaction had no significant impact on our results of operations for the year ended December 31, 2025.

We estimate our ultimate liability for asbestos, environmental and toxic tort liability claims, whether resulting from direct business, assumed reinsurance or pool business, based upon currently known facts, reasonable assumptions where the facts are not known, current law, and methodologies currently available. Although these outstanding claims are not believed to be significant, their existence gives rise to uncertainty and are discussed because of the possibility that they may become significant. We believe that, notwithstanding the evolution of case law expanding liability in asbestos and environmental claims, recorded reserves related to these claims are adequate. Nevertheless, the asbestos, environmental and toxic tort liability reserves could be revised, and any such revisions could have a material adverse effect on our results of operations for a particular quarterly or annual period, or on our financial position.

Reinsurance Recoverables

Reinsurance recoverables were $2,011.1 million and $1,994.5 million at December 31, 2025 and December 31, 2024, respectively, of which $62.6 million and $74.2 million, respectively, represent billable recoverables. A reinsurance recoverable is billable after an eligible reinsured claim is paid by an insurer. Billable reinsurance recoverables related to the MCCA were $30.5 million and $39.3 million at December 31, 2025 and December 31, 2024, respectively, and billable non-MCCA reinsurance recoverables totaled $32.1 million and $34.9 million at December 31, 2025 and December 31, 2024, respectively. At December 31, 2025, there were $0.1 million of billed balances outstanding greater than 90 days. At December 31, 2024, there were $0.8 million of billed balances outstanding greater than 90 days.

INVESTMENTS

INVESTMENT RESULTS

Net investment income before income taxes was as follows:

DECEMBER 31 *(dollars in millions)*	2025	2024	2023
Fixed maturities	**$ 401.4**	$ 324.4	$ 283.2
Limited partnerships	**27.1**	20.6	30.0
Mortgage loans	**11.2**	14.4	15.8
Equity securities	**3.6**	3.2	6.4
Other investments	**26.4**	25.2	10.6
Investment expenses	**(15.3)**	(15.2)	(13.9)
Net investment income	**$ 454.4**	$ 372.6	$ 332.1
Earned yield, fixed maturities	**4.27%**	3.70%	3.36%
Earned yield, total portfolio	**4.25%**	3.78%	3.50%

The increase in net investment income in 2025 was primarily due to the impact of reinvesting at higher interest rates in the fixed maturity portfolio and the continued investment of operational cashflows.

INVESTMENT PORTFOLIO

We held cash and investment assets diversified across several asset classes, as follows:

DECEMBER 31	2025		2024	
(dollars in millions)	Carrying Value	% of Total Carrying Value	Carrying Value	% of Total Carrying Value
Fixed maturities, at fair value	**$ 9,536.5**	**82.9%**	$ 8,542.2	86.8%
Limited partnerships and other investments	**414.4**	**3.6**	405.0	4.1
Mortgage and other loans	**247.0**	**2.1**	304.9	3.1
Equity securities, at fair value	**184.8**	**1.6**	157.7	1.6
Cash and cash equivalents	**1,122.7**	**9.8**	435.5	4.4
Total cash and investments	**$ 11,505.4**	**100.0%**	$ 9,845.3	100.0%

CASH AND INVESTMENTS

Total cash and investments increased $1,660.1 million, or 16.9%, for the year ended December 31, 2025 as compared to December 31, 2024. The increase in total cash and investments was primarily due to continued investment of cashflows from operations, the net proceeds from our senior debt issuance in August 2025, and net market value appreciation. These increases were partially offset by the funding of financing activities, including our dividend payments, common stock repurchases, and debt retirement.

The following table provides information about the investment types of our fixed maturities portfolio:

DECEMBER 31 *(in millions)*	2025				
Investment Type	Weighted Average Quality	Amortized Cost, net of Allowance for Credit Losses	Fair Value	Net Unrealized Gain (Loss)	Change in Net Unrealized for the Year
U.S. Treasury and government agencies	AA+	$ 491.3	$ 455.5	$ (35.8)	$ 22.6
Foreign governments	BB	2.5	2.7	0.2	0.1
Municipals:					
Taxable	AA	885.8	821.9	(63.9)	44.1
Tax-exempt	AA	25.0	25.8	0.8	0.5
Corporates	BBB+	4,239.1	4,253.5	14.4	161.4
Asset-backed:					
Residential mortgage-backed	AA+	2,472.2	2,421.8	(50.4)	103.1
Commercial mortgage-backed	AAA	610.2	589.9	(20.3)	21.7
Other asset-backed	AA+	959.6	965.4	5.8	6.6
Total fixed maturities	A+	$ 9,685.7	$ 9,536.5	$ (149.2)	$ 360.1

The improvement in net unrealized losses on fixed maturities was primarily driven by lower interest rates.

Amortized cost and fair value by rating category were as follows:

DECEMBER 31		2025			2024		
(dollars in millions) NAIC Designation	Rating Agency Equivalent Designation	Amortized Cost, net of Allowance for Credit Losses	Fair Value	% of Total Fair Value	Amortized Cost, net of Allowance for Credit Losses	Fair Value	% of Total Fair Value
1	Aaa/Aa/A	$ 7,647.5	$ 7,501.7	78.7%	$ 7,000.1	$ 6,577.8	77.0%
2	Baa	1,592.1	1,581.9	16.6	1,623.5	1,535.3	18.0
3	Ba	248.1	253.8	2.7	221.7	222.5	2.6
4	B	162.2	165.3	1.7	180.3	182.4	2.1
5	Caa and lower	35.4	33.8	0.3	20.5	19.6	0.2
6	In or near default	0.4	—	—	5.4	4.6	0.1
Total fixed maturities		$ 9,685.7	$ 9,536.5	100.0%	$ 9,051.5	$ 8,542.2	100.0%

Based on ratings by the National Association of Insurance Commissioners ("NAIC"), approximately 95% of our fixed maturity portfolio consisted of investment-grade securities at December 31, 2025 and 2024. The quality of our fixed maturity portfolio remains strong based on ratings, capital structure position, support through guarantees, underlying security, issuer diversification and yield curve position. Our U.S. Treasury and government agencies fixed maturities are directly or indirectly backed by the full faith and credit of the U.S. government. Our municipal bonds include revenue bonds and general obligations of state and local issuers. Corporate fixed maturities include publicly traded and privately placed securities in the industrial, financial, and utility sectors. Residential mortgage-backed securities are structured securities that are collateralized by residential real estate loans and are primarily U.S. agency-backed. Our commercial mortgage-backed securities are structured securities that are collateralized by commercial real estate loans and are well-diversified by geography, property type, expected maturity and vintage year. Our other asset-backed securities are structured securities that are primarily collateralized by consumer and corporate borrowings, including collateralized loan obligations.

Our investment portfolio primarily consists of fixed maturity securities whose fair value is susceptible to market risk, including interest rate changes. See also "Quantitative and Qualitative Disclosures about Market Risk." Duration is a measurement used to quantify our inherent interest rate risk and analyze invested assets relative to our reserve liabilities.

The duration of our fixed maturity portfolio was as follows:

DECEMBER 31	2025			2024		
(dollars in millions) Duration	Amortized Cost, net of Allowance for Credit Losses	Fair Value	% of Total Fair Value	Amortized Cost, net of Allowance for Credit Losses	Fair Value	% of Total Fair Value
0-2 years	**$ 1,862.2**	**$ 1,873.8**	**19.6%**	$ 1,590.6	$ 1,587.6	18.6%
2-4 years	**2,514.7**	**2,523.5**	**26.5**	2,172.8	2,130.5	24.9
4-6 years	**2,538.1**	**2,470.4**	**25.9**	2,376.9	2,175.1	25.5
6-8 years	**2,309.6**	**2,246.9**	**23.6**	2,557.0	2,346.3	27.5
8-10 years	**331.6**	**320.3**	**3.3**	219.1	201.2	2.3
10+ years	**129.5**	**101.6**	**1.1**	135.1	101.5	1.2
Total fixed maturities	**$ 9,685.7**	**$ 9,536.5**	**100.0%**	$ 9,051.5	$ 8,542.2	100.0%
Weighted average duration		**4.3**			4.4	

Our fixed maturity and equity securities are carried at fair value. Financial instruments whose value was determined using significant management judgment or estimation constituted less than 1% of the total assets we measured at fair value. See also Note 4 – "Fair Value" in the Notes to Consolidated Financial Statements.

Limited partnerships and other investments consist primarily of our interest in corporate middle market and real estate limited partnerships. Corporate middle market limited partnerships may invest in senior or subordinated debt, preferred or common equity or a combination thereof, of privately-held middle market businesses. Real estate limited partnerships hold equity ownership positions in real properties and invest in debt secured by real properties. Our limited partnerships are generally accounted for under the equity method, or as a practical expedient using the fund's net asset value, with financial information provided by the partnership on a two or three month lag.

Mortgage and other loans consist of commercial mortgage loan participations, which represent our interest in commercial mortgage loans originated by a third-party. We share, on a pro-rata basis, in all related cash flows of the underlying mortgage loans, which are primarily investment-grade quality and diversified by geographic area and property type.

Equity securities primarily consist of U.S. income-oriented large capitalization common stocks and a broadly diversified U.S. equity index exchange-traded fund.

Although we expect to invest new funds primarily in investment-grade fixed maturities, we have invested, and expect to continue to invest, a portion of funds in below investment-grade fixed maturities, limited partnerships, common equity securities and other investment assets.

We deposit funds with various state and governmental authorities. See Note 2 – "Investments" in the Notes to Consolidated Financial Statements for additional information.

IMPAIRMENTS

For the year ended December 31, 2025, we recognized net impairment losses of $3.1 million, primarily related to mortgage loans. For the year ended December 31, 2024, we recognized net impairment losses consisting of $4.1 million on mortgage loans and $1.7 million on fixed maturities.

At December 31, 2025 and 2024, the allowance for credit losses on mortgage loans was $8.1 million and $5.7 million, respectively, and the allowance for credit losses on available-for-sale securities was not material.

We held no fixed maturity securities or mortgage loans on non-accrual status at December 31, 2025 and 2024. The effects on income of non-accruals compared with amounts that would have been recognized in accordance with the original terms of the fixed maturities were not material for the years ended December 31, 2025 and December 31, 2024. Any defaults in the fixed maturities portfolio in future periods may negatively affect investment income.

UNREALIZED LOSSES

Gross unrealized losses on fixed maturities at December 31, 2025 were $267.2 million, an improvement of $263.9 million compared to December 31, 2024. This improvement was primarily driven by lower interest rates. At December 31, 2025, gross unrealized losses consisted primarily of $82.8 million on residential mortgage-backed securities, $67.2 million on municipals, $57.0 million on corporate fixed maturities and $38.2 million on U.S. government securities. See also Note 2 – "Investments" in the Notes to Consolidated Financial Statements.

We view gross unrealized losses on fixed maturities as non-credit related since it is our assessment that these securities will recover, allowing us to realize their anticipated long-term economic value. Further, we do not intend to sell, nor is it more likely than not we will be required to sell, such debt securities before this expected recovery of amortized cost (see also "Liquidity and Capital Resources"). Inherent in our assessment are the risks that market factors may differ from our expectations; we may decide to subsequently sell a security for unforeseen business needs or an economic purpose; or changes in the credit assessment from our original assessment may lead us to determine that a sale at the current value would maximize recovery on such investments. To the extent that there are such adverse changes, an impairment would be recognized as a realized loss. Although unrealized losses on fixed maturities are not reflected in the results of financial operations until they are realized, the fair value of the underlying investment, which does reflect the unrealized loss, is reflected in our Consolidated Balance Sheets.

The following table sets forth gross unrealized losses for fixed maturities by maturity period at December 31, 2025 and 2024. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties, or we may have the right to put or sell the obligations back to the issuers.

DECEMBER 31 *(in millions)*	2025	2024
Due in one year or less	**$ 0.3**	$ 2.0
Due after one year through five years	**41.6**	55.1
Due after five years through ten years	**94.6**	235.0
Due after ten years	**25.9**	37.3
	162.4	329.4
Mortgage-backed and asset-backed securities	**104.8**	201.7
Total fixed maturities	**$ 267.2**	$ 531.1

Our investment portfolio and shareholders' equity can be significantly impacted by changes in market values of our securities. Market volatility could increase and defaults on fixed income securities could occur. As a result, we could incur additional realized and unrealized losses in future periods, which could have a material adverse impact on our results of operations and/or financial position.

The U.S. economy continued to expand at a moderate pace in 2025, reflecting strong consumer spending despite increased concerns regarding labor markets and elevated inflation. The Federal Reserve cut interest rates during the year, reducing the federal funds target to a range of 3.50% to 3.75%. Heightened geopolitical risks continue to impact economic uncertainty, the extent of which is unknown. These risks, among others, may increase the likelihood of defaults on our fixed income investments, particularly with respect to non-investment grade debt securities. Although a rigorous credit analysis of our fixed income investments is performed, it is difficult to identify with specificity which issuers, industries or markets, if any, will be most affected. As a result, the value of our fixed maturity portfolio could change in ways we cannot currently anticipate, and we could incur additional realized and unrealized losses in future periods.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE SENSITIVITY

The valuation of the investment portfolio is subject to risk resulting from interest rate fluctuations, which may adversely impact the valuation of the investment portfolio. In a rising interest rate environment, the value of the fixed maturity sector, which comprises approximately 83% of our investment portfolio, may decline as a result of decreases in the fair value of the securities. Our intent is to hold securities to maturity and recover the decline in valuation as prices accrete to par. However, our intent may change prior to maturity due to changes in the financial markets, our analysis of an issuer's credit metrics and prospects, or as a result of changes in cash flow needs.

Interest rate fluctuations may also reduce net investment income and, as a result, profitability. In an increasing rate environment, the duration of our fixed maturity portfolio could lengthen as issuers choose not to exercise their option to call or prepay their debt. For this and other reasons, funds may not be available to invest at higher interest rates. Also, in a declining interest rate environment, prepayments and calls may increase as issuers exercise their option to refinance at lower rates. The resulting funds would be reinvested at lower yields.

The following table illustrates the estimated impact on the fair value of our fixed maturity portfolio at December 31, 2025 and 2024 of hypothetical changes in prevailing interest rates, defined as changes in interest rates on U.S. Treasury debt. It does not reflect changes in credit spreads, liquidity spreads and other factors that also affect the value of securities. Since changes in prevailing interest rates are often accompanied by changes in these other factors, the reader should not assume that an actual change in interest rates would result in the values illustrated.

(dollars in millions) **INVESTMENT TYPE**	**+300bp**	**+200bp**	**+100bp**	**0**	**-100bp**	**-200bp**	**-300bp**
Residential mortgage-backed securities	**$ 2,025**	**$ 2,155**	**$ 2,295**	**$ 2,422**	**$ 2,535**	**$ 2,630**	**$ 2,715**
Municipal securities	**730**	**770**	**805**	**848**	**890**	**930**	**975**
All other fixed maturity securities	**5,560**	**5,785**	**6,020**	**6,267**	**6,525**	**6,800**	**7,085**
Total December 31, 2025	**$ 8,315**	**$ 8,710**	**$ 9,120**	**$ 9,537**	**$ 9,950**	**$ 10,360**	**$ 10,775**
Total December 31, 2024	$ 7,470	$ 7,805	$ 8,165	$ 8,542	$ 8,930	$ 9,320	$ 9,705

Our investment strategy seeks to balance the goals of liquidity, capital preservation, net investment income stability and total return. The allocation process takes into consideration the profile and expected payout pattern of our liabilities, the level of capital required to support growth across lines of business and the risk profiles of a wide range of asset classes.

The majority of our assets are invested in investment-grade fixed income securities across various sectors including U.S. government, municipals, corporates, residential and commercial mortgage-backed securities, and other asset-backed securities. Our holdings are diversified within and across major investment and industry sectors to mitigate concentration risk. We monitor the credit quality of our investments and our exposure to individual markets, borrowers, industries, sectors and, in the case of commercial mortgage-backed securities and commercial mortgage loan participations, property types and geographic locations. In addition, we currently carry debt that is subject to interest rate risk, which was issued at fixed interest rates between 2.50% and 8.207%.

EQUITY PRICE RISK

Our equity securities portfolio is exposed to equity price risk arising from potential volatility in equity market prices. Portfolio characteristics are analyzed regularly and price risk is actively managed through a variety of techniques. A hypothetical increase or decrease of 10% in the market price of our equity securities would have resulted in an increase or decrease in the fair value of the equity securities portfolio of approximately $18 million and $16 million, at December 31, 2025 and 2024, respectively, which amounts, after taxes, would be reported in net income.

OTHER ITEMS

Net income also included the following items:

(in millions)	**YEARS ENDED DECEMBER 31**					
2025	**Core Commercial**	**Specialty**	**Personal Lines**	**Other**	**Discontinued Operations**	**Total**
Net realized and unrealized investment losses	**$ (20.8)**	**$ (10.5)**	**$ (13.4)**	**$ (1.3)**	**$ —**	**$ (46.0)**
Discontinued Chaucer business, net of taxes	**—**	**—**	**—**	**—**	**0.3**	**0.3**
Discontinued life businesses, net of taxes	**—**	**—**	**—**	**—**	**1.5**	**1.5**
2024						
Net realized and unrealized investment losses	$ (33.4)	$ (16.6)	$ (21.0)	$ (4.8)	$ —	$ (75.8)
Other non-operating items	—	—	—	(2.4)	—	(2.4)
Discontinued Chaucer business, net of taxes	—	—	—	—	0.7	0.7
2023						
Net realized and unrealized investment gains (losses)	$ (15.6)	$ (7.3)	$ (9.7)	$ 0.1	$ —	$ (32.5)
Other non-operating items	—	—	0.2	1.9	—	2.1
Discontinued Chaucer business, net of taxes	—	—	—	—	1.2	1.2
Discontinued life businesses, net of taxes	—	—	—	—	0.6	0.6

We manage investment assets for our Core Commercial, Specialty, Personal Lines and Other segments based on the requirements of our combined property and casualty insurance companies. We allocate the investment income, expenses and net realized and unrealized gains and losses to our Core Commercial, Specialty, Personal Lines and Other segments based on actuarial information related to the underlying businesses.

Net realized and unrealized investment losses were $46.0 million in 2025 compared to $75.8 million in 2024. Net realized and unrealized investment losses in 2025 were primarily due to $61.7 million of net realized losses from sales of investments, primarily

lower-yield fixed maturities, in consideration of expiring tax gains from 2022, partially offset by changes in the fair value of equity securities of $18.8 million. Net realized and unrealized investment losses in 2024 were primarily due to $84.2 million of net realized losses from sales of investments, primarily fixed maturities, and, to a lesser extent, from impairment losses on investments, including $3.6 million of credit-related impairments and $2.2 million of losses related to intent to sell securities.

INCOME TAXES

We file a consolidated U.S. federal income tax return that includes our holding company and its domestic subsidiaries (including non-insurance operations).

The provision for income taxes from continuing operations was an expense of $183.1 million and $112.5 million in 2025 and 2024, respectively. These amounts resulted in consolidated effective tax rates of 21.7% and 20.9% on pre-tax income for 2025 and 2024, respectively. The provisions include excess tax benefits, primarily related to stock-based compensation and tax planning strategies implemented in prior years, of $3.6 million and $3.1 million, respectively. The provision in 2025 also included state income tax expense, net of federal income tax effect, of $6.3 million. In addition, the provision for 2024 included benefits related to the release of prior years' uncertain tax position of $1.0 million. Absent these items, the provisions for income taxes for 2025 and 2024 would have been expenses of $180.4 million, or 21.4%, and $116.6 million, or 21.7%, respectively.

The income tax provision on operating income was an expense of $193.6 million and $130.1 million for 2025 and 2024, respectively. These provisions resulted in effective tax rates on operating income of 21.8% and 21.1%, respectively. The provisions for 2025 and 2024 reflect the aforementioned excess tax benefits related to stock-based compensation, state income tax expense, and the benefits related to the release of prior years' uncertain tax position. Absent these items, the provisions for income taxes for 2025 and 2024 would have been expenses of $190.1 million, or 21.4%, and $133.0 million, or 21.6%, respectively.

We are subject to U.S. federal and state examinations for years after 2020.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. These statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following critical accounting estimates are those which we believe affect the more significant judgments and estimates used in the preparation of our financial statements. Additional information about other significant accounting policies and estimates may be found in Note 1 – "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements.

RESERVE FOR LOSSES AND LOSS EXPENSES

See "Reserve for Losses and Loss Adjustment Expenses" within "Results of Operations – Segments" for a discussion of our critical accounting estimates for loss reserves.

REINSURANCE RECOVERABLE BALANCES

See "Reinsurance Recoverables" in Part I – Item 1 for information on our reinsurance recoverable balances.

PENSION BENEFIT OBLIGATIONS

We currently have a qualified defined benefit plan and several smaller non–qualified benefit plans. In order to measure the liabilities and expenses associated with these plans, we must make various estimates and key assumptions, including discount rates used to value liabilities, assumed rates of return on plan assets, employee turnover rates and anticipated mortality rates. These estimates and assumptions are reviewed at least annually and are based on our historical experience, as well as current facts and circumstances. In addition, we use outside actuaries to assist in measuring the liabilities and expenses associated with our defined benefit pension plan.

Two significant assumptions used in the determination of benefit plan obligations and expenses that are dependent on market factors, which have been subject to a greater level of volatility in recent years, are the discount rate and the return on plan asset assumptions. The discount rate enables us to state expected future benefit payments as a present value on the measurement date. We also use this discount rate in the determination of our pre-tax pension expense or benefit. A higher discount rate decreases the present value of benefit obligations and decreases pension expense. We determined our discount rate for the qualified benefit plan utilizing independent yield curves which provide for a portfolio of high quality bonds that are expected to match the cash flows of our pension plans. Bond information used in the yield curve included only those rated Aa or better as of December 31, 2025 and 2024, respectively, and had been rated by at least two well-known rating agencies. The discount rates used to value liabilities in our qualified pension plan were 5.75% and 6.125% as of December 31, 2025 and 2024, respectively.

To determine the expected long-term return on plan assets, we generally consider historical mean returns by asset class for passive indexed strategies, as well as current and expected asset allocations, and adjust for certain factors that we believe will have an impact

on future returns. Actual returns on plan assets in any given year seldom result in the achievement of the expected rate of return on assets. Actual returns on plan assets in excess of these expected returns will generally reduce our net actuarial losses (or increase actuarial gains) that are reflected in the accumulated other comprehensive loss balance in shareholders' equity, whereas actual returns on plan assets that are less than expected returns will generally increase our net actuarial losses (or decrease actuarial gains) that are reflected in accumulated other comprehensive loss. These gains or losses are amortized into expense in future years. The qualified benefit plan held assets consisting of approximately 90% fixed maturities and 10% equity securities at December 31, 2025. The expected return on asset assumption was 5.875% in both 2025 and 2024. Asset returns are reflected net of administrative expenses.

Net actuarial losses related to the qualified benefit plan of $4.3 million and $6.9 million were reflected as changes to accumulated other comprehensive loss in 2025 and 2024, respectively. Net actuarial losses in 2025 resulted from a decrease in the discount rate, partially offset by higher than expected investment returns. Net actuarial losses in 2024 resulted from lower than expected investment returns during the year, partially offset by an increase in the discount rate. In 2025 and 2024, amortization of actuarial losses from prior years were $6.5 million and $6.6 million, respectively.

Expenses related to our qualified benefit plan are generally calculated based upon information available at the beginning of the plan year. Our pre-tax expense related to our qualified benefit plan was $6.8 million and $5.5 million for 2025 and 2024, respectively.

Holding all other assumptions constant, sensitivity to changes in our key assumptions related to our qualified benefit plan is as follows:

(in millions)		
Discount Rate -		
25 basis point increase		
Change in Benefit Obligation	$	(5.0)
Change in 2026 Expense		(0.5)
25 basis point decrease		
Change in Benefit Obligation		5.1
Change in 2026 Expense		0.5
Expected Return on Plan Assets -		
25 basis point increase		
Change in 2026 Expense		(0.8)
25 basis point decrease		
Change in 2026 Expense		0.8

INVESTMENT CREDIT LOSSES

We evaluate our fixed maturity securities and mortgage loan participations for expected credit losses on a quarterly basis, and more frequently when necessary, and we monitor the sufficiency of our credit loss allowance using both quantitative and qualitative considerations which are subject to risks and uncertainties. We apply consistent standards of credit analysis to our fixed maturity securities including, among others, evaluation of rating downgrades, unexpected price variances, industry-specific concerns, the financial condition of issuers or underlying borrowers, collateral default rates, and estimates of projected cash flows. For mortgage loan participations, we also consider risk ratings based on property characteristics including geographical markets, loan-to-value and debt service coverage ratios, and risk factors associated with property type.

We cannot provide assurance that the impairments will be adequate to cover future losses or that we will not have substantial additional impairments in the future. See Note 2 – "Investments" and Note 3 – "Investment Income and Gains and Losses" in the Notes to Consolidated Financial Statements for further discussion regarding securities in an unrealized loss position and impairments.

STATUTORY SURPLUS OF INSURANCE SUBSIDIARIES

The following table reflects statutory surplus for our insurance subsidiaries:

DECEMBER 31 *(in millions)*	2025	2024
Total Statutory Capital and Surplus	**$ 3,337.9**	$ 2,971.7

The statutory capital and surplus for our insurance subsidiaries increased $366.2 million during 2025. This increase was primarily due to operating profits, partially offset by payments of $295.0 million in dividends to its parent company and, to a lesser extent, net realized and unrealized investment losses.

The NAIC prescribes an annual calculation regarding risk based capital ("RBC"). RBC ratios for regulatory purposes, as described in the glossary, are expressed as a percentage of the capital required to be above the Authorized Control Level (the "Regulatory Scale"); however, in the insurance industry, RBC ratios are widely expressed as a percentage of the Company Action Level. The following table reflects the Company Action Level, the Authorized Control Level and RBC ratios for Hanover Insurance (which includes Citizens and other insurance subsidiaries), as of December 31, 2025 and 2024, expressed both on the Industry Scale (Total Adjusted Capital divided by the Company Action Level) and Regulatory Scale (Total Adjusted Capital divided by Authorized Control Level):

(dollars in millions)

DECEMBER 31, 2025	*Company Action Level*	*Authorized Control Level*	*RBC Ratio Industry Scale*	*RBC Ratio Regulatory Scale*
The Hanover Insurance Company	**$ 1,504.7**	**$ 752.4**	**221%**	**442%**
DECEMBER 31, 2024				
The Hanover Insurance Company	$ 1,411.4	$ 705.7	210%	420%

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is a measure of our ability to generate sufficient cash flows to meet the cash requirements of business operations. As a holding company, our primary ongoing source of cash is dividends from our insurance subsidiaries. However, dividend payments to us by our insurance subsidiaries are subject to limitations imposed by regulators, such as prior notice periods and the requirement that dividends in excess of a specified percentage of statutory surplus or prior year's statutory earnings receive prior approval (so called "extraordinary dividends"). Hanover Insurance paid $295.0 million and $100.0 million in dividends, which were provided to the holding company in 2025 and 2024, respectively.

Sources of cash for our insurance subsidiaries primarily consist of premiums collected, investment income and maturing investments. Primary cash outflows are payments for losses and loss adjustment expenses, policy and contract acquisition expenses, other underwriting expenses, and investment purchases. Cash outflows related to losses and loss adjustment expenses can be variable because of uncertainties surrounding settlement dates for liabilities for unpaid losses and because of the potential for large losses, either individually or in the aggregate. We periodically adjust our investment policy to respond to changes in short-term and long-term cash requirements.

Net cash provided by operating activities was $1,178.1 million during 2025 compared to $806.4 million during 2024. The $371.7 million increase in cash provided was primarily due to an increase in premiums received and lower loss and LAE payments made during 2025 compared to 2024, partially offset by higher federal income tax payments made in 2025.

Net cash used in investing activities was $666.2 million during 2025 compared to $540.9 million during 2024. During both 2025 and 2024, cash used in investing activities primarily related to net purchases of fixed maturities.

Net cash provided by financing activities was $175.2 million during 2025 compared to net cash used in financing activities of $145.5 million during 2024. During 2025, cash provided by financing activities primarily resulted from the issuance of $500.0 million aggregate principal amount of 5.50% senior unsecured debentures. Net proceeds of the debt issuance were $495.0 million, which is partially offset by quarterly dividend payments to our shareholders, repurchases of common stock through the open market, and the repayment of $61.8 million of outstanding 7.625% senior debentures on their October 15, 2025 maturity date. During 2024, cash used in financing activities primarily resulted from the payment of quarterly dividends to our shareholders and, to a lesser extent, from repurchases of common stock through the open market.

Dividends to common shareholders are subject to quarterly board approval and declaration. During 2025, we paid dividends that totaled $130.6 million. This included three quarterly dividends of $0.90 per share and one quarterly dividend of $0.95 per share. We believe that our holding company assets are sufficient to provide for future shareholder dividends should the Board of Directors declare them.

At December 31, 2025, THG, as a holding company, held approximately $781.0 million of fixed maturities and cash. We believe our holding company assets will be sufficient to meet our short-term obligations, which we expect to consist primarily of quarterly dividends to our shareholders (as and to the extent declared), redemptions of short-term debt, interest on our senior and subordinated debentures, and certain costs associated with benefits related to employees and agents of our former life insurance subsidiaries. As discussed below, we have, and opportunistically may continue to, repurchase our common stock and debt. We do not expect that it will be necessary to dividend additional funds from our insurance subsidiaries in order to fund short-term holding company obligations; however, we may decide to do so.

We expect to continue to generate sufficient positive operating cash to meet all short-term and long-term cash requirements relating to current operations, including the funding of our qualified defined benefit pension plan. We believe that this plan is fully funded. The ultimate payment amounts for our benefit plan are based on several assumptions including, but not limited to, the rate of return on plan assets, the discount rate for benefit obligations, mortality experience, interest crediting rates, inflation and the ultimate valuation and determination of benefit obligations. Since differences between actual plan experience and our assumptions are almost certain, changes, both positive and negative, to our current funding status and ultimately our obligations in future periods are likely.

Our insurance subsidiaries maintain a high degree of liquidity within their respective investment portfolios in fixed maturity and short-term investments. Uncertainty in the financial markets continued to affect the value of investments currently held by THG and its subsidiaries. Many fixed maturity securities remain in unrealized loss positions, but to a lesser degree than experienced in the prior year. We believe that the quality of the assets we hold will allow us to realize the long-term economic value of our portfolio, including the securities that are currently in an unrealized loss position. We do not anticipate the need to sell these securities to meet our insurance subsidiaries' cash requirements since we expect our insurance subsidiaries to generate sufficient operating cash to meet all short-term and long-term cash requirements relating to current operations. However, unforeseen business needs or other items may occur which could cause us to sell those securities in a loss position before their values fully recover, resulting in a recognition of impairment charges in that time period.

The Board of Directors authorized a stock repurchase program which provides for aggregate repurchases of our common stock of up to $1.3 billion. Under the repurchase authorization, we may repurchase, from time to time, common stock in amounts, at prices and at such times as we deem appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs or other transactions. We are not required to purchase any specific number of shares or to make purchases by any certain date under this program. During 2025, we repurchased approximately 0.7 million shares, at an aggregate cost of $130.1 million. Included in the cost of treasury stock acquired pursuant to common share repurchases is the 1% excise tax imposed on common share repurchase activity, net of common share issuances, as part of the Inflation Reduction Act of 2022. As of December 31, 2025, we had repurchased 8.8 million shares under this $1.3 billion program and had approximately $173 million available for additional repurchases.

We maintain our membership in the Federal Home Loan Bank ("FHLB") to provide access to additional liquidity based on our holdings of FHLB stock and pledged collateral. At December 31, 2025, we had borrowing capacity of $322.0 million. There were no outstanding borrowings under this short-term facility at December 31, 2025; however, we have borrowed and may continue to borrow, from time to time, through this facility to provide short-term liquidity.

On July 21, 2023, we entered into a credit agreement that provides for a five-year unsecured revolving credit facility not to exceed $150.0 million at any one time outstanding, with the option to increase the facility up to $300.0 million (assuming no default and satisfaction of other specified conditions, including the receipt of additional lender commitments). The agreement also includes an uncommitted subfacility of $50.0 million for standby letters of credit. Borrowings, if any, under this agreement are unsecured and incur interest at a rate per annum equal to, at our election, either (i) the greatest of, (a) the prime commercial lending rate of the administrative agent, (b) the NYFRB Rate plus half a percent, or (c) the one month Adjusted Term SOFR Rate plus one percent; each subject to a margin that ranges from 0.125% to 0.625% depending on our debt rating, or (ii) Adjusted SOFR Rate for the applicable interest period, plus a margin that ranges from 1.125% to 1.625% depending on our debt rating. The agreement also contains certain financial covenants such as maintenance of specified levels of consolidated equity and leverage ratios. At December 31, 2025 and for the year ended, we had no borrowings under this credit agreement.

At December 31, 2025, we were in compliance with the covenants of our debt and credit agreements.

FINANCING OBLIGATIONS AND OTHER ESTIMATED OPERATING PAYMENTS

Financing obligations generally include repayment of our senior debentures, subordinated debentures and lease payments. Annual payments are related to the contractual principal and interest payments of these financing obligations as of December 31, 2025, unless otherwise noted, and lease payments reflect expected cash payments based upon active lease terms. It is expected that in the normal course of business, leases that expire will generally be renewed or replaced by leases on similar property and equipment. In addition, as discussed below, we expect payments related to our loss and LAE obligations, payments in support of the obligations of our benefit plans, and for commitments to purchase investment securities at a future date. Actual payments may differ from the contractual and/or estimated payments.

Our debt obligations at December 31, 2025 included senior debentures that mature in one year or less of $375.0 million, with an original maturity date of April 2026, which pay interest at an annual rate of 4.50%. On January 15, 2026, we redeemed these debentures. In addition, we hold subordinated debentures of $50.1 million due in 2027, which pay annual interest at a rate of 8.207%, senior debentures of $300.0 million due in 2030, which pay annual interest at a rate of 2.50%, and senior debentures of $500.0 million due in 2035, which pay interest at an annual rate of 5.50%. Interest associated with our debt totaling $44.0 million is due in one year or less and $279.6 million will be due after one year.

Our subsidiaries are lessees with a number of leases, consisting primarily of real estate, equipment, and fleet vehicles. Our lease obligations include $14.4 million due in one year or less and $15.9 million due after one year.

We currently have obligations to pay benefits under our qualified and non-qualified defined benefit pension and post-retirement benefit plans. We do not expect to make any significant contributions to our qualified plan in order to meet our minimum funding requirements for the next several years; however, additional contributions may be required in the future based on the level of pension assets and liabilities in future periods. Estimated payments to be made for non-qualified pension, postretirement, and postemployment benefits totaled $3.6 million due in one year or less and $21.8 million due after one year. These estimated payments extend until 2034; however, it is likely that payments will be required beyond 2034. Estimates of these payments and the payment patterns are based upon historical experience. The ultimate payment amount for our pension and postretirement benefit plans is based on several assumptions, including, but not limited to, the rate of return on plan assets, the discount rate for benefit obligations, mortality experience, interest crediting rates and the ultimate valuation of benefit obligations. Differences between actual plan experience and our assumptions are likely and will likely result in changes to our funding obligations in future periods.

Our investment commitments primarily relate to alternative investments and limited partnerships and were $121.6 million due in one year or less and $84.2 million due after one year.

Unlike many other forms of contractual obligations, loss and LAE reserves do not have definitive due dates and the ultimate payment dates are subject to a number of variables and uncertainties. The total gross loss and LAE reserve payments expected to be made in one year or less of $2,332.9 million and after one year of $5,422.3 million are estimates based principally on historical experience.

CONTINGENCIES AND REGULATORY MATTERS

Information regarding litigation and legal contingencies appears in Note 15 – “Commitments and Contingencies” in the Notes to Consolidated Financial Statements. Information related to certain regulatory and industry developments are contained in “Regulation” in Part I – Item 1 and in “Risk Factors” in Part I – Item 1A.

GLOSSARY OF SELECTED INSURANCE TERMS

Account business – Customers with multiple policies and/or coverages.

Account rounding – The conversion of single policy customers to accounts with multiple policies and/or additional coverages, to address customers’ broader needs and objectives.

Benefit payments – Payments made to an insured or their beneficiary in accordance with the terms of an insurance policy.

Casualty insurance – Insurance that is primarily concerned with the losses caused by injuries to third persons and their property (other than the policyholder) and the related legal liability of the insured for such losses.

Catastrophe – A severe loss, resulting from natural or manmade events, including, among others, hurricanes, tornadoes and other windstorms, hail, flood, earthquakes, severe winter weather and other convective storms, fire, explosions, riots and terrorism.

Catastrophe loss – Loss and directly identified loss adjustment expenses from catastrophes, including development on prior years’ catastrophe loss reserves. The Insurance Services Office (“ISO”) Property Claim Services (“PCS”) defines a catastrophe loss as an event that causes $25 million or more in insured property losses from U.S. direct writers and affects a significant number of property and casualty policyholders and insurers. In limited instances where the impact of an event extends across multiple geographic areas or time periods, but is not within the specific parameters established by PCS, we may determine that certain losses are better included within the same catastrophe event. In addition to those catastrophe events declared by ISO, claims management also generally includes within the definition of a “catastrophe loss,” a property loss event that causes approximately $5 million or more in company insured

losses and affects in excess of one hundred policyholders. For the international business across our Core Commercial and Specialty businesses, management utilizes a "catastrophe loss" definition that is substantially consistent with the ISO definition framework.

Cede; cedent; ceding company – When a party reinsures its liability with another party, it "cedes" business and is referred to as the "cedent" or "ceding company."

Core Commercial – Commercial property and casualty coverages provided to small and mid-sized business in the United States, generally with annual premiums, per policy, up to $500,000, primarily through the commercial multiple peril, commercial automobile and workers' compensation lines of business.

Credit spread – The difference between the yield on the debt securities of a particular corporate debt issue and the yield of a similar maturity of U.S. Treasury debt securities.

Current accident year results – A non-GAAP measure of the estimated earnings impact of current premiums offset by estimated loss experience and expenses for the current accident year. This measure includes the estimated increase in revenue associated with higher prices (premiums), including those caused by price inflation and changes in exposure, partially offset by higher volume driven expenses and inflation of loss costs. Volume driven expenses include acquisition costs such as commissions paid to agents, which are typically based on a percentage of premium dollars.

Earned premium – The portion of a premium that is recognized as income, or earned, based on the expired portion of the policy period, that is, the period for which loss coverage has actually been provided. For example, after six months, $50 of a $100 annual premium is generally considered earned premium. The remaining $50 of annual premium is unearned premium. Net earned premium is earned premium net of reinsurance.

Excess of loss reinsurance – Reinsurance that indemnifies the insured against all, or a specific portion of, losses under reinsured policies in excess of a specified dollar amount or "retention."

Exposure – As it relates to underwriting, a measure of the rating units or premium basis of a risk; for example, an exposure of a number of automobiles. As it relates to loss events, the maximum value of claims made on an insurer from an event or events that would result in the total exhaustion of the cover or indemnity offered by an insurance policy.

Exposure management actions – Actions that focus on improving underwriting profitability and/or lessening earnings volatility by reducing our exposures and property concentrations in certain geographies and lines that are believed to be more prone to catastrophe and non-catastrophe losses. These actions include, but are not limited to, non-renewal, rate increases, stricter underwriting standards and higher deductible utilization, agency management actions, and more selective portfolio management by modifying our business mix.

Frequency – The number of claims occurring during a given coverage period.

Loss adjustment expenses ("LAE") – Expenses incurred in the adjusting, recording, and settlement of claims. These expenses include both internal company expenses and outside services. Allocated LAE ("ALAE") refers to defense and cost containment expenses, including legal fees, court costs, and investigation fees. Unallocated LAE ("ULAE") refers to expenses that generally cannot be associated with a specific claim. ULAE includes internal costs such as salaries, fringe benefits and other overhead costs associated with the claim settlement process and external adjustment and appraisal fees.

Loss costs – An amount of money paid for an insurance claim.

Loss reserves – Liabilities established by insurers to reflect the estimated cost of claims payments and the related expenses that the insurer will ultimately be required to pay in respect of insurance it has written. Reserves are established for losses and for LAE and consist of reserves for claims that have been reported (case reserves) and for claims that have been incurred but have not yet been reported (IBNR).

Lower (higher) expenses – Represents the period over period comparison of expenses relative to growth in earned premium. Volume driven expenses typically fluctuate commensurate with changes in premium. Accordingly, as we grow premium, these expenses increase from an absolute dollar perspective, but tend to stay proportionate compared to premium. Fixed expenses can remain constant or increase or decrease irrespective of the growth or decline in premium. When describing expenses as being "lower" or "higher" we are generally referring to changes in fixed costs relative to earned premium (fixed cost leverage). These "lower" or "higher" expenses correspond to a lower or higher expense ratio.

Marine insurance – In Specialty, this is a type of coverage developed for insuring businesses against physical losses to property such as contractor's equipment, builder's risk and goods in transit. It covers articles in transit by all forms of land and air transportation as well as bridges, tunnels, ocean and other means of transportation and communication. In the context of Personal Lines, this term relates to floater policies that cover expensive personal items, such as fine art and jewelry.

Morbidity – Morbidity relates to the occurrence of illness, disability or other physical or psychological impairment, whether temporary or permanent, for insured risks. Morbidity is a key assumption for long-term care insurance and other forms of individual and group health benefits.

Partner agents; partner agencies; partner independent agents; agency partners; business partners – Independent agents (agencies) are self-employed, commission-based businesses who generally represent, and sell insurance policies provided by several insurance companies. We have appointed and developed mutually beneficial relationships with a limited number of independent agents who are demonstrated experts in their field, growth-oriented, and align with our strategy. Although we may refer to those agencies as "partner agents," these are not legally binding "partnerships," but rather an opportunity for both the agent (agencies) and THG to work together and achieve common goals.

Peril – A cause of loss.

Property insurance – Insurance that provides coverage for tangible property in the event of loss, damage or loss of use.

Rate (Core Commercial and Specialty) – Represents the average change in premium on renewed policies caused by the base rate changes, discretionary pricing, and inflation, excluding the impact of changes in policy level exposure or insured risks.

Rate (Personal Lines) – Represents the estimated cumulative premium effect of approved rate actions applied to policies at renewal, regardless of whether or not policies are actually renewed. Accordingly, rate changes do not represent actual increases or decreases realized by the company. Personal Lines rate changes do not include inflation or changes in policy level exposure or insured risks.

Ratios: [(1)]

Catastrophe loss ratio –The ratio of catastrophe losses incurred to premiums earned.

Combined ratio – This ratio is the GAAP equivalent of the statutory ratio that is widely used as a benchmark for determining an insurer's underwriting performance. The combined ratio is the sum of the loss and loss adjustment expense ratio and the expense ratio. A ratio below 100% generally indicates profitable underwriting prior to the consideration of investment income (loss). A combined ratio over 100% generally indicates unprofitable underwriting prior to the consideration of investment income (loss).

Expense ratio – The ratio of underwriting expenses (including the amortization of deferred acquisition costs), less premium installment and other fee income and premium charge offs, to premiums earned for a given period.

Loss and loss adjustment expense ("LAE") ratio – The ratio of loss and loss adjustment expenses to premiums earned for a given period. The LAE ratio includes catastrophe losses and prior year reserve development.

Loss ratio – The ratio of losses (including catastrophe losses) to premiums earned for a given period.

Reinstatement premium – A pro-rata reinsurance premium may be contractually required to be charged to us by our reinsurers for restoring an amount of reinsurance coverage reduced as a result of a reinsurance loss payment that depletes or exhausts a reinsurance treaty or treaty layer. Reinsurance reinstatement premiums accrued by us are accounted for as a reduction in net premiums earned rather than as an "expense." For certain reinsurance treaties, a ceding commission adjustment is recorded commensurate with a reinstatement premium accrual. A ceding commission is a fee paid by a reinsurance company to a direct writer to cover the costs of issuing the policy and is recorded as a contra-expense.

Reinsurance – An arrangement in which an insurance company, or a reinsurance company, known as the reinsurer, agrees to indemnify another insurance or reinsurance company, known as the ceding company, against all or a portion of the insurance or reinsurance risks underwritten by the ceding company under one or more policies. Reinsurance can provide a ceding company with several benefits, including a reduction in net liability on risks and catastrophe protection from large or multiple losses. Reinsurance does not legally discharge the primary insurer from its liability with respect to its obligations to the insured.

Renewal price(ing) increase or decrease (Core Commercial and Specialty) – Represents the average change in premium on renewed policies caused by the estimated net effect of base rate changes, discretionary pricing, specific inflationary changes or changes in policy level exposure or insured risks.

Renewal price(ing) increase or decrease (Personal Lines) – Represents the average change in premium on policies charged at renewal caused by the net effects of filed rate, inflation adjustments or other changes in policy level exposure or insured risks, regardless of whether or not the policies are retained for the duration of their contractual terms.

Retention Rate (Core Commercial and Specialty) – Represents the ratio of net retained premium for the noted period to the premium available to renew over the same period.

Retention Rate (Personal Lines) – Represents the ratio of net retained policies for the noted period to those policies available to renew over the same period and includes policies that were canceled and rewritten.

Risk based capital ("RBC") – A method of measuring the minimum amount of capital appropriate for an insurance company to support its overall business operations in consideration of its size and risk profile. The RBC ratio for regulatory purposes is calculated as total adjusted capital divided by required risk based capital. Total adjusted capital for our property and casualty companies is capital and surplus, adjusted for the non-tabular reserve discount applicable to our assumed discontinued accident and health insurance business. The Company Action Level is the first level at which regulatory involvement is specified based upon the level of capital.

Regulators may take action for reasons other than triggering various RBC action levels. The various action levels are summarized as follows:

- The Company Action Level, which equals 200% of the Authorized Control Level, requires a company to prepare and submit a RBC plan to the commissioner of the state of domicile. A RBC plan proposes actions which a company may take in order to bring statutory capital above the Company Action Level. After review, the commissioner will notify the company if the plan is satisfactory.
- The Regulatory Action Level, which equals 150% of the Authorized Control Level, requires the insurer to submit to the commissioner of the state of domicile a RBC plan, or if applicable, a revised RBC plan. After examination or analysis, the commissioner will issue an order specifying corrective actions to be taken.
- The Authorized Control Level authorizes the commissioner of the state of domicile to take whatever regulatory actions are considered necessary to protect the best interest of the policyholders and creditors of the insurer.
- The Mandatory Control Level, which equals 70% of the Authorized Control Level, authorizes the commissioner of the state of domicile to take actions necessary to place the company under regulatory control (i.e., rehabilitation or liquidation).

Severity – A monetary increase in the loss costs associated with the same or similar type of event or coverage.

Social inflation – A term used to explain rising insurance claim payouts due to various factors associated with a more costly legal environment, such as increased litigation frequency, expanded theories of liability and higher jury awards. Higher than expected litigation payouts to plaintiffs due to these and other factors, may then give rise to the initiation of additional lawsuits seeking similarly elevated awards and increasing settlement costs, which can compound the effect.

Specialty – There is no accepted industry definition of "Specialty," but for our purpose Specialty includes four divisions of business: Professional and Executive Lines, Specialty Property and Casualty, Marine, and Surety and Other. Specialty Property and Casualty coverage includes program business (provides commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses), specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage. When discussing net premiums written and other financial measures of our Specialty businesses, we may include non-Specialty premiums that are written as part of the entire account.

Statutory accounting practices – Recording transactions and preparing financial statements in accordance with the rules and procedures prescribed or permitted by insurance regulatory authorities including the National Association of Insurance Commissioners, which in general reflect a liquidating, rather than going concern, concept of accounting.

Underwriting – The process of selecting risks for insurance and determining in what amounts and on what terms the insurance company will accept risks.

Underwriting expenses – Expenses incurred in connection with the acquisition, pricing and administration of a policy or contract, and other insurance company expenses unrelated to claims handling or investments.

Unearned premiums – The portion of a premium representing the unexpired amount of the contract term as of a certain date.

Written premium – The premium assessed for the entire coverage period of an insurance policy or contract without regard to how much of the premium has been earned. See also "Earned premium" above. Net premium written is written premium net of reinsurance.

[(1)] Ratios may not be comparable to similarly titled measures of other companies.

ITEM 7A–QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to "Quantitative and Qualitative Disclosures about Market Risk" in Management's Discussion and Analysis.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Hanover Insurance Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of The Hanover Insurance Group, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and financial statement schedules I, II, III, V, and VI listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of loss and loss adjustment expense reserves

As described in Notes 1 and 14 to the consolidated financial statements, loss and loss adjustment expense reserves were $7.8 billion as of December 31, 2025. These liabilities are determined using case basis evaluations and statistical analyses of historical loss patterns and represent estimates of the ultimate cost of all losses incurred but not paid. The loss reserve estimation process relies on the basic assumption that past experience, adjusted for the effects of current developments and likely trends, is an appropriate basis for management to predict future outcomes. As part of this process, management uses a variety of analytical methods that consider experience, trends and other relevant factors, as well as considers numerous quantitative and qualitative factors, including the maturity of the accident year, the level of volatility within a particular class of business, the sufficiency or quality of historical reported and paid loss and loss adjustment expenses information, legal and regulatory developments and changes in underwriting or business mix, claim handling and case reserving practices. The Company's ultimate incurred but not reported ("IBNR") reserves are estimated by management and reserving actuaries on an aggregate basis for each line of business or coverage for loss and loss expense liabilities not reflected within the case reserves.

The principal considerations for our determination that performing procedures relating to the valuation of loss and loss adjustment expense reserves is a critical audit matter are the significant judgment by management when developing their estimate. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the various analytical methods and factors used by management in developing the estimate, such as historical loss patterns and other relevant quantitative and qualitative factors, which related to the maturity of the accident year, the level of volatility within a particular class of business, and the sufficiency or quality of historical reported and paid loss and loss adjustment expenses information. Also, our audit effort included the involvement of professionals with specialized skill and knowledge to assist in performing procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's valuation of loss and loss adjustment expense reserves, including controls over the analytical methods applied and development of qualitative and quantitative factors. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in either (i) developing an independent estimate of the reserves using historical loss patterns, and other relevant quantitative and qualitative factors, which related to the maturity of the accident year, the level of volatility within a particular class of business, and the sufficiency or quality of historical reported and paid loss and loss adjustment expenses information, for reserves by line of business or coverage on a test basis, and comparison of this independent estimate to management's actuarially determined reserves; or (ii) on a test basis for reserves by line of business or coverage, evaluating the appropriateness of management's analytical methods and reasonableness of factors for determining the reserve balances. Performing these procedures involved testing the completeness and accuracy of data provided by management.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

February 20, 2026

We have served as the Company's auditor since 1991.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31 *(in millions, except per share data)*	2025	2024	2023
Revenues			
Premiums	**$ 6,161.1**	$ 5,912.6	$ 5,663.1
Net investment income	**454.4**	372.6	332.1
Net realized and unrealized investment gains (losses):			
Net realized losses from sales and other	**(61.7)**	(84.2)	(8.9)
Net change in fair value of equity securities and other	**18.8**	14.2	(5.6)
Impairments on investments:			
Credit-related impairments	**(2.6)**	(3.6)	(7.7)
Losses on intent to sell securities	**(0.5)**	(2.2)	(10.3)
Total impairments on investments	**(3.1)**	(5.8)	(18.0)
Total net realized and unrealized investment losses	**(46.0)**	(75.8)	(32.5)
Fees and other income	**24.9**	28.0	30.8
Total revenues	**6,594.4**	6,237.4	5,993.5
Losses and expenses			
Losses and loss adjustment expenses	**3,729.3**	3,757.4	4,134.6
Amortization of deferred acquisition costs	**1,285.2**	1,221.7	1,176.0
Interest expense	**43.2**	34.1	34.1
Other operating expenses	**692.9**	686.4	607.7
Total losses and expenses	**5,750.6**	5,699.6	5,952.4
Income from continuing operations before income taxes	**843.8**	537.8	41.1
Income tax expense (benefit):			
Current	**169.3**	131.1	32.6
Deferred	**13.8**	(18.6)	(25.0)
Total income tax expense	**183.1**	112.5	7.6
Income from continuing operations	**660.7**	425.3	33.5
Discontinued operations (net of taxes):			
Income from Chaucer business	**0.3**	0.7	1.2
Income from discontinued life businesses	**1.5**	—	0.6
Net income	**$ 662.5**	$ 426.0	$ 35.3
Earnings per common share:			
Basic:			
Income from continuing operations	**$ 18.46**	$ 11.83	$ 0.94
Discontinued operations (net of taxes):			
Income from Chaucer business	**0.01**	0.02	0.03
Income from discontinued life businesses	**0.03**	—	0.02
Net income per share	**$ 18.50**	$ 11.85	$ 0.99
Weighted average shares outstanding	**35.8**	35.9	35.7
Diluted:			
Income from continuing operations	**$ 18.12**	$ 11.68	$ 0.93
Discontinued operations (net of taxes):			
Income from Chaucer business	**0.01**	0.02	0.03
Income from discontinued life businesses	**0.03**	—	0.02
Net income per share	**$ 18.16**	$ 11.70	$ 0.98
Weighted average shares outstanding	**36.5**	36.4	36.1

The accompanying notes are an integral part of these consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Net income	**$ 662.5**	$ 426.0	$ 35.3
Other comprehensive income (loss), net of tax:			
Available-for-sale securities:			
Changes in net unrealized gains on investment securities:			
Having no credit losses recognized in the Consolidated Statements of Income	**286.4**	56.8	175.0
Having credit losses recognized in the Consolidated Statements of Income	**0.8**	2.5	3.6
Total available-for-sale securities	**287.2**	59.3	178.6
Pension and postretirement benefits:			
Net actuarial gains (losses) arising in the period	**(4.4)**	(5.8)	3.1
Net amount recognized as net periodic benefit cost	**5.3**	5.4	6.2
Total pension and postretirement benefits	**0.9**	(0.4)	9.3
Long-duration insurance contracts:			
Net change in market risk	**(3.2)**	2.0	(3.6)
Total other comprehensive income, net of tax	**284.9**	60.9	184.3
Comprehensive income	**$ 947.4**	$ 486.9	$ 219.6

The accompanying notes are an integral part of these consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

DECEMBER 31 *(in millions, except share data)*	2025	2024
Assets		
Investments:		
Fixed maturities, at fair value (amortized cost of $9,685.7 and $9,051.5)	**$ 9,536.5**	$ 8,542.2
Equity securities, at fair value	**184.8**	157.7
Other investments	**661.4**	709.9
Total investments	**10,382.7**	9,409.8
Cash and cash equivalents	**1,122.7**	435.5
Accrued investment income	**80.1**	69.8
Premiums and accounts receivable, net	**1,861.3**	1,800.8
Reinsurance recoverable on paid and unpaid losses and unearned premiums	**2,011.1**	1,994.5
Deferred acquisition costs	**703.0**	662.8
Deferred income tax asset	**83.3**	174.2
Goodwill	**178.8**	178.8
Other assets	**439.3**	462.6
Assets of discontinued businesses	**83.6**	85.7
Total assets	**$ 16,945.9**	$ 15,274.5
Liabilities		
Loss and loss adjustment expense reserves	**$ 7,755.2**	$ 7,461.2
Unearned premiums	**3,440.4**	3,283.3
Expenses and taxes payable	**806.7**	757.8
Reinsurance premiums payable	**45.2**	37.7
Short-term debt	**375.0**	61.8
Long-term debt	**843.3**	722.3
Liabilities of discontinued businesses	**108.6**	108.6
Total liabilities	**13,374.4**	12,432.7
Commitments and contingencies		
Shareholders' Equity		
Preferred stock, par value $0.01 per share; 20.0 million shares authorized; none issued	**—**	—
Common stock, par value $0.01 per share; 300.0 million shares authorized; 60.5 million shares issued	**0.6**	0.6
Additional paid-in capital	**2,013.5**	1,973.6
Accumulated other comprehensive loss	**(171.4)**	(456.3)
Retained earnings	**3,741.6**	3,209.6
Treasury stock at cost (25.1 and 24.6 million shares)	**(2,012.8)**	(1,885.7)
Total shareholders' equity	**3,571.5**	2,841.8
Total liabilities and shareholders' equity	**$ 16,945.9**	$ 15,274.5

The accompanying notes are an integral part of these consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Preferred Stock			
Balance at beginning and end of year	**$ —**	$ —	$ —
Common Stock			
Balance at beginning and end of year	**0.6**	0.6	0.6
Additional Paid-in Capital			
Balance at beginning of year	**1,973.6**	1,939.2	1,913.1
Employee and director stock-based awards and other	**39.9**	34.4	26.1
Balance at end of year	**2,013.5**	1,973.6	1,939.2
Accumulated Other Comprehensive Income (Loss), net of tax			
Net Unrealized Depreciation on Investments:			
Balance at beginning of year	**(403.5)**	(462.8)	(641.4)
Net appreciation on available-for-sale securities	**287.2**	59.3	178.6
Balance at end of year	**(116.3)**	(403.5)	(462.8)
Defined Benefit Pension and Postretirement Plans:			
Balance at beginning of year	**(55.2)**	(54.8)	(64.1)
Net actuarial gains (losses) arising in the period	**(4.4)**	(5.8)	3.1
Net amount recognized as net periodic benefit cost	**5.3**	5.4	6.2
Balance at end of year	**(54.3)**	(55.2)	(54.8)
Long Duration Insurance Contracts:			
Balance at beginning of year	**2.4**	0.4	4.0
Net change in market risk	**(3.2)**	2.0	(3.6)
Balance at end of year	**(0.8)**	2.4	0.4
Total accumulated other comprehensive loss	**(171.4)**	(456.3)	(517.2)
Retained Earnings			
Balance at beginning of year	**3,209.6**	2,909.4	2,992.9
Cumulative effect of accounting change, net of taxes	**1.9**	—	—
Balance at beginning of year, as adjusted	**3,211.5**	2,909.4	2,992.9
Net income	**662.5**	426.0	35.3
Dividends to shareholders	**(132.4)**	(125.8)	(118.8)
Balance at end of year	**3,741.6**	3,209.6	2,909.4
Treasury Stock			
Balance at beginning of year	**(1,885.7)**	(1,866.4)	(1,871.4)
Shares purchased at cost	**(130.1)**	(26.7)	—
Net shares reissued at cost under employee stock-based compensation plans	**3.0**	7.4	5.0
Balance at end of year	**(2,012.8)**	(1,885.7)	(1,866.4)
Total shareholders' equity	**$ 3,571.5**	$ 2,841.8	$ 2,465.6

The accompanying notes are an integral part of these consolidated financial statements.

THE HANOVER INSURANCE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Cash Flows From Operating Activities			
Net income	**$ 662.5**	$ 426.0	$ 35.3
Adjustments to reconcile net income to net cash provided by operating activities:			
Net realized investment losses	**46.4**	76.2	32.3
Net amortization and depreciation	**(4.6)**	1.5	6.3
Stock-based compensation expense	**35.6**	31.0	31.1
Amortization of defined benefit plan costs	**6.7**	6.8	7.9
Deferred income tax expense (benefit)	**14.1**	(18.8)	(24.6)
Change in deferred acquisition costs	**(40.2)**	(42.0)	(16.0)
Change in premiums receivable, net of reinsurance premiums payable	**(53.0)**	(121.7)	(110.3)
Change in loss, loss adjustment expense and unearned premium reserves	**447.1**	331.7	442.0
Change in reinsurance recoverable	**(16.6)**	61.6	(91.6)
Change in expenses and taxes payable	**58.9**	(8.7)	48.0
Other, net	**21.2**	62.8	1.3
Net cash provided by operating activities	**1,178.1**	806.4	361.7
Cash Flows From Investing Activities			
Proceeds from disposals and maturities of fixed maturities	**2,626.4**	2,666.5	772.9
Proceeds from disposals of equity securities and other investments	**101.4**	115.5	141.1
Purchase of fixed maturities	**(3,307.9)**	(3,240.7)	(1,059.8)
Purchase of equity securities and other investments	**(78.4)**	(72.0)	(70.8)
Capital expenditures	**(7.7)**	(10.2)	(11.9)
Net cash used in investing activities	**(666.2)**	(540.9)	(228.5)
Cash Flows From Financing Activities			
Proceeds from exercise of employee stock options	**15.4**	16.7	6.5
Proceeds from issuance of debt, net	**495.0**	—	—
Dividends paid to shareholders	**(130.6)**	(124.1)	(117.2)
Repayment of debt	**(61.8)**	—	—
Repurchases of common stock	**(129.2)**	(26.7)	—
Other financing activities	**(13.6)**	(11.4)	(11.4)
Net cash provided by (used in) financing activities	**175.2**	(145.5)	(122.1)
Net change in cash and cash equivalents	**687.1**	120.0	11.1
Net change in cash related to discontinued operations	**0.1**	(0.6)	—
Cash and cash equivalents, beginning of year	**435.5**	316.1	305.0
Cash and cash equivalents, end of year	**$ 1,122.7**	$ 435.5	$ 316.1
Supplemental Cash Flow Information			
Interest payments	**$ 33.3**	$ 33.2	$ 33.2
Income tax payments (refunds), net	**$ 169.0**	$ 149.0	$ (22.1)

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of The Hanover Insurance Group, Inc. ("THG" or the "Company"), include the accounts of The Hanover Insurance Company ("Hanover Insurance") and Citizens Insurance Company of America ("Citizens"), THG's principal property and casualty companies; and other insurance and non-insurance subsidiaries. These legal entities conduct their operations through several reporting segments discussed in Note 12 – "Segment Information." The consolidated financial statements also include the Company's discontinued operations, consisting primarily of the Company's former accident and health insurance business.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of the Company's management these financial statements reflect all adjustments, consisting of normal recurring items, necessary for a fair presentation of the financial position and results of operations.

B. INVESTMENTS

Fixed maturities are classified as available-for-sale and are carried at fair value, with unrealized gains and losses, net of taxes, reported in accumulated other comprehensive income (loss), a separate component of shareholders' equity. The amortized cost of fixed maturities is adjusted for amortization of premiums and accretion of discounts to maturity.

Equity securities are carried at fair value. Increases and decreases in fair value are reported in net income.

Other investments consist primarily of limited partnerships and mortgage loan participations. Investments in limited partnerships include interests in private equity and real estate funds. Investments in certain limited partnership interests, where the Company's interest is so minor that it exercises virtually no influence over operating and financial policies, are accounted for at fair value utilizing the net asset value ("NAV") as a practical expedient to determine fair value. All other limited partnerships are accounted for in accordance with the equity method of accounting. Mortgage loan participations represent interests in commercial mortgage loans originated and serviced by a third-party of which the Company shares, on a pro-rata basis, in all related cash flows of the underlying mortgage loans. Mortgage loan participations are stated at unpaid principal balances adjusted for deferred fees or expenses, net of an allowance for credit losses.

The Company excludes accrued interest receivable from both the estimated fair value and the amortized cost basis of its investment securities, and reports such amounts separately on the Consolidated Balance Sheets as accrued investment income. When an accrued interest receivable is deemed uncollectible it is written off as a charge to investment income, rather than recorded through an allowance.

Net investment income includes interest, income from limited partnership interests, and dividends. Interest income is recognized based on the effective yield method, which includes the amortization of premiums and accretion of discounts. The effective yield used to determine the amortization for fixed maturities subject to prepayment risk, such as mortgage-backed and asset-backed securities, is recalculated and adjusted periodically based upon actual historical and projected future cash flows. The adjustment to yields for highly rated prepayable fixed maturities is accounted for using the retrospective method. The adjustment to yields for all other prepayable fixed maturities is accounted for using the prospective method. Fixed maturities and mortgage loan participations for which payments are delinquent are placed on non-accrual status, and thereafter interest income is recognized only when cash payments are received.

Realized and unrealized investment gains and losses include net gains and losses on investment sales, changes in the credit loss allowance on fixed maturity securities and mortgage loans, intent to sell impairments, and valuation changes of equity securities and digital assets. Net gains and losses on sales of investments are determined on a specific identification basis.

The Company reviews fixed maturity securities in an unrealized loss position and assesses whether it intends to sell the security or more likely than not will be required to sell the security before the recovery of its amortized cost basis. If the debt security meets either of these two criteria, an intent to sell impairment is recognized in earnings equal to the entire difference between the security's amortized cost basis and its fair value at the impairment measurement date. If neither of the above criteria are met, the credit loss portion of the unrealized loss is recorded through earnings and the non-credit portion remains in other comprehensive income. Credit losses are estimated by comparing the amortized cost of the fixed maturity security with the net present value of the security's projected future cash flows, discounted at the effective interest rate implicit in the investment prior to impairment. The non-credit portion of the impairment is equal to the difference between the fair value and the net present value of the security's cash flows at the impairment measurement date. Credit losses are recorded through an allowance for credit losses and recoveries of impairments on fixed maturities are recognized as reversals of the allowance for credit losses. The allowance for credit losses is limited to the amount that fair value is less than amortized cost and therefore, increases in the fair value of investments due to reasons other than credit could result in decreases in the allowance and an increase in net income.

Mortgage loan participations are pooled by similar risk characteristics and evaluated for credit losses. The allowance for credit losses is calculated using expected loss rates, which vary based on risk factors such as property type, geographic market, and loan-to-value and debt service coverage ratios.

C. FINANCIAL INSTRUMENTS

In the normal course of business, the Company may enter into transactions involving various types of financial instruments, including debt, investments, such as fixed maturities, limited partnerships, mortgage loans and equity securities, investment and loan commitments, and certain derivative contracts. These instruments involve credit risk and could also be subject to risk of loss due to interest rate fluctuation. The Company evaluates and monitors each financial instrument individually and, when appropriate, obtains collateral or other security to minimize losses.

D. *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include cash on hand, amounts due from banks and highly liquid debt instruments purchased with an original maturity of three months or less.

E. DEFERRED ACQUISITION COSTS

Acquisition costs consist of commissions, underwriting costs and other costs, which vary with, and are primarily related to, the successful production of premiums. Acquisition costs are deferred and amortized over the terms of the insurance policies.

Deferred acquisition costs ("DAC") for each reporting segment are reviewed to determine if the costs are recoverable from future income, including investment income. If such costs are determined to be unrecoverable, they are expensed at the time of determination. Although recoverability of DAC is not assured, the Company believes it is more likely than not that all of these costs will be recovered. The amount of DAC considered recoverable, however, could be reduced in the near-term if the estimates of total revenues discussed above are reduced or permanently impaired as a result of a disposition of a line of business. The amount of amortization of DAC could be revised in the near-term if any of the estimates discussed above are revised.

F. REINSURANCE RECOVERABLES

The Company shares certain insurance risks it has underwritten, through the use of reinsurance contracts, with various insurance entities. Reinsurance accounting is followed for ceded transactions when the risk transfer provisions of Accounting Standards Codification ("ASC") 944, *Financial Services – Insurance*, have been met. As a result, when the Company experiences loss or claims events that are subject to a reinsurance contract, reinsurance recoverables are recorded. The amount of the reinsurance recoverable can vary based on the terms of the reinsurance contract, the size of the individual loss or claim, the aggregate amount of all losses or claims in a particular line or book of business, or an aggregate amount of losses associated with a particular accident year. The valuation of losses or claims recoverable depends on whether the underlying loss or claim is a reported loss or claim, or an incurred but not reported loss. For reported losses and claims, the Company values reinsurance recoverables at the time the underlying loss or claim is recognized, in accordance with contract terms. For incurred but not reported losses, the Company estimates the amount of reinsurance recoverables based on the terms of the reinsurance contracts and historical reinsurance recovery information and applies that information to the gross loss reserve. Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured business and the balance is disclosed separately in the financial statements. However, the ultimate amount of the reinsurance recoverable is not known until all losses and claims are settled. Allowances are established for amounts deemed uncollectible and reinsurance recoverables are recorded net of these allowances. The Company evaluates the financial condition of its reinsurers and monitors concentration risk to minimize its exposure to significant credit losses from individual reinsurers.

G. PROPERTY, EQUIPMENT, CAPITALIZED SOFTWARE AND LEASES

Property, equipment, leasehold improvements and capitalized software are recorded at cost, less accumulated depreciation and amortization. Depreciation is generally provided using the straight-line method over the estimated useful lives of the related assets, which generally range from 3 to 30 years. The estimated useful life for capitalized software is generally 5 to 7 years. Amortization of leasehold improvements is provided using the straight-line method over the lesser of the term of the lease or the estimated useful life of the improvements.

The Company has entered into operating and financing leases through which it recognizes "right-of-use" assets that are recorded at the present value of future minimum lease payments, less accumulated depreciation. Depreciation is generally provided using the straight-line method over the estimated useful lives of the related assets, which generally range from 4 to 6 years for real estate and fleet leases.

The Company tests for the recoverability of long-lived assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company recognizes impairment losses only to the extent that the carrying amounts of long-lived assets exceed the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets.

When an impairment loss occurs, the Company reduces the carrying value of the asset to fair value and no longer depreciates the asset. Fair values are estimated using discounted cash flow analyses.

H. GOODWILL AND INTANGIBLE ASSETS

The Company carries its goodwill at cost, net of amortization accumulated prior to January 1, 2002, and net of impairments. Increases to goodwill are generated through acquisition and represent the excess of the cost of an acquisition over the fair value of net assets acquired, including any intangibles acquired. Since January 1, 2002, goodwill is no longer amortized but, rather, is reviewed for impairment. Additionally, acquisitions can produce intangible assets, which have either a definite or indefinite life. Intangible assets with definite lives are amortized over that life, whereas those intangible assets determined to have an indefinite life are reviewed at least annually for impairment. Digital assets are also included in intangible assets and are carried at fair value as of January 1, 2025. At December 31, 2025 and 2024, the Company held goodwill of $178.8 million and intangible assets of $18.0 million and $15.8 million, respectively.

The Company tests for the recoverability of goodwill and intangible assets with indefinite lives annually, or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company recognizes impairment losses only to the extent that the carrying amounts of reporting units with goodwill exceed the fair value. The amount of the impairment loss that would be recognized is determined based upon the excess of the carrying value of goodwill compared to the implied fair value of the goodwill, as determined with respect to all assets and liabilities of the reporting unit. The Company performed its annual impairment reviews of goodwill and indefinite-lived assets in the fourth quarters of 2025 and 2024, with no impairments recognized.

I. LIABILITIES FOR LOSSES, LAE AND UNEARNED PREMIUMS

Liabilities for outstanding claims, losses, and loss adjustment expenses ("LAE") are estimates of payments to be made for reported losses and LAE and estimates of losses and LAE incurred but not reported ("IBNR"). These liabilities are determined using case basis evaluations and statistical analyses of historical loss patterns, and represent estimates of the ultimate cost of all losses incurred but not paid. These estimates are continually reviewed and adjusted as necessary; adjustments are reflected in current operations. Estimated amounts of salvage and subrogation on unpaid losses are deducted from the liability for unpaid claims.

Premiums for direct and assumed business are reported as earned on a pro-rata basis over the contract period. The unexpired portion of these premiums is recorded as unearned premiums.

All losses, LAE and unearned premium liabilities are based on the various estimates discussed in this note. Although the adequacy of these amounts cannot be assured, the Company believes that it is more likely than not that these liabilities and accruals will be sufficient to meet future obligations of policies in force. The amount of liabilities and accruals, however, could be revised in the near-term if the estimates discussed above are revised.

J. DEBT

The Company's debt at December 31, 2025 includes senior and subordinated debentures. Debt instruments are carried at principal amount borrowed, net of any applicable unamortized discounts and issuance costs. See Note 5 – "Debt and Credit Arrangements."

K. PREMIUM, PREMIUM RECEIVABLE, FEE REVENUE AND RELATED EXPENSES

Insurance premiums written are generally recorded at the policy inception and are primarily earned on a pro-rata basis over the terms of the policies for all products. Premiums written may also include estimates that are derived from multiple sources, which include the historical experience of the underlying business, similar businesses, and available industry information. These estimates are regularly reviewed and updated, and any resulting adjustments are included in the current year's results. Unearned premium reserves represent the portion of premiums written that relates to the unexpired terms of the underlying in-force insurance policies and reinsurance contracts. Premium receivables reflect the unpaid balance of premiums written as of the balance sheet date. Premium receivables are generally short-term in nature and are reported net of an allowance for estimated uncollectible premium accounts. The Company reviews its receivables for collectability at the balance sheet date. The allowance for uncollectible accounts was not material as of December 31, 2025 and 2024. Ceded premiums are charged to income over the applicable term of the various reinsurance contracts with third-party reinsurers. Reinsurance reinstatement premiums, when required, are recognized in the same period as the loss event that gave rise to the reinstatement premiums. Losses and related expenses are matched with premiums, resulting in their recognition over the lives of the contracts. This matching is accomplished through estimated and unpaid losses and amortization of deferred acquisition costs.

L. INCOME TAXES

The Company is subject to the tax laws and regulations of the U.S. federal jurisdiction and various state jurisdictions. The Company files a consolidated U.S. federal income tax return that includes the holding company and its U.S. subsidiaries. Generally, taxes are accrued at the U.S. statutory tax rate of 21%.

The Company's accounting for income taxes represents its best estimate of various events and transactions.

Deferred income taxes are generally recognized when assets and liabilities have different values for financial statement and tax reporting purposes, and for other temporary taxable and deductible differences as defined by ASC 740, *Income Taxes* ("ASC 740"). These temporary differences are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. These differences result primarily from insurance reserves, deferred acquisition costs, software capitalization, and employee benefit plans.

The realization of deferred tax assets depends upon the existence of sufficient taxable income within the carryback or carryforward periods under U.S. federal tax law. Consideration is given to all available positive and negative evidence, including reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. Valuation allowances are established if, based on available information, it is determined that it is more likely than not that all or some portion of the deferred tax assets will not be realized. Changes in valuation allowances are generally reflected in income tax expense or as an adjustment to other comprehensive income (loss), depending on the nature of the item for which the valuation allowance is being recorded.

M. STOCK-BASED COMPENSATION

The Company recognizes the fair value of compensation costs for all share-based payments, including employee stock options, in the financial statements. Unvested awards are generally expensed on a straight-line basis, by tranche, over the vesting period of the award, net of estimated forfeitures. The Company's stock-based compensation plans are discussed further in Note 9 – "Stock-Based Compensation Plans."

N. EARNINGS PER SHARE

Earnings per share ("EPS") for the years ended December 31, 2025, 2024 and 2023 is based on a weighted average of the number of shares outstanding during each year. Basic and diluted EPS is computed by dividing income available to common stockholders by the weighted average number of shares outstanding for the period. The weighted average shares outstanding used to calculate basic EPS differ from the weighted average shares outstanding used in the calculation of diluted EPS due to the effect of dilutive employee stock options, non-vested stock grants, and other contingently issuable shares. If the effect of such items is antidilutive, the weighted average shares outstanding used to calculate diluted EPS would be equal to those used to calculate basic EPS.

Options to purchase shares of common stock whose exercise prices are greater than the average market price of the common shares are not included in the computation of diluted earnings per share because the effect would be antidilutive.

O. NEW ACCOUNTING PRONOUNCEMENTS

Recently Implemented Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASC Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* This Update requires entities to disclose an annual tabular rate reconciliation, using both percentages and currency amounts, broken out into specific categories, to the extent those items exceed a specified threshold. In addition, all entities are required to disclose annual income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions, and for individual jurisdictions when the amount is at least five percent of total income tax payments, net of refunds received. This Update was effective for annual reporting periods beginning after December 15, 2024. The Company implemented this guidance on a prospective basis and it did not have a material effect on its financial position or results of operations, as the Update is disclosure related.

In November 2023, the FASB issued ASC Update No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This Update requires entities to disclose significant segment expenses and other segment items on an annual and interim basis, and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires entities to disclose the title and position of the Chief Operating Decision Maker ("CODM"), and an explanation of how the CODM uses the reported measures of segment profit or loss. The Update does not change how entities identify operating segments, aggregate them, or apply the quantitative thresholds to determine reportable segments. This Update was effective for annual reporting periods beginning after December 15, 2023, and interim reporting periods beginning after December 15, 2024. The Company implemented this guidance effective January 1, 2024, on a retrospective basis, and it did not have a material effect on its financial position or results of operations, as the Update is disclosure related.

Recently Issued Standards

In September 2025, the FASB issued ASC Update No. 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This Update eliminates the traditional three-stage sequential software development model (preliminary, application development, and post-implementation) and instead requires capitalization to begin once management has authorized and commits funding to each software project, and completion of the software for its intended use is probable. The guidance states that the "probable-to-complete" recognition threshold is not met until significant development uncertainty has been resolved. Additionally, disclosure requirements for internal-use software have been updated to align with those for property, plant, and equipment under ASC 360-10, *Property, Plant and Equipment - Overall*, regardless of whether the software is classified as intangible or tangible. This Update is effective for interim and annual reporting periods beginning after December 15, 2027, with early adoption permitted. This guidance may be implemented either on a prospective, modified, or retrospective basis. The Company is currently assessing the impact of this guidance to its financial position and results of operations.

In November 2024, the FASB issued ASC Update No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. This Update requires entities to disclose, at each interim and annual reporting period, specified information about certain costs and expenses in the notes to financial statements. Entities must disclose the amounts, in a tabular format, of relevant expense captions presented on the face of the income statement within continuing operations that contain expenses associated with employee compensation, depreciation, and intangible asset amortization. Additionally, the Update requires qualitative disclosure of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and the disclosure of total selling expenses, among other items. This Update is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods, as clarified in ASC Update No. 2025-01, beginning after December 15, 2027, with early adoption permitted. This guidance may be implemented either on a prospective or retrospective basis. The Company does not expect implementation of this guidance to have a material effect on its financial position or results of operations, as the Update is disclosure related.

P. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation, when applicable.

2. INVESTMENTS

A. FIXED MATURITIES

The amortized cost and fair value of available-for-sale fixed maturities were as follows:

DECEMBER 31, 2025

(in millions)

	Amortized Cost	*Allowance for Credit Losses*	*Amortized Cost, Net of Allowance for Credit Losses*	*Gross Unrealized Gains*	*Gross Unrealized Losses*	*Fair Value*
U.S. Treasury and government agencies	**$ 491.3**	**$ —**	**$ 491.3**	**$ 2.4**	**$ 38.2**	**$ 455.5**
Foreign governments	**2.5**	**—**	**2.5**	**0.2**	**—**	**2.7**
Municipals	**910.8**	**—**	**910.8**	**4.1**	**67.2**	**847.7**
Corporates	**4,239.3**	**(0.2)**	**4,239.1**	**71.4**	**57.0**	**4,253.5**
Residential mortgage-backed	**2,472.2**	**—**	**2,472.2**	**32.4**	**82.8**	**2,421.8**
Commercial mortgage-backed	**610.2**	**—**	**610.2**	**1.0**	**21.3**	**589.9**
Other asset-backed	**959.6**	**—**	**959.6**	**6.5**	**0.7**	**965.4**
Total fixed maturities	**$ 9,685.9**	**$ (0.2)**	**$ 9,685.7**	**$ 118.0**	**$ 267.2**	**$ 9,536.5**

DECEMBER 31, 2024
(in millions)

	Amortized Cost	*Allowance for Credit Losses*	*Amortized Cost, Net of Allowance for Credit Losses*	*Gross Unrealized Gains*	*Gross Unrealized Losses*	*Fair Value*
U.S. Treasury and government agencies	$ 552.6	$ —	$ 552.6	$ 0.4	$ 58.8	$ 494.2
Foreign governments	1.8	—	1.8	0.1	—	1.9
Municipals	1,001.5	—	1,001.5	1.5	109.2	893.8
Corporates	3,953.5	(0.6)	3,952.9	14.4	161.4	3,805.9
Residential mortgage-backed	2,277.6	—	2,277.6	2.8	156.3	2,124.1
Commercial mortgage-backed	564.2	—	564.2	0.1	42.1	522.2
Other asset-backed	700.9	—	700.9	2.5	3.3	700.1
Total fixed maturities	$ 9,052.1	$ (0.6)	$ 9,051.5	$ 21.8	$ 531.1	$ 8,542.2

The Company enters into various agreements that may require its fixed maturities to be held as collateral by others. At December 31, 2025 and 2024, fixed maturities with fair values of $339.2 million and $130.9 million, respectively, were held as collateral for the FHLB collateralized borrowing program. See Note 5 — "Debt and Credit Arrangements" for additional information related to the Company's FHLB program. Additionally, at December 31, 2025 and 2024, fixed maturities with fair values of $356.4 million and $316.3 million, respectively, were on deposit with various state governmental authorities or trustees.

The amortized cost and fair value by maturity periods for fixed maturities are shown in the following table. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties, or the Company may have the right to put or sell the obligations back to the issuers.

DECEMBER 31 ***(in millions)***	**2025**	
	Amortized Cost, net of Allowance for Credit Losses	***Fair Value***
Due in one year or less	**$ 127.5**	**$ 127.5**
Due after one year through five years	**2,361.7**	**2,351.2**
Due after five years through ten years	**2,839.6**	**2,788.0**
Due after ten years	**314.9**	**292.7**
	5,643.7	**5,559.4**
Mortgage-backed and other asset-backed securities	**4,042.0**	**3,977.1**
Total fixed maturities	**$ 9,685.7**	**$ 9,536.5**

B. UNREALIZED GAINS AND LOSSES

Unrealized gains and losses on available-for-sale fixed maturities are summarized in the following table.

YEARS ENDED DECEMBER 31
(in millions)

	2025	**2024**	**2023**
Net depreciation, beginning of year	**$ (403.5)**	$ (462.8)	$ (641.4)
Net appreciation on available-for-sale fixed maturities	**364.6**	76.6	227.6
Provision for deferred income taxes	**(77.4)**	(17.3)	(49.0)
	287.2	59.3	178.6
Net depreciation, end of year	**$ (116.3)**	$ (403.5)	$ (462.8)

C. FIXED MATURITY SECURITIES IN AN UNREALIZED LOSS POSITION

The following tables provide information about the Company's available-for-sale fixed maturity securities that were in an unrealized loss position at December 31, 2025 and 2024, including the length of time the securities have been in an unrealized loss position:

DECEMBER 31, 2025 *(in millions)*	*12 months or less*		*Greater than 12 months*		*Total*	
	Gross Unrealized Losses	*Fair Value*	*Gross Unrealized Losses*	*Fair Value*	*Gross Unrealized Losses*	*Fair Value*
Investment grade:						
U.S. Treasury and government agencies	**$ —**	**$ 11.9**	**$ 38.2**	**$ 319.7**	**$ 38.2**	**$ 331.6**
Municipals	**0.6**	**56.3**	**66.6**	**550.3**	**67.2**	**606.6**
Corporates	**1.0**	**271.3**	**51.2**	**704.2**	**52.2**	**975.5**
Residential mortgage-backed	**0.5**	**128.7**	**82.3**	**521.7**	**82.8**	**650.4**
Commercial mortgage-backed	**0.5**	**122.5**	**20.0**	**284.3**	**20.5**	**406.8**
Other asset-backed	**0.5**	**82.9**	**0.2**	**24.3**	**0.7**	**107.2**
Total investment grade	**3.1**	**673.6**	**258.5**	**2,404.5**	**261.6**	**3,078.1**
Below investment grade:						
Corporates	**2.2**	**37.5**	**2.6**	**34.8**	**4.8**	**72.3**
Commercial mortgage-backed	**—**	**—**	**0.8**	**4.9**	**0.8**	**4.9**
Other asset-backed	**—**	**1.3**	**—**	**—**	**—**	**1.3**
Total below investment grade	**2.2**	**38.8**	**3.4**	**39.7**	**5.6**	**78.5**
Total fixed maturities	**$ 5.3**	**$ 712.4**	**$ 261.9**	**$ 2,444.2**	**$ 267.2**	**$ 3,156.6**

DECEMBER 31, 2024 *(in millions)*	*12 months or less*		*Greater than 12 months*		*Total*	
	Gross Unrealized Losses	*Fair Value*	*Gross Unrealized Losses*	*Fair Value*	*Gross Unrealized Losses*	*Fair Value*
Investment grade:						
U.S. Treasury and government agencies	$ 7.8	$ 194.4	$ 51.0	$ 240.8	$ 58.8	$ 435.2
Municipals	3.0	132.5	106.2	680.9	109.2	813.4
Corporates	22.8	1,360.3	132.0	1,523.3	154.8	2,883.6
Residential mortgage-backed	16.5	896.8	139.8	747.2	156.3	1,644.0
Commercial mortgage-backed	0.7	23.7	41.4	485.4	42.1	509.1
Other asset-backed	2.5	181.4	0.8	78.5	3.3	259.9
Total investment grade	53.3	2,789.1	471.2	3,756.1	524.5	6,545.2
Below investment grade:						
Foreign governments	—	0.1	—	—	—	0.1
Corporates	1.3	70.8	5.3	49.8	6.6	120.6
Commercial mortgage-backed	—	—	—	0.8	—	0.8
Total below investment grade	1.3	70.9	5.3	50.6	6.6	121.5
Total fixed maturities	$ 54.6	$ 2,860.0	$ 476.5	$ 3,806.7	$ 531.1	$ 6,666.7

The Company views gross unrealized losses on fixed maturities as non-credit related and through its assessment of unrealized losses has determined that these securities will recover, allowing the Company to realize the anticipated long-term economic value. The Company currently does not intend to sell, nor does it expect to be required to sell these securities before recovery of their amortized cost. The Company employs a systematic methodology to evaluate declines in fair value below amortized cost for fixed maturity securities. In determining impairments, the Company evaluates several factors and circumstances, including the issuer's overall financial condition; the issuer's credit and financial strength ratings; the issuer's financial performance, including earnings trends and asset quality; any specific events which may influence the operations of the issuer; the general outlook for market conditions in the industry or geographic region in which the issuer operates; and the degree to which the fair value of an issuer's securities is below the Company's amortized cost. The Company also considers any factors that might raise doubt about the issuer's ability to make contractual payments as they come due and whether the Company expects to recover the entire amortized cost basis of the security.

D. OTHER INVESTMENTS

The Company's mortgage loan participations were $247.0 million and $304.9 million at December 31, 2025 and 2024, respectively. Participating interests in commercial mortgage loans are originated and serviced by a third-party. For these investments, the Company shares, on a pro-rata basis, in all related cash flows of the underlying mortgages. Mortgage participations and other mortgage loans were comprised of the following property types and geographic locations.

DECEMBER 31 *(in millions)*	2025	2024
Property Type:		
Office	**$ 116.1**	$ 121.6
Apartments	**73.1**	73.4
Hotel	**30.7**	47.0
Industrial	**26.3**	35.8
Retail	**8.9**	32.8
Allowance for credit losses	**(8.1)**	(5.7)
Total	**$ 247.0**	$ 304.9

DECEMBER 31 *(in millions)*	2025	2024
Geographic Region:		
South Atlantic	**$ 75.1**	$ 82.2
Pacific	**63.5**	82.7
New England	**39.7**	40.6
Mid Atlantic	**28.7**	42.6
West South Central	**22.3**	22.8
West North Central	**8.9**	9.1
Other	**16.9**	30.6
Allowance for credit losses	**(8.1)**	(5.7)
Total	**$ 247.0**	$ 304.9

At December 31, 2025, scheduled maturities of mortgage loan participations were as follows: due in 2026 — $59.6 million; in 2027 — $29.4 million; 2028 — $20.8 million; 2029 — $46.4 million and thereafter — $90.8 million. Actual maturities could differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties, and loans may be refinanced.

In determining estimated credit losses on mortgage loan participations, the Company evaluates several factors, including credit risk. The amortized cost of mortgage loan participations by credit ratings and year of origination was as follows:

DECEMBER 31, 2025 *(in millions)*	Prior to 2021	2021	2022	2023	2024	2025	Total
Credit Quality							
Aaa/Aa/A	**$ 87.0**	**$ 42.5**	**$ 10.0**	**$ —**	**$ —**	**$ —**	**$ 139.5**
Baa	**43.7**	**11.7**	**—**	**—**	**9.9**	**9.4**	**74.7**
Ba and lower	**32.0**	**—**	**—**	**—**	**8.9**	**—**	**40.9**
Amortized cost	**$ 162.7**	**$ 54.2**	**$ 10.0**	**$ —**	**$ 18.8**	**$ 9.4**	**$ 255.1**
Allowance for credit losses							**(8.1)**
Amortized cost, net of allowance for credit losses							**$ 247.0**

Other investments also include interests in limited partnerships of $391.5 million and $395.0 million at December 31, 2025 and 2024, respectively.

E. OTHER

At December 31, 2025 and 2024, the Company's exposure to concentration of investments in a single investee that exceeded 10% of shareholders' equity included securities of the U.S. government and U.S. government-sponsored agencies. At December 31, 2024, the Company's exposure to concentration of investments in a single investee also included $304.9 million of mortgage loan participations with a highly-rated single third-party.

At December 31, 2025, there were contractual investment commitments of up to $283.7 million.

3. INVESTMENT INCOME AND GAINS AND LOSSES

A. NET INVESTMENT INCOME

The components of net investment income were as follows:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Fixed maturities	**$ 401.4**	$ 324.4	$ 283.2
Limited partnerships	**27.1**	20.6	30.0
Mortgage loans	**11.2**	14.4	15.8
Equity securities	**3.6**	3.2	6.4
Short-term and other investments	**26.4**	25.2	10.6
Gross investment income	**469.7**	387.8	346.0
Less: investment expenses	**(15.3)**	(15.2)	(13.9)
Net investment income	**$ 454.4**	$ 372.6	$ 332.1

The change in fair value of limited partnerships measured using NAV is reported in net investment income, of which holding losses of $10.0 million, $8.3 million and $8.1 million were related to securities owned at December 31, 2025, 2024 and 2023, respectively.

We held no fixed maturity securities or mortgages loans on non-accrual status at December 31, 2025 and 2024. The carrying value of fixed maturity securities on non-accrual status was $14.8 million at December 31, 2023. The effects on income of non-accruals compared with amounts that would have been recognized in accordance with the original terms of the fixed maturities were not material for the years ended December 31, 2025, 2024 and 2023.

B. NET REALIZED AND UNREALIZED INVESTMENT GAINS AND LOSSES

Net realized and unrealized gains (losses) on investments, including impairments, were as follows:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Fixed maturities	**$ (61.8)**	$ (89.6)	$ (20.2)
Equity securities	**19.0**	14.2	(5.6)
Mortgage loans	**(2.5)**	(0.5)	(6.9)
Other investments	**(0.7)**	0.1	0.2
Net realized and unrealized investment losses	**$ (46.0)**	$ (75.8)	$ (32.5)

The following table provides pre-tax net realized and unrealized gains (losses) on equity securities recognized in income:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
On securities still held	**$ 18.4**	$ 14.2	$ 6.0
On securities sold during the period	**0.6**	—	(11.6)
Total net realized and unrealized gains (losses) on equity securities recognized in income	**$ 19.0**	$ 14.2	$ (5.6)

Impairments

Included in net realized and unrealized investment losses for the years ended December 31, 2025, 2024 and 2023, were net impairment losses of $3.1 million, $5.8 million and $18.0 million, respectively. In 2025, net impairment losses primarily related to mortgage loans. In 2024, net impairment losses consisted of $4.1 million on mortgage loans and $1.7 million on fixed maturities. In 2023, net impairment losses consisted of $11.1 million on fixed maturities, primarily related to intent to sell securities, and $6.9 million of estimated credit losses on mortgage loans.

At December 31, 2025 and 2024, the allowance for credit losses on mortgage loans was $8.1 million and $5.7 million, respectively, and the allowance for credit losses on available-for-sale securities was not material. The following table provides rollforwards of the allowance for credit losses on mortgage loans:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024
Allowance for credit losses as of the beginning of the period	**$ 5.7**	$ 10.0
Reductions for disposals	**(0.5)**	(3.6)
Reductions for writedowns	**—**	(3.0)
Additional credit losses on investments for which an allowance was previously recognized	**2.9**	2.3
Allowance for credit losses as of the end of the period	**$ 8.1**	$ 5.7

The methodology and significant inputs used to measure the amount of credit losses were as follows:

Mortgage loans – the Company estimated losses by applying expected loss rates, which are based on historical data. Embedded in expected loss rates are mortgage risk ratings and risk factors associated with property type such as office, retail, lodging, multi-family and industrial. Risk ratings, based on property characteristics and metrics including the geographic market, are predominantly driven by estimates of loan-to-value and debt service coverage ratios. Ratings may be adjusted to reflect current conditions and to incorporate reasonable and supportable forecasts, such as volatility of cash flows and valuation.

Fixed maturities, Corporate bonds – the Company utilized a financial model that derives expected cash flows based on probability-of-default factors by credit rating and asset duration, and loss-given-default factors based on security type. These factors are based on historical data provided by an independent third-party rating agency. In addition, other qualitative market data relevant to the realizability of contractual cash flows may be considered, including current conditions and reasonable and supportable forecasts.

The proceeds from sales of available-for-sale fixed maturities, and the gross realized gains and gross realized losses on those sales, were as follows:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Proceeds from sales	**$ 1,452.9**	$ 1,844.1	$ 168.8
Gross gains	**2.4**	2.5	1.0
Gross losses	**64.6**	91.3	10.5

4. FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, i.e., exit price, in an orderly transaction between market participants. The Company emphasizes the use of observable market data whenever available in determining fair value. Fair values presented for certain financial instruments are estimates which, in many cases, may differ significantly from the amounts that could be realized upon immediate liquidation. A hierarchy of the three broad levels of fair value is as follows, with the highest priority given to Level 1 as these are the most observable, and the lowest priority given to Level 3:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data, including model-derived valuations.

Level 3 – Unobservable inputs that are supported by little or no market activity.

When more than one level of input is used to determine fair value, the financial instrument is classified as Level 2 or Level 3 according to the lowest level input that has a significant impact on the fair value measurement.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments and have not changed since last year.

FIXED MATURITIES

Level 1 securities generally include U.S. Treasury issues and other securities that are highly liquid, and for which quoted market prices are available. Level 2 securities are valued using pricing for similar securities and pricing models that incorporate observable inputs including, but not limited to, yield curves and issuer spreads. Level 3 securities include issues for which little observable data can be obtained, primarily due to the illiquid nature of the securities, and for which significant inputs used to determine fair value are based on the Company's own assumptions.

The Company utilizes third-party pricing services for the valuation of the majority of its fixed maturity securities and receives one quote per security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value, and such values are classified as Level 1. Since fixed maturities other than U.S. Treasury securities generally do not trade on a daily basis, the pricing services prepare estimates of fair value for those securities using pricing techniques based on a market approach. Inputs into the fair value pricing common to all asset classes include: benchmark U.S. Treasury security yield curves; reported trades of identical or similar fixed maturity securities; broker/dealer quotes of identical or similar fixed maturity securities and structural characteristics such as maturity date, coupon, mandatory principal payment dates, frequency of interest and principal payments, and optional redemption features. Inputs into the fair value applications that are unique by asset class include, but are not limited to:

- U.S. government agencies – determination of direct versus indirect government support and whether any contingencies exist with respect to the timely payment of principal and interest.
- Foreign governments – estimates of appropriate market spread versus underlying related sovereign treasury curve(s) dependent on liquidity and direct or contingent support.
- Municipals – overall credit quality, including assessments of the level and variability of: sources of payment such as income, sales or property taxes, levies or user fees; credit support such as insurance; state or local economic and political base; natural resource availability; and susceptibility to natural or man-made catastrophic events such as hurricanes, earthquakes or acts of terrorism.
- Corporate fixed maturities – overall credit quality, including assessments of the level and variability of: economic sensitivity; liquidity; corporate financial policies; management quality; regulatory environment; competitive position; ownership; restrictive covenants; and security or collateral.
- Residential mortgage-backed securities – estimates of prepayment speeds based upon: historical prepayment rate trends; underlying collateral interest rates; geographic concentration; vintage year; borrower credit quality characteristics; interest rate and yield curve forecasts; government or monetary authority support programs; tax policies; and delinquency/default trends; and in the case of non-agency collateralized mortgage obligations, severity of loss upon default and length of time to recover proceeds following default.
- Commercial mortgage-backed securities – overall credit quality, including assessments of the value and supply/demand characteristics of: collateral type such as office, retail, residential, lodging, or other; geographic concentration by region, state, metropolitan statistical area and locale; vintage year; historical collateral performance including defeasance, delinquency, default and special servicer trends; and capital structure support features.
- Other asset-backed securities – overall credit quality, including assessments of the underlying collateral type such as corporate loans, credit card receivables, automobile loan receivables and equipment lease receivables; geographic diversification; vintage year; historical collateral performance including delinquency, default and casualty trends; economic conditions influencing use rates and resale values; and contract structural support features.

Generally, all prices provided by the pricing services, except actively traded securities with quoted market prices, are reported as Level 2.

The Company holds privately placed fixed maturity securities and certain other fixed maturity securities that do not have an active market and for which the pricing services cannot provide fair values. The Company determines fair values for these securities using either matrix pricing, which utilizes the market approach, or broker quotes. The Company will use observable market data as inputs into the fair value techniques, as discussed in the determination of Level 2 fair values, to the extent it is available, but is also required to use a certain amount of unobservable judgment due to the illiquid nature of the securities involved. Unobservable judgment reflected in the Company's matrix model accounts for estimates of additional spread required by market participants for factors such as issue size, credit stress, structural complexity, high-coupon bond, or other unique features. These matrix-priced securities are reported as Level 2 or Level 3, depending on the significance of the impact of unobservable judgment on the security's value. Additionally, the Company may obtain non-binding broker quotes, which are reported as Level 3.

EQUITY SECURITIES

Level 1 consists of publicly traded securities, including exchange traded funds, valued at quoted market prices. Level 2 includes securities that are valued using pricing for similar securities and pricing models that incorporate observable inputs. Level 3 consists of common or preferred stock of private companies for which observable inputs are not available.

The Company utilizes a third-party pricing service for the valuation of the majority of its equity securities and receives one quote for each equity security. When quoted market prices in an active market are available, they are provided by the pricing service as the fair value, and such values are classified as Level 1. The Company holds certain equity securities that have been issued by privately-held entities that do not have an active market and for which the pricing service cannot provide fair values. The Company estimates fair

value for these securities based on prices from recent financing rounds, which may be adjusted for liquidity and other factors, or based on the issuer's book value and market multiples, and reports them as Level 3. Additionally, the Company may obtain non-binding broker or dealer quotes, which are reported as Level 3.

OTHER INVESTMENTS

Other investments primarily include limited partnerships not subject to the equity method of accounting and mortgage loan participations. The fair values of limited partnerships not subject to the equity method of accounting are based on the NAV provided by the general partner, adjusted for recent financial information, and are excluded from the fair value hierarchy.

The estimated fair values of the financial instruments were as follows:

	December 31, 2025		December 31, 2024	
(in millions)	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets carried at:				
Fair Value through Accumulated Other Comprehensive Loss:				
Fixed maturities	**$ 9,536.5**	**$ 9,536.5**	$ 8,542.2	$ 8,542.2
Fair Value through Net Income:				
Equity securities	**184.8**	**184.8**	157.7	157.7
Other investments	**80.9**	**80.9**	86.9	86.9
Amortized Cost/Cost:				
Other investments	**282.8**	**274.5**	343.7	324.2
Cash and cash equivalents	**1,122.7**	**1,122.7**	435.5	435.5
Total financial instruments	**$ 11,207.7**	**$ 11,199.4**	$ 9,566.0	$ 9,546.5
Financial Liabilities carried at:				
Amortized Cost:				
Debt	**$ 1,218.3**	**$ 1,206.6**	$ 784.1	$ 744.4

The Company has processes designed to ensure that the values received from its third-party pricing services are accurately recorded, that the data inputs and valuation approaches and techniques utilized are appropriate and consistently applied, and that the assumptions are reasonable and consistent with the objective of determining fair value. The Company reviews the pricing services' policies describing its methodology, processes, practices and inputs, including various financial models, used to value securities. For assets carried at fair value, the Company performs a review of the fair value hierarchy classifications and of prices received from its pricing services on a quarterly basis. Also, the Company reviews the portfolio pricing, including a process for which securities with changes in prices that exceed a defined threshold are verified to independent sources, if available. If upon review, the Company is not satisfied with the validity of a given price, a pricing challenge would be submitted to the applicable pricing service along with supporting documentation for its review. The Company does not adjust quotes or prices obtained from the pricing services unless the pricing service agrees with the Company's challenge. During 2025 and 2024, the Company did not adjust any prices received from its pricing services.

Changes in the observability of valuation inputs may result in a reclassification of certain financial assets or liabilities within the fair value hierarchy. As previously discussed, the Company utilizes third-party pricing services for the valuation of the majority of its fixed maturity and equity securities. The pricing services have indicated that they will only produce an estimate of fair value if there is objectively verifiable information to produce a valuation. If a pricing service discontinues pricing an investment, the Company will use observable market data, to the extent it is available, but may also be required to make assumptions for market-based inputs that are unavailable due to market conditions.

The following tables provide, for each hierarchy level, the Company's investment assets that were measured at fair value on a recurring basis.

(in millions)	DECEMBER 31, 2025 Total	Level 1	Level 2	Level 3
Fixed maturities:				
U.S. Treasury and government agencies	**$ 455.5**	**$ 331.1**	**$ 124.4**	**$ —**
Foreign governments	**2.7**	**—**	**2.7**	**—**
Municipals	**847.7**	**—**	**840.3**	**7.4**
Corporates	**4,253.5**	**—**	**4,253.5**	**—**
Residential mortgage-backed, U.S. agency backed	**1,903.2**	**—**	**1,903.2**	**—**
Residential mortgage-backed, non-agency	**518.6**	**—**	**518.6**	**—**
Commercial mortgage-backed	**589.9**	**—**	**585.0**	**4.9**
Other asset-backed	**965.4**	**—**	**965.4**	**—**
Total fixed maturities	**9,536.5**	**331.1**	**9,193.1**	**12.3**
Equity securities	**184.8**	**164.3**	**—**	**20.5**
Other investments	**16.8**	**—**	**13.4**	**3.4**
Total investment assets at fair value	**$ 9,738.1**	**$ 495.4**	**$ 9,206.5**	**$ 36.2**

(in millions)	DECEMBER 31, 2024 Total	Level 1	Level 2	Level 3
Fixed maturities:				
U.S. Treasury and government agencies	$ 494.2	$ 363.9	$ 130.3	$ —
Foreign governments	1.9	—	1.9	—
Municipals	893.8	—	886.2	7.6
Corporates	3,805.9	—	3,805.9	—
Residential mortgage-backed, U.S. agency backed	1,790.7	—	1,790.7	—
Residential mortgage-backed, non-agency	333.4	—	333.4	—
Commercial mortgage-backed	522.2	—	516.3	5.9
Other asset-backed	700.1	—	700.1	—
Total fixed maturities	8,542.2	363.9	8,164.8	13.5
Equity securities	157.7	136.9	—	20.8
Other investments	3.9	—	—	3.9
Total investment assets at fair value	$ 8,703.8	$ 500.8	$ 8,164.8	$ 38.2

Limited partnerships measured at fair value using the NAV based on an ownership interest in partners' capital have not been included in the hierarchy tables. At December 31, 2025 and 2024, the fair values of these investments were $64.1 million and $83.0 million, respectively, and were less than 1% of total investment assets

The following tables provide, for each hierarchy level, the Company's estimated fair values of financial instruments that were not carried at fair value.

(in millions)	DECEMBER 31, 2025 Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	**$ 1,122.7**	**$ 1,122.7**	**$ —**	**$ —**
Other investments	**274.5**	**—**	**6.1**	**268.4**
Total financial instruments	**$ 1,397.2**	**$ 1,122.7**	**$ 6.1**	**$ 268.4**
Liabilities:				
Debt	**$ 1,206.6**	**$ —**	**$ 1,206.6**	**$ —**

(in millions)	DECEMBER 31, 2024 Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 435.5	$ 435.5	$ —	$ —
Other investments	324.2	—	6.1	318.1
Total financial instruments	$ 759.7	$ 435.5	$ 6.1	$ 318.1
Liabilities:				
Debt	$ 744.4	$ —	$ 744.4	$ —

The following tables provide a reconciliation for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

YEAR ENDED DECEMBER 31, 2025	Fixed Maturities					
(in millions)	Municipals	Corporates	Commercial mortgage-backed	Total	Equities and Other	Total Assets
Balance at beginning of year	**$ 7.6**	**$ —**	**$ 5.9**	**$ 13.5**	**$ 24.7**	**$ 38.2**
Total gains:						
Included in net realized and unrealized investment gains (losses)	**—**	**—**	**—**	**—**	**0.5**	**0.5**
Included in other comprehensive income - changes in net unrealized gains on investment securities	**0.3**	**—**	**0.3**	**0.6**	—	**0.6**
Settlements	**(0.5)**	**—**	**(1.3)**	**(1.8)**	**(1.3)**	**(3.1)**
Balance at end of year	**$ 7.4**	**$ —**	**$ 4.9**	**$ 12.3**	**$ 23.9**	**$ 36.2**
Changes in net unrealized gains for the period included in other comprehensive income for assets held at the end of the year	**$ 0.3**	**$ —**	**$ 0.3**	**$ 0.6**	**$ —**	**$ 0.6**

YEAR ENDED DECEMBER 31, 2024	Fixed Maturities					
(in millions)	Municipals	Corporates	Commercial mortgage-backed	Total	Equities and Other	Total Assets
Balance at beginning of year	$ 8.6	$ 0.1	$ 7.0	$ 15.7	$ 11.4	$ 27.1
Transfers out of Level 3	—	(0.1)	—	(0.1)	—	(0.1)
Total gains (losses):						
Included in net realized and unrealized investment gains (losses)	—	—	—	—	0.6	0.6
Included in other comprehensive income - changes in net unrealized gains on investment securities	—	—	(0.5)	(0.5)	—	(0.5)
Purchases and sales:						
Addition	—	—	—	—	14.2	14.2
Settlements	(1.0)	—	(0.6)	(1.6)	(1.5)	(3.1)
Balance at end of year	$ 7.6	$ —	$ 5.9	$ 13.5	$ 24.7	$ 38.2
Changes in net unrealized gains for the period included in other comprehensive income for assets held at the end of the year	$ —	$ —	$ (0.5)	$ (0.5)	$ —	$ (0.5)

There were no securities transferred between Level 2 and Level 3, during the year ended December 31, 2025. During the year ended December 31, 2024, a fixed maturity security was transferred from Level 3 to Level 2 because it was valued by a pricing service with observable inputs rather than being valued by the Company's internal matrix model. The Company held no Level 3 liabilities for the years ended December 31, 2025 and 2024.

The following table provides quantitative information about the significant unobservable inputs used by the Company in the fair value measurements of Level 3 assets. A valuation of $11.7 million for an equity security based on a dealer quote for which there was a lack of transparency as to inputs used to develop the valuation has been excluded.

DECEMBER 31			2025		2024	
(in millions)	Valuation Technique	Significant Unobservable Inputs	Fair Value	Range (Wtd Average)	Fair Value	Range (Wtd Average)
Fixed maturities:						
Municipals	Discounted cash flow	Discount for:	**$ 7.4**		$ 7.6	
		Small issue size		**6.8 - 6.8%**		6.1 - 6.8% (6.7%)
Commercial mortgage-backed	Discounted cash flow	Discount for:	**4.9**		5.9	
		Small issue size		**5.0% (5.0%)**		3.0 - 5.0% (4.7%)
		Above-market coupon		**—**		0.5% (0.5%)
		Lease structure		**0.3% (0.3%)**		0.3% (0.3%)
Equity securities	Market comparables	Net tangible asset	**1.5**	**N/A**	1.4	N/A
	Internal price based on financing round	Discount for:	**7.3**		7.4	
		Market liquidity		**27.0% (27.0%)**		27.0% (27.0%)
Other	Discounted cash flow	Discount rate	**3.4**	**18.6% (18.6%)**	3.9	16.6% (16.6%)

The weighted average of the unobservable inputs was weighted by the relative fair value of the securities to which the inputs were applied. Each unobservable input is based on the Company's subjective opinion and therefore inherently contains a degree of uncertainty. Where discounted cash flows were used in the valuation of fixed maturities, the internally-developed discount rate was adjusted by the significant unobservable inputs shown in the table. Increases (decreases) in any of these inputs in isolation would result in a lower (higher) fair value measurement. Increases (decreases) in unobservable inputs used in the valuation of equity securities would result in a higher (lower) fair value measurement. There were no interrelationships between these inputs which might magnify or mitigate the effect of changes in unobservable inputs on the fair value measurement.

5. DEBT AND CREDIT ARRANGEMENTS

Debt consists of the following:

DECEMBER 31 *(in millions)*	2025	2024
Short-term:		
Senior debentures maturing April 15, 2026	**$ 375.0**	$ —
Senior debentures maturing October 15, 2025	**—**	61.8
Total short-term debt	**375.0**	61.8
Long-term:		
Senior debentures maturing September 1, 2035	**500.0**	—
Senior debentures maturing April 15, 2026	**—**	375.0
Senior debentures maturing September 1, 2030	**300.0**	300.0
Subordinated debentures maturing February 3, 2027	**50.1**	50.1
Long-term debt principal	**850.1**	725.1
Unamortized debt issuance costs	**(6.8)**	(2.8)
Total long-term debt	**843.3**	722.3
Total debt	**$ 1,218.3**	$ 784.1

On August 21, 2025, the Company issued $500.0 million aggregate principal amount of 5.50% unsecured senior debentures maturing on September 1, 2035. Net proceeds (before expenses) of the debt issuance were $496.7 million. The Company used a portion of these net proceeds to repay $61.8 million of outstanding 7.625% senior debentures on their maturity date of October 15, 2025.

The Company also held $375.0 million par value of 4.50% unsecured senior debentures at December 31, 2025 and 2024, that were issued on April 8, 2016, and mature on April 15, 2026. On January 15, 2026, the Company used a portion of the proceeds from the August 21, 2025 debt issuance to redeem these senior debentures.

In addition, the Company held $300.0 million aggregate principal amount of 2.50% unsecured senior debentures, issued on August 24, 2020 and maturing September 1, 2030 at December 31, 2025 and 2024. All of the Company's outstanding senior debentures are subject to certain restrictive covenants, including limitations on the issuance or disposition of stock of restricted subsidiaries and limitations on liens, and pay interest semi-annually.

The Company also held subordinated debentures with a par value of $50.1 million as of December 31, 2025 and 2024, maturing February 3, 2027, and pay cumulative dividends semi-annually at 8.207%.

Membership in the FHLB provides the Company with access to additional short-term liquidity based on the level of investment in FHLB stock and pledged collateral. Total holdings of FHLB stock were $6.1 million at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the Company had pledged government agency securities with a fair value of $339.2 million and $130.9 million, respectively, as collateral for periodic short-term borrowings with the FHLB. There were no borrowings outstanding with the FHLB at December 31, 2025 or 2024.

In July 2023, the Company entered into a $150.0 million credit agreement that provides for a five-year unsecured revolving credit facility. The Company had no borrowings under this credit agreement as of and during the years ended December 31, 2025 and 2024.

Interest expense was $43.2 million in 2025 and $34.1 million in both 2024 and 2023. At December 31, 2025, the Company was in compliance with the covenants associated with all of its debt indentures and credit arrangements.

6. INCOME TAXES

Provisions for income taxes have been calculated in accordance with ASC 740. Income from continuing operations before income taxes and a summary of the components of income tax expense in the Consolidated Statements of Income are shown below:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Income from continuing operations before income taxes	**$ 843.8**	$ 537.8	$ 41.1
Income tax expense (benefit):			
Current	**$ 169.3**	$ 131.1	$ 32.6
Deferred	**13.8**	(18.6)	(25.0)
Total income tax expense	**$ 183.1**	$ 112.5	$ 7.6

Income taxes paid were as follows:

YEAR ENDED DECEMBER 31 *(in millions)*	2025
Federal	**$ 162.8**
State	**6.2**
Total	**$ 169.0**

The income tax expense attributable to the consolidated results of continuing operations is different from the amount determined by multiplying income from continuing operations before income taxes by the U.S. statutory federal income tax rate of 21%. The sources of the difference and the tax effects of each were as follows:

YEAR ENDED DECEMBER 31 *(in millions)*	2025	
	Amount	Percentage
Income tax expense at U.S. federal statutory tax rate	**$ 177.2**	**21.0%**
Adjustments for state income tax, nontaxable, nondeductible and other items, net of federal tax benefits as applicable [(a)]	**5.9**	**0.7**
Income tax expense	**$ 183.1**	**21.7%**

(a) In addition to federal income taxes, the Company primarily pays non-income state taxes as a percentage of premiums written which are accounted for as policy acquisition costs. Included in the table above are state income taxes, excess compensation, stock-based compensation windfall benefits and other items, none of which were individually significant.

YEARS ENDED DECEMBER 31	2024	2023
(in millions)		
Income tax expense at U.S. federal statutory tax rate	$ 112.9	$ 8.7
Nondeductible expenses	4.8	3.8
Stock-based compensation windfall benefit	(1.9)	(1.1)
Tax difference related to investment disposals and maturities	(1.2)	(1.3)
Change in uncertain tax positions	(1.0)	(0.9)
Current year federal tax credits	(0.9)	(0.7)
Dividend received deduction	(0.3)	(0.5)
Other, net	0.1	(0.4)
Income tax expense	$ 112.5	$ 7.6
Effective tax rate	20.9%	18.5%

The following are the components of the Company's deferred tax assets and liabilities, excluding those associated with its discontinued operations.

DECEMBER 31	2025	2024
(in millions)		
Deferred tax assets:		
Loss, LAE and unearned premium reserves, net	**$ 226.1**	$ 211.0
Employee benefit plans	**11.1**	9.4
Investments, net	**1.3**	79.8
Other	**11.6**	14.9
Total deferred tax assets	**250.1**	315.1
Deferred tax liabilities:		
Deferred acquisition costs	**147.6**	139.2
Software capitalization	**19.2**	1.7
Total deferred tax liabilities	**166.8**	140.9
Net deferred tax asset	**$ 83.3**	$ 174.2

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that all or some portion of the deferred tax assets will not be realized. The Company believes it is more likely than not that the deferred tax assets will be realized; therefore there was no valuation allowance required at December 31, 2025 or 2024.

The liability for, and changes in, uncertain tax positions were not material as of and for the periods ended December 31, 2025, 2024 and 2023. Tax positions for which the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of such deductibility were also not material at December 31, 2025 and 2024. Because of the impact of deferred tax accounting, other than interest and penalties, a change in the timing of deductions would not impact the annual effective tax rate. There were no tax positions at December 31, 2023 for which the ultimate deductibility was highly certain, but for which there was uncertainty about the timing of such deductibility.

The Company recognizes interest and penalties related to unrecognized tax benefits in federal income tax expense. For each of the years ended December 31, 2025, 2024 and 2023, the Company has released and/or recognized de minimis amounts of net interest and has not recognized any penalties associated with unrecognized tax benefits.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions, as well as foreign jurisdictions. The Company and its subsidiaries are subject to U.S. federal and state income tax examinations and foreign examinations for years after 2020.

On July 4, 2025, the One Big Beautiful Bill Act of 2025 was enacted within the U.S. which, among other things, changes certain provisions in the U.S. Tax Code. These changes primarily impact the timing of the Company's tax deductions and did not have a material impact on its financial position or results of operations.

7. PENSION PLANS

DEFINED BENEFIT PLANS

The Company recognizes the funded status of its defined benefit plans in its Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the projected benefit obligation of the Company's defined benefit plans. The Company provides information for its overfunded plan separate from its underfunded plan.

Prior to 2005, THG provided retirement benefits to substantially all of its employees under defined benefit pension plans. These plans were based on a defined benefit cash balance formula, whereby the Company annually provided an allocation to each covered employee based on a percentage of that employee's eligible salary, similar to a defined contribution plan arrangement. In addition to the cash balance allocation, certain employees who had met specified age and service requirements as of December 31, 1994 were eligible for a grandfathered benefit based primarily on each employee's years of service and compensation during their highest five consecutive plan years of employment. The Company's policy for the plans is to fund at least the minimum amount required by the Employee Retirement Income Security Act of 1974 ("ERISA").

As of January 1, 2005, the defined benefit pension plans were frozen, and since that date no further cash balance allocations have been credited to participants. Participants' accounts are credited with interest daily, based upon the General Agreement of Trades and Tariffs rate (the 30-year Treasury Bond interest rate). As of December 31, 2025, based on current estimates of plan liabilities and other assumptions, the assets of the qualified defined benefit pension plan exceeded the projected benefit obligation by approximately $4.3 million.

Assumptions

In order to measure the expense associated with these plans, management must make various estimates and assumptions, including discount rates used to value liabilities, assumed rates of return on plan assets, employee turnover rates and anticipated mortality rates, for example. The estimates used by management are based on the Company's historical experience, as well as current facts and circumstances. In addition, the Company uses outside actuaries to assist in measuring the expense and liability associated with these plans.

The Company measures the funded status of its plans as of the date of its year-end statement of financial position. The Company utilizes a measurement date of December 31st to determine its benefit obligations, consistent with the date of its Consolidated Balance Sheets.

Weighted average assumptions used to determine pension benefit obligations are as follows:

DECEMBER 31	2025	2024	2023
Discount rate - qualified plan	**5.75%**	6.125%	5.75%
Discount rate - non-qualified plan	**5.625%**	6.125%	5.875%
Cash balance interest crediting rate	**3.50%**	3.50%	3.00%

The Company utilizes a measurement date of January 1st to determine its periodic pension costs. Weighted average assumptions used to determine net periodic pension costs for the defined benefit plans are as follows:

YEARS ENDED DECEMBER 31	2025	2024	2023
Qualified plan			
Discount rate	**6.125%**	5.75%	6.00%
Expected return on plan assets	**5.875%**	5.875%	6.25%
Cash balance interest crediting rate	**3.50%**	3.00%	3.00%
Non-qualified plan			
Discount rate	**6.125%**	5.875%	6.00%

The expected rates of return were determined using historical mean returns for each asset class, adjusted for certain factors believed to have an impact on future returns. These returns are generally weighted to the plan's actual asset allocation, and are net of administrative expenses. For the qualified defined benefit plan, the 2025 expected return on plan assets of 5.875% reflects long-term expectations and was consistent with the expected rate in 2024 based upon long-term market expectations. The Company reviews and updates, at least annually, its expected return on plan assets based on changes in the actual assets held by the plan and market conditions.

Plan Assets

Qualified Defined Benefit Plan

For the qualified defined benefit plan, a target allocation approach is utilized, which focuses on creating a mix of assets that will generate modest growth from equity securities while minimizing volatility from changes in the markets and economic environment. Various factors are taken into consideration in determining the appropriate asset mix, such as census data, actuarial valuation information and capital market assumptions. Target allocations are reviewed and updated at least annually. Changes are made periodically.

The following table provides its year-end 2025 target allocations and actual invested asset allocations at December 31, 2025 and 2024.

DECEMBER 31	2025 TARGET LEVELS	2025	2024
Fixed income securities:			
Fixed maturities	**88%**	88%	88%
Money market funds	**2%**	2%	2%
Total fixed income securities	**90%**	90%	90%
Equity securities	**10%**	10%	10%
Total plan assets	**100%**	100%	100%

The following table presents, for each hierarchy level, the qualified defined benefit plan's investment assets that are measured at fair value at December 31, 2025 and 2024. Refer to Note 4 – "Fair Value" for a description of the different levels in the fair value hierarchy.

DECEMBER 31	2025				2024			
(in millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Fixed income securities:								
Fixed maturities	**$ 45.0**	**$ 36.3**	**$ —**	**$ 8.7**	$ 50.0	$ 39.2	$ —	$ 10.8
Money market mutual funds	**6.9**	**6.9**	**—**	**—**	6.4	6.4	—	—
Total investments at fair value	**$ 51.9**	**$ 43.2**	**$ —**	**$ 8.7**	$ 56.4	$ 45.6	$ —	$ 10.8

Fixed Income Securities and Mutual Funds

Securities classified as Level 1 at December 31, 2025 and 2024 include actively traded mutual funds, U.S. Treasury bonds, and U.S. Treasury bills, which are valued at quoted market prices. Securities classified as Level 3 at December 31, 2025 and 2024 include assets held in a fixed account of an insurance company, redeemable at contract value, which approximates fair value.

The Plan also holds investments measured at fair value using NAV based on the value of the underlying investments, which is determined independently by the investment manager and have not been included in the table above. These include cash, investments in commingled pools and investment-grade fixed income securities held in a custom fund, and other commingled pools that primarily invest in publicly traded common stocks. The daily NAV, which is not published as a quoted market price for these investments, is used as the basis for transactions. Redemption of these funds is not subject to restriction. The fair values of these investments are as follows:

DECEMBER 31	2025	2024
Fixed maturities	**$ 245.9**	$ 250.1
Equity securities	**32.9**	33.9
Total investments carried at NAV	**$ 278.8**	$ 284.0

The table below provides a reconciliation for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

YEARS ENDED DECEMBER 31	2025	2024
(in millions)		
Balance at beginning of period	**$ 10.8**	$ 12.3
Less: Assets settled and transferred to Level 1 investments	**(2.4)**	(1.9)
Interest earned on plan assets held	**0.3**	0.4
Balance at end of year	**$ 8.7**	$ 10.8

Obligations and Funded Status

The Company recognizes the current funded status of its plans in its Consolidated Balance Sheets. Changes in the funded status of the plans are reflected as components of either net income or accumulated other comprehensive income (loss). The components of accumulated other comprehensive income (loss) are reflected as a net actuarial gain or loss.

The following table reflects the benefit obligations, fair value of plan assets and funded status of the plans at December 31, 2025 and 2024.

DECEMBER 31	Qualified Pension Plan		Non-Qualified Pension Plan	
(in millions)	2025	2024	2025	2024
Change in benefit obligation:				
Benefit obligation, beginning of period [1]	**$ 331.5**	$ 348.4	**$ 21.3**	$ 22.6
Interest cost	**19.2**	19.1	**1.3**	1.3
Actuarial (gains) losses	**7.4**	(3.8)	**1.1**	0.2
Benefits paid	**(31.7)**	(32.2)	**(2.7)**	(2.8)
Benefit obligation, end of year [1]	**326.4**	331.5	**21.0**	21.3
Change in plan assets:				
Fair value of plan assets, beginning of period	**340.4**	363.0	**—**	—
Actual return on plan assets	**22.0**	9.6	**—**	—
Contributions	**—**	—	**2.7**	2.8
Benefits paid	**(31.7)**	(32.2)	**(2.7)**	(2.8)
Fair value of plan assets, end of year	**330.7**	340.4	**—**	—
Funded status of the plans	**$ 4.3**	$ 8.9	**$ (21.0)**	$ (21.3)

(1) The accumulated benefit obligation for these plans is equal to the projected benefit obligation.

Actuarial losses related to the change in the benefit obligation for the Company's qualified benefit plan were $7.4 million for the year ended December 31, 2025, compared to actuarial gains of $3.8 million for the year ended December 31, 2024. Actuarial losses in 2025 were primarily due to a decrease in the discount rate, whereas actuarial gains in 2024 were primarily due to an increase in the discount rate.

Components of Net Periodic Pension Cost

The components of total net periodic pension cost are as follows:

YEARS ENDED DECEMBER 31	2025	2024	2023
(in millions)			
Interest cost	**$ 20.5**	$ 20.4	$ 21.9
Expected return on plan assets	**(19.0)**	(20.3)	(22.1)
Recognized net actuarial loss	**6.5**	6.7	7.8
Net periodic pension cost	**$ 8.0**	$ 6.8	$ 7.6

The following table reflects the total amounts recognized in accumulated other comprehensive income (loss) relating to the defined benefit pension plans as of December 31, 2025 and 2024.

DECEMBER 31	2025	2024
(in millions)		
Net actuarial loss	**$ 67.2**	$ 68.4

The unrecognized net actuarial gains or losses which exceed 10% of the greater of the projected benefit obligations or the fair value of plan assets are amortized as a component of net periodic pension cost over the next five years.

Contributions

In accordance with ERISA guidelines, the Company is not required to fund its qualified benefit plan in 2026. The Company expects to contribute $2.6 million to its non-qualified pension plan to fund 2026 benefit payments.

Benefit Payments

YEARS ENDED DECEMBER 31	2026	2027	2028	2029	2030	2031-2035
(in millions)						
Qualified pension plan	$ 35.2	$ 34.3	$ 32.4	$ 31.0	$ 29.1	$ 121.8
Non-qualified pension plan	$ 2.6	$ 2.5	$ 2.4	$ 2.3	$ 2.1	$ 8.7

The benefit payments are based on the same assumptions used to measure the Company's benefit obligations at the end of 2025. Benefit payments related to the qualified plan will be made from plan assets held in trust and not included with Company assets, whereas those payments related to the non-qualified plan will be provided for by the Company.

DEFINED CONTRIBUTION PLAN

In addition to the defined benefit plans, THG provides a qualified defined contribution 401(k) plan for all of its employees, whereby the Company matches employee elective 401(k) contributions, up to a maximum of 6% of eligible compensation for 2025, 2024 and 2023. The Company's expense for this matching provision was $32.8 million, $30.5 million and $27.6 million for 2025, 2024 and 2023, respectively. In addition to this matching provision, the Company can elect to make an annual contribution to employees' accounts.

8. OTHER COMPREHENSIVE INCOME

The following table provides changes in other comprehensive income.

YEARS ENDED DECEMBER 31	2025			2024			2023		
(in millions)	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax	Pre-Tax	Tax Benefit (Expense)	Net of Tax
Changes in net unrealized gains (losses) on investment securities:									
Net unrealized gains (losses) arising during period for those having no credit losses in Consolidated Statements of Income	**$ 302.2**	**$ (63.6)**	**$ 238.6**	$ (14.3)	$ 3.1	$ (11.2)	$ 203.7	$ (42.7)	$ 161.0
Net unrealized gains arising during period for those having credit losses in Consolidated Statements of Income	**0.1**	**-**	**0.1**	0.8	(0.2)	0.6	3.7	(0.7)	3.0
Amount of losses realized from sales and other recognized in Consolidated Statements of Income	**61.9**	**(13.8)**	**48.1**	88.4	(19.8)	68.6	9.1	(3.2)	5.9
Amount of credit-related (recoveries) impairments recognized in Consolidated Statements of Income	**(0.3)**	**0.1**	**(0.2)**	(0.5)	0.1	(0.4)	0.8	(0.2)	0.6
Amount of additional impairment losses recognized in Consolidated Statements of Income	**0.7**	**(0.1)**	**0.6**	2.2	(0.5)	1.7	10.3	(2.2)	8.1
Net unrealized gains	**364.6**	**(77.4)**	**287.2**	76.6	(17.3)	59.3	227.6	(49.0)	178.6
Pension and postretirement benefits:									
Net gains (losses) arising in the period from net actuarial gains (losses)	**(5.5)**	**1.1**	**(4.4)**	(7.3)	1.5	(5.8)	3.9	(0.8)	3.1
Amortization of net actuarial losses recognized as net periodic benefit cost	**6.7**	**(1.4)**	**5.3**	6.8	(1.4)	5.4	7.9	(1.7)	6.2
Total pension and postretirement benefits	**1.2**	**(0.3)**	**0.9**	(0.5)	0.1	(0.4)	11.8	(2.5)	9.3
Long-duration insurance contracts:									
Net change in market risk	**(4.1)**	**0.9**	**(3.2)**	2.5	(0.5)	2.0	(4.6)	1.0	(3.6)
Other comprehensive income	**$ 361.7**	**$ (76.8)**	**$ 284.9**	$ 78.6	$ (17.7)	$ 60.9	$ 234.8	$ (50.5)	$ 184.3

Reclassifications out of accumulated other comprehensive loss were as follows:

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023	
Details about Accumulated Other Comprehensive Loss Components	**Amount Reclassified from Accumulated Other Comprehensive Loss**			**Affected Line Item in the Statement Where Net Income is Presented**
Net unrealized losses on investment securities	**$ (61.6)**	$ (88.0)	$ (9.1)	Net realized losses from sales and other
	(0.2)	(1.7)	(11.1)	Impairments on investments
	(61.8)	(89.7)	(20.2)	Total before tax
	13.7	20.1	5.6	Income tax (expense) benefit
	(48.1)	(69.6)	(14.6)	Income from continuing operations
	(0.4)	(0.3)	—	Income from discontinued life businesses
	(48.5)	(69.9)	(14.6)	Net of tax
Amortization of defined benefit pension and postretirement actuarial losses	**(6.7)**	(6.8)	(7.9)	Loss adjustment expenses and other operating expenses [(1)]
	1.4	1.4	1.7	Income tax (expense) benefit
	(5.3)	(5.4)	(6.2)	Income from continuing operations
Net change in market risk	**1.4**	0.6	1.6	Income from discontinued life businesses
	(0.3)	(0.1)	(0.3)	Income tax (expense) benefit
	1.1	0.5	1.3	Income from discontinued life businesses
Total reclassifications for the period	**$ (52.7)**	$ (74.8)	$ (19.5)	Net expense reflected in income, net of tax

(1) The amount reclassified from accumulated other comprehensive loss for the pension and postretirement benefits was allocated approximately 40% to loss adjustment expenses and 60% to other operating expenses for each of the years ended December 31, 2025, 2024 and 2023.

9. STOCK-BASED COMPENSATION PLANS

On May 10, 2022, THG shareholders approved The Hanover Insurance Group 2022 Long-Term Incentive Plan (the "2022 Stock Plan"). With respect to new share-based issuances, the 2022 Stock Plan replaced The Hanover Insurance Group, Inc. 2014 Long-Term Incentive Plan (the "2014 Stock Plan") and authorized the issuance of 3,380,000 shares in a new share pool plus any shares subject to outstanding awards under the 2014 Stock Plan that may become available for reissuance as a result of the cash settlement, forfeiture, expiration or cancellation of such awards. The 2022 Stock Plan provides for the granting of the same types of awards as the 2014 Stock Plan, which includes stock options and stock appreciation rights ("SARS"), restricted and unrestricted stock, stock units, performance-based stock awards and cash awards. In accordance with the 2022 Stock Plan, the issuance of one share of common stock in the form of an option or SAR will reduce the share pool by one share, whereas the issuance of one share of common stock for the other types of stock awards provided by the plan will reduce the pool by 3.2 shares. As of December 31, 2025, there were 1,786,722 shares available for grants under the 2022 Stock Plan.

On May 9, 2023, shareholders approved The Hanover Insurance Group 2023 Employee Stock Purchase Plan (the "ESPP Plan") authorizing the issuance of 1,250,000 shares under such plan. As of December 31, 2025, 1,208,660 shares were available for grant under the ESPP Plan.

Compensation cost for the years ended December 31, 2025, 2024 and 2023 totaled $35.6 million, $31.0 million and $31.1 million, respectively. Related tax benefits were $7.5 million, $6.5 million and $6.5 million, respectively.

STOCK OPTIONS

Under the 2022 Stock Plan, options may be granted to eligible employees, directors or consultants at an exercise price equal to the market price of the Company's common stock on the date of grant. Option shares may be exercised subject to the terms prescribed by the Compensation and Human Capital Committee of the Board of Directors (the "Committee") at the time of grant. Options granted in 2025, 2024 and 2023 generally vest over 3 years with 33 1/3% vesting in each year. Options must be exercised not later than ten years from the date of grant.

Information on the Company's stock options is summarized below.

YEARS ENDED DECEMBER 31	2025		2024		2023	
(in whole shares and dollars)	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	**1,111,871**	**$ 117.43**	1,137,042	$ 111.57	1,080,852	$ 107.07
Granted	**140,393**	**161.82**	150,731	134.26	135,019	140.01
Exercised	**(155,280)**	**96.49**	(173,260)	93.37	(56,645)	88.10
Forfeited or cancelled	**(2,522)**	**149.73**	(2,642)	134.99	(22,184)	125.15
Outstanding, end of year	**1,094,462**	**$ 126.02**	1,111,871	$ 117.43	1,137,042	$ 111.57
Exercisable, end of year	**812,847**	**$ 118.14**	830,549	$ 110.85	864,186	$ 104.16

Cash received for options exercised for the years ended December 31, 2025, 2024 and 2023 was $13.2 million, $14.5 million and $4.2 million, respectively. The intrinsic value of options exercised for the years ended December 31, 2025, 2024 and 2023 was $11.3 million, $8.4 million and $2.6 million, respectively.

The excess tax benefit realized from options exercised for the years ended December 31, 2025, 2024 and 2023 was $1.9 million, $1.3 million and $0.3 million, respectively. The aggregate intrinsic value at December 31, 2025 for options outstanding and options exercisable was $62.1 million and $52.5 million, respectively. At December 31, 2025, the weighted average remaining contractual life for options outstanding and options exercisable was 5.4 years and 4.4 years, respectively. Additional information about employee options outstanding and exercisable at December 31, 2025 is included in the following table:

	Options Outstanding			Options Currently Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contractual Lives	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$ 77.91 to $85.87	75,212	0.92	$ 84.03	75,212	$ 84.03
$ 104.11	127,350	2.16	104.11	127,350	104.11
$ 115.35	125,002	5.16	115.35	125,002	115.35
$ 117.22 to $118.54	254,869	3.78	118.03	254,869	118.03
$ 134.26 to $139.51	254,887	7.29	136.56	155,481	138.03
$ 140.01 to $161.82	257,142	8.24	151.80	74,933	140.01

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model. For all options granted through December 31, 2025, the exercise price equaled the market price on the grant date. Compensation cost related to options is based upon the grant date fair value and expensed on a straight-line basis over the service period for each separately vesting portion of the option as if the option was, in substance, multiple awards.

The weighted average grant date fair value of options granted during the years ended December 31, 2025, 2024 and 2023 was $35.33, $30.17 and $31.55, respectively.

The following significant assumptions were used to determine the fair value for options granted in the years indicated.

	2025	2024	2023
Dividend yield	**2.225 %**	2.532 %	2.314 %
Expected volatility	**22.561% to 25.494 %**	23.571% to 30.041 %	24.429% to 28.803 %
Weighted average expected volatility	**23.76 %**	26.32 %	26.05 %
Risk-free interest rate	**4.092% to 4.229 %**	4.202% to 4.571 %	4.008% to 4.613 %
Expected term, in years	**2.5 to 7.5**	2.5 to 7.0	2.5 to 7.0

The expected dividend yield is based on the Company's dividend payout rate(s), in the year noted. Expected volatility is based generally on the Company's historical daily stock price volatility. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected term of options granted represents the period of time that options are expected to be outstanding and is derived primarily using historical exercise, forfeit and cancellation behavior, along with certain other factors expected to differ from historical data.

The fair value of shares that vested during the years ended December 31, 2025 and 2024 was $4.1 million and $1.0 million, respectively. As of December 31, 2025, the Company had unrecognized compensation expense of $1.4 million related to unvested stock options that is expected to be recognized over a weighted average period of 1.5 years.

RESTRICTED STOCK UNITS

Stock grants may be awarded to eligible employees at a price established by the Committee (which may be zero). Under the 2022 Stock Plan, the Company may award shares of restricted stock, restricted stock units, as well as shares of unrestricted stock. Restricted stock grants may vest based upon performance criteria, market criteria or continued employment and be in the form of shares or units. Vesting periods are established by the Committee.

The Company granted both market-based and performance-based restricted share units in 2025, 2024 and 2023. These units generally vest after three years of continued employment and after the achievement of certain performance targets. The Company also granted time-based restricted stock units to eligible employees in 2025, 2024 and 2023 that generally vest after three years of continued employment.

The following table summarizes information about employee restricted stock units:

YEARS ENDED DECEMBER 31	2025		2024		2023	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Time-based restricted stock units:						
Outstanding, beginning of year	**386,712**	**$ 137.44**	376,626	$ 132.04	378,256	$ 124.88
Granted	**137,914**	**160.41**	160,751	133.58	155,645	137.59
Vested	**(124,748)**	**139.80**	(127,147)	116.81	(136,971)	118.70
Forfeited	**(17,934)**	**144.97**	(23,518)	136.04	(20,304)	131.30
Outstanding, end of year	**381,944**	**$ 144.61**	386,712	$ 137.44	376,626	$ 132.04
Performance and market-based restricted stock units:						
Outstanding, beginning of year	**126,211**	**$ 140.47**	120,504	$ 132.76	119,163	$ 122.81
Granted	**52,360**	**178.39**	53,336	132.27	50,115	137.90
Vested	**(31,052)**	**141.58**	(41,290)	112.36	(44,781)	114.14
Forfeited	**(14,369)**	**152.88**	(6,339)	108.06	(3,993)	109.19
Outstanding, end of year	**133,150**	**$ 153.78**	126,211	$ 140.47	120,504	$ 132.76

In 2025, 2024 and 2023 the Company granted market-based awards totaling 23,492, 25,414, and 21,789, respectively, to certain members of senior management, which are included in the table above as performance and market-based restricted stock activity. The vesting of these stock units is based on the relative total shareholder return ("TSR") of the Company. This metric is generally based on relative TSR for a three-year period as compared to a group of Property and Casualty peer companies. The fair value of market-based awards was estimated at the date of grant using a valuation model. These units have the potential to range from 0% to 200% of the shares disclosed for grant year 2025 and from 0% to 150% of the shares disclosed for grant years 2024 and 2023. In 2025, 2024 and 2023, the Company also granted performance-based restricted stock units totaling 28,868, 27,922 and 28,326, respectively to certain members of senior management, which are included in the table above as performance and market-based restricted stock activity. The vesting of these stock units is determined through the use of a performance-based metric (return on equity). These units have the potential to range from 0% to 200% of the shares disclosed for grant year 2025 and from 0% to 150% of the shares disclosed for grant years 2024 and 2023. Increases above the 100% target level are reflected as granted in the period after which market-based and performance-based stock unit goals are achieved. Decreases below the 100% target level are reflected as forfeited.

In 2025, 5,246 performance-based restricted stock units were included as granted due to completion levels in excess of 100% for units granted in 2022. The weighted average grant date fair value of these awards was $139.51. In 2024, 2,615 performance-based restricted stock units were included as granted due to completion levels in excess of 100% for units granted in 2021. The weighted average grant date fair value of these awards was $115.35. In 2023, 5,961 performance-based restricted stock units were included as granted due to completion levels in excess of 100% for units granted in 2020. The weighted average grant date fair value of these awards was $118.54.

Included in 2025 are 14,369 market-based restricted stock units which were included as forfeited due to completion levels less than 100% for units granted in 2022. The weighted average grant date fair value of these awards was $152.88. Included in 2024 are 6,339 market-based restricted stock units which were included as forfeited due to completion levels less than 100% for units granted in 2021. The weighted average grant date fair value of these awards was $108.06. Included in 2023 are 2,836 market-based restricted stock units which were included as forfeited due to completion levels less than 100% for units granted in 2020. During 2025 and 2024 there were no additional shares of market-based awards that forfeited, however, during 2023, there were 598 shares, of market-based awards that forfeited. Also, during 2025 and 2024 there were no additional shares of performance-based awards that forfeited, however during 2023 there were 559 shares of performance-based awards that forfeited.

The increase in fair value from the grant date of restricted stock units that vested during the years ended December 31, 2025, 2024 and 2023 was $3.9 million, $2.4 million and $2.7 million, respectively. The increase in fair value from the grant date for performance and market-based restricted stock units that vested in 2025, 2024 and 2023 were $0.9 million, $0.9 million and $1.1 million, respectively.

At December 31, 2025, the fair value of outstanding restricted stock units was $55.2 million and the weighted average remaining contractual life was 1.2 years. The fair value of outstanding performance and market-based restricted stock units was $20.5 million and the weighted average remaining contractual life was 1.2 years. As of December 31, 2025, there was $18.8 million of unrecognized compensation cost related to unvested restricted stock units and performance and market-based restricted stock units. The cost is expected to be recognized over a period of 1.7 years. Compensation cost associated with restricted stock, restricted stock units and performance and market-based restricted stock units is generally calculated based upon grant date fair value, which is determined using current market prices, and is expensed on a straight-line basis over the service period.

10. EARNINGS PER SHARE AND SHAREHOLDERS' EQUITY TRANSACTIONS

The following table provides weighted average share information used in the calculation of the Company's basic and diluted earnings per share:

DECEMBER 31 *(in millions, except per share data)*	2025	2024	2023
Basic shares used in the calculation of earnings per share	**35.8**	35.9	35.7
Dilutive effect of securities:			
Employee stock options	**0.3**	0.2	0.1
Non-vested stock grants	**0.4**	0.3	0.3
Diluted shares used in the calculation of earnings per share	**36.5**	36.4	36.1
Per share effect of dilutive securities on income from continuing operations and net income	**$ (0.34)**	$ (0.15)	$ (0.01)

Diluted earnings per share during 2025, 2024 and 2023 excludes 0.1 million, 0.4 million and 0.3 million, respectively, shares of common stock issuable under the Company's stock compensation plans, because their effect would be antidilutive.

The Board of Directors authorized a stock repurchase program which provides for aggregate repurchases of the Company's common stock of up to $1.3 billion. Under the repurchase authorization, the Company may repurchase, from time to time, common stock in amounts, at prices and at such times as the Company deems appropriate, subject to market conditions and other considerations. Repurchases may be executed using open market purchases, privately negotiated transactions, accelerated repurchase programs or other transactions. The Company is not required to purchase any specific number of shares or to make purchases by any certain date under this program. During 2025, the Company repurchased approximately 0.7 million shares through open market purchases at an aggregate cost of $130.1 million. Included in the cost of treasury stock acquired pursuant to common share repurchases in 2025 is the 1% excise tax imposed on common share repurchase activity, net of common share issuances, as part of the Inflation Reduction Act of 2022. During 2024, the Company repurchased approximately 0.2 million shares through open market repurchases at an aggregate cost of $26.7 million. The Company did not repurchase any shares during 2023. As of December 31, 2025, the Company had repurchased 8.8 million shares under this $1.3 billion program and had approximately $173 million available for additional repurchases.

11. DIVIDEND RESTRICTIONS

INSURANCE SUBSIDIARIES

The individual law of all states, including New Hampshire and Michigan, where Hanover Insurance and Citizens are domiciled, respectively, restrict the payment of dividends to stockholders by insurers. These laws affect the dividend paying ability of Hanover Insurance and Citizens.

Pursuant to New Hampshire's statute, the maximum dividends and other distributions that an insurer may pay in any twelve-month period, without prior approval of the New Hampshire Insurance Commissioner, is limited to the lesser of: (a) 10% of such insurer's statutory policyholder surplus as of the preceding December 31, or (b) statutory net income less net realized gains, and including undistributed net income from the previous two calendar years. Hanover Insurance declared and paid dividends to its parent totaling $295.0 million in 2025, and $100.0 million in 2024 and 2023. At January 1, 2026, the maximum dividend payable without prior approval was $37.8 million. In May 2026, the maximum dividend declared payable without prior approval will increase by $150.0 million to a total amount of $187.8 million, and further increase in November 2026 by $145.0 million to a total amount of $332.8 million.

Pursuant to Michigan's statute, the maximum dividends and other distributions that an insurer may pay in any twelve-month period, without prior approval of the Michigan Insurance Commissioner, is limited to the greater of: (a) 10% of policyholders' surplus as of December 31 of the immediately preceding year or (b) the statutory net income less net realized gains for the immediately preceding calendar year. Citizens declared and paid dividends to its parent, Hanover Insurance, totaling $91.0 million in 2025, $59.0 million in 2024, and $10.0 million in 2023. At January 1, 2026, the maximum dividend payable without prior approval was $51.9 million. In November 2026, the maximum dividend declared payable without prior approval will increase by $91.0 million to a total amount of $142.9 million.

The statutes in both New Hampshire and Michigan require that prior notice to the respective Insurance Commissioner of any proposed dividend be provided and such Commissioner may, in certain circumstances, prohibit the payment of the proposed dividend.

12. SEGMENT INFORMATION

The Company's primary business operations include insurance products and services provided through four reporting segments: Core Commercial, Specialty, Personal Lines and Other. Core Commercial includes commercial multiple peril, commercial automobile, workers' compensation, and other commercial coverages provided to small and mid-sized businesses. Specialty includes four divisions of business: Professional and Executive Lines, Specialty Property and Casualty ("Specialty P&C"), Marine, and Surety and Other. Specialty P&C includes coverages such as program business, which provides commercial insurance to markets with specialized coverage or risk management needs related to groups of similar businesses, specialty industrial and commercial property, excess and surplus lines and specialty general liability coverage. Personal Lines includes personal automobile, homeowners and other personal coverages. The Other segment primarily includes earnings on holding company assets; holding company and other expenses, including certain costs associated with retirement benefits related to employees and agents of the Company's former life insurance subsidiaries; and run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty pools, and run-off product liability business.

The Company reports interest expense related to debt separately from the earnings of its reporting segments. This consists primarily of interest on the Company's senior and subordinated debentures.

The separate financial information is presented consistent with the way results are regularly evaluated by the Company's president and chief executive officer, in his role as chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. Results of the reporting segments are evaluated based on operating income (loss) before interest expense and income taxes, which excludes certain items that are included in net income, such as net realized and unrealized investment gains and losses. Such gains and losses are excluded since they are determined by interest rates, financial markets and the timing of sales. Also, operating income (loss) before interest expense and income taxes excludes net gains and losses on disposals of businesses, gains and losses related to the repayment of debt, discontinued operations, costs to acquire businesses, restructuring costs, the cumulative effect of accounting changes and certain other items. Although the items excluded from operating income (loss) before interest expense and income taxes may be important components in understanding and assessing the Company's overall financial performance, management believes that the presentation of operating income (loss) before interest expense and income taxes enhances an investor's understanding of the Company's results of operations by highlighting net income attributable to the core operations of the business. However, operating income (loss) before interest expense and income taxes should not be construed as a substitute for income before income taxes or income from continuing operations or as a substitute for net income.

For the Core Commercial, Specialty and Personal Lines segments, the Company's CODM uses operating income (loss) before interest expense and income taxes, along with future growth expectations in these measures, and industry and economic information, in deciding the allocation of resources (including employees, financial or capital resources) primarily during the strategic and annual planning processes. The CODM considers a variety of factors, both external and internal, including monthly performance of operating income (loss) before interest expense and income taxes, this performance relative to the plan, as well as current industry factors, and may update resource allocations accordingly throughout the year.

Summarized below is financial information with respect to the Company's reporting segments.

December 31, 2025

(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	$ 2,211.0	$ 1,398.3	$ 2,551.8	$ —	$ 6,161.1
Net investment income	202.5	102.6	128.5	20.8	454.4
Fees and other income	5.2	4.8	14.7	0.2	24.9
Total operating revenues	$ 2,418.7	$ 1,505.7	$ 2,695.0	$ 21.0	$ 6,640.4
Net realized and unrealized investment losses					(46.0)
Total revenues					$ 6,594.4
Operating income before interest expense and income taxes:					
Net premiums earned	$ 2,211.0	$ 1,398.3	$ 2,551.8	$ —	$ 6,161.1
Losses and LAE:					
Current accident year losses and LAE	1,305.6	699.6	1,518.2	—	3,523.4
Prior year unfavorable (favorable) development, excluding catastrophes	(7.1)	(56.8)	(7.2)	0.7	(70.4)
Catastrophe losses	124.4	38.1	139.8	—	302.3
Prior year favorable catastrophe development	(11.0)	(4.0)	(11.0)	—	(26.0)
Total losses and LAE	1,411.9	676.9	1,639.8	0.7	3,729.3
Amortization of deferred acquisition costs and other underwriting expenses[1]	746.9	524.1	668.3	—	1,939.3
Underwriting income (loss)	52.2	197.3	243.7	(0.7)	492.5
Net investment income	202.5	102.6	128.5	20.8	454.4
Fees and other income	5.2	4.8	14.7	0.2	24.9
Other segment items[2]	(9.0)	(8.6)	(7.1)	(14.1)	(38.8)
Operating income before interest expense and income taxes	$ 250.9	$ 296.1	$ 379.8	$ 6.2	$ 933.0
Interest on debt					(43.2)
Operating income before income taxes					889.8
Non-operating income items:					
Net realized and unrealized investment losses					(46.0)
Income from continuing operations before income taxes					$ 843.8

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to certain of THG's former life insurance businesses, including defined benefit pension-related costs, as well as holding company expenses.

December 31, 2024

(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	$ 2,148.8	$ 1,322.0	$ 2,441.8	$ —	$ 5,912.6
Net investment income	170.4	84.5	106.7	11.0	372.6
Fees and other income	5.0	5.9	15.7	1.4	28.0
Total operating revenues	$ 2,324.2	$ 1,412.4	$ 2,564.2	$ 12.4	$ 6,313.2
Net realized and unrealized investment losses					(75.8)
Total revenues					$ 6,237.4
Operating income (loss) before interest expense and income taxes:					
Net premiums earned	$ 2,148.8	$ 1,322.0	$ 2,441.8	$ —	$ 5,912.6
Losses and LAE:					
Current accident year losses and LAE	1,242.6	655.4	1,550.9	—	3,448.9
Prior year unfavorable (favorable) development, excluding catastrophes	(17.7)	(46.2)	(4.9)	1.4	(67.4)
Catastrophe losses	109.5	52.2	256.2	—	417.9
Prior year unfavorable (favorable) catastrophe development	(32.3)	(14.7)	5.0	—	(42.0)
Total losses and LAE	1,302.1	646.7	1,807.2	1.4	3,757.4
Amortization of deferred acquisition costs and other underwriting expenses[(1)]	731.9	500.1	638.7	—	1,870.7
Underwriting income (loss)	114.8	175.2	(4.1)	(1.4)	284.5
Net investment income	170.4	84.5	106.7	11.0	372.6
Fees and other income	5.0	5.9	15.7	1.4	28.0
Other segment items[(2)]	(8.6)	(7.9)	(7.0)	(11.5)	(35.0)
Operating income (loss) before interest expense and income taxes	$ 281.6	$ 257.7	$ 111.3	$ (0.5)	$ 650.1
Interest on debt					(34.1)
Operating income before income taxes					616.0
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(75.8)
Other non-operating items					(2.4)
Income from continuing operations before income taxes					$ 537.8

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to certain of THG's former investment and life insurance businesses, including defined benefit pension-related costs, as well as holding company expenses.

December 31, 2023

(in millions)	Core Commercial	Specialty	Personal Lines	Other	Total
Operating revenues:					
Premiums	$ 2,060.3	$ 1,274.2	$ 2,328.6	$ —	$ 5,663.1
Net investment income	151.8	71.1	96.8	12.4	332.1
Fees and other income	4.7	6.4	16.7	3.0	30.8
Total operating revenues	$ 2,216.8	$ 1,351.7	$ 2,442.1	$ 15.4	$ 6,026.0
Net realized and unrealized investment losses					(32.5)
Total revenues					$ 5,993.5
Operating income (loss) before interest expense and income taxes:					
Net premiums earned	$ 2,060.3	$ 1,274.2	$ 2,328.6	$ —	$ 5,663.1
Losses and LAE:					
Current accident year losses and LAE	1,178.9	651.2	1,630.3	—	3,460.4
Prior year unfavorable (favorable) development, excluding catastrophes	4.7	(48.8)	25.9	2.3	(15.9)
Catastrophe losses	178.0	51.4	460.7	—	690.1
Prior year unfavorable (favorable) catastrophe development	(6.7)	(8.3)	15.0	—	—
Total losses and LAE	1,354.9	645.5	2,131.9	2.3	4,134.6
Amortization of deferred acquisition costs and other underwriting expenses[(1)]	688.8	455.8	608.3	—	1,752.9
Underwriting income (loss)	16.6	172.9	(411.6)	(2.3)	(224.4)
Net investment income	151.8	71.1	96.8	12.4	332.1
Fees and other income	4.7	6.4	16.7	3.0	30.8
Other segment items[(2)]	(5.9)	(6.9)	(6.2)	(13.9)	(32.9)
Operating income (loss) before interest expense and income taxes	$ 167.2	$ 243.5	$ (304.3)	$ (0.8)	$ 105.6
Interest on debt					(34.1)
Operating income before income taxes					71.5
Non-operating income (loss) items:					
Net realized and unrealized investment losses					(32.5)
Other non-operating items					2.1
Income from continuing operations before income taxes					$ 41.1

(1) Includes expenses directly incurred by each reporting segment, as well as corporate and other general expenses that are allocated using a consistent and reasonable approach, generally based on net premiums earned.

(2) Other segment items in Core Commercial, Specialty and Personal Lines primarily includes uncollectible premium charge-offs and non-insurance agency operating expenses, whereas other segment items in the Other segment includes operating costs related to certain of THG's former investment and life insurance businesses, including defined benefit pension-related costs, as well as holding company expenses.

The following table provides identifiable assets for the Company's business segments and discontinued operations:

DECEMBER 31 *(in millions)*	2025	2024
	Identifiable Assets	
Property and Casualty	**$ 16,862.3**	$ 15,188.8
Assets of discontinued businesses	**83.6**	85.7
Total	**$ 16,945.9**	$ 15,274.5

The Company reviews the assets of its insurance subsidiaries collectively and does not allocate them among the Core Commercial, Specialty, Personal Lines and Other segments.

Discontinued accident and health and life businesses

During 1999, the Company exited its accident and health insurance business, consisting of its Employee Benefit Services business, its Affinity Group Underwriters business and its accident and health assumed reinsurance pool business. Prior to 1999, these businesses comprised substantially all of the former Corporate Risk Management Services segment. On January 2, 2009, Hanover Insurance directly assumed a portion of the accident and health business and the remainder of the discontinued First Allmerica Financial Life Insurance Company ("FAFLIC") accident and health business was reinsured by Hanover Insurance in connection with the sale of FAFLIC to Commonwealth Annuity.

At December 31, 2025 and 2024, the portion of the discontinued accident and health business that was directly assumed had assets of $81.5 million and $83.7 million, respectively, consisting primarily of invested assets, and liabilities of $78.8 million and $78.9 million, respectively, consisting primarily of policy liabilities. At December 31, 2025 and 2024, the assets and liabilities of this business, as well as those of the reinsured portion of the accident and health business are classified as assets and liabilities of discontinued operations in the Consolidated Balance Sheets.

Discontinued accident and health and life operations for the years ended December 31, 2025, 2024 and 2023 were not material.

13. REINSURANCE

In the normal course of business, the Company seeks to reduce the losses that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Reinsurance transactions are accounted for in accordance with the provisions of ASC 944.

Amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsured policy. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances are established for amounts deemed uncollectible. The Company determines the appropriate amount of reinsurance based on evaluations of the risks accepted and analyses prepared by consultants and on market conditions (including the availability and pricing of reinsurance). The Company also believes that the terms of its reinsurance contracts are consistent with industry practice in that they contain standard terms with respect to lines of business covered, limits and retention, arbitration and occurrence. The Company believes that its reinsurers are financially sound, based upon an ongoing review of financial strength ratings assigned to them by rating agencies, their reputations in the reinsurance marketplace, collections history, advice from third parties, and the analysis and guidance of the Company's reinsurance advisors.

As a condition to conduct certain business in various states, the Company is required to participate in residual market mechanisms, facilities, and pooling arrangements such as the Michigan Catastrophic Claims Association ("MCCA"). The Company is subject to concentration of risk with respect to reinsurance ceded to the MCCA. Funding for the MCCA comes from assessments against automobile insurers based upon their share of insured automobiles in the state for which the policyholders have elected unlimited personal injury protection ("PIP") benefits. Insurers are allowed to pass along this cost to Michigan automobile policyholders that have elected unlimited PIP benefits.

During 2025, the Company ceded premiums earned and losses and LAE incurred of $29.7 million and $35.2 million, respectively, and $39.2 million and $60.0 million, respectively, in 2024, to the MCCA. In 2023, the Company ceded $32.9 million and $72.8 million, respectively, of premiums earned and losses and LAE incurred, to the MCCA. The MCCA represented 41.2% of the total reinsurance receivable balance at December 31, 2025. Reinsurance recoverables related to the MCCA were $829.2 million and $870.4 million at December 31, 2025 and 2024, respectively. Since the MCCA is supported by assessments permitted by statute, and there have been no significant uncollectible balances from the MCCA identified during the three years ending December 31, 2025, the Company believes it has no significant exposure to uncollectible reinsurance balances from this entity.

The following table provides the effects of reinsurance.

YEARS ENDED DECEMBER 31	2025	2024	2023
(in millions)			
Premiums written:			
Direct	**$ 6,999.6**	$ 6,711.3	$ 6,411.9
Assumed	**23.0**	21.6	21.0
Ceded	**(700.5)**	(649.3)	(622.7)
Net premiums written	**$ 6,322.1**	$ 6,083.6	$ 5,810.2
Premiums earned:			
Direct	**$ 6,829.8**	$ 6,551.0	$ 6,255.1
Assumed	**22.9**	21.5	37.4
Ceded	**(691.6)**	(659.9)	(629.4)
Net premiums earned	**$ 6,161.1**	$ 5,912.6	$ 5,663.1
Percentage of assumed to net premiums earned	**0.4 %**	0.4 %	0.7 %
Losses and LAE:			
Direct	**$ 4,098.0**	$ 4,157.5	$ 4,489.4
Assumed	**19.5**	19.0	42.5
Ceded	**(388.2)**	(419.1)	(397.3)
Net losses and LAE	**$ 3,729.3**	$ 3,757.4	$ 4,134.6

14. LIABILITIES FOR OUTSTANDING CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserving Process Overview

Management's process for establishing loss reserves is comprehensive and involves input from multiple functions throughout the organization, including actuarial, finance, claims, legal, underwriting, distribution and business operations management. A review of loss reserves for each of the classes of business that the Company writes is conducted regularly, generally quarterly. This review process takes into consideration a variety of trends that impact the ultimate settlement of claims. Where appropriate, the loss reserving process includes a review of overall payment patterns and the emergence of paid and reported losses relative to expectations.

The loss reserve estimation process relies on the basic assumption that past experience, adjusted for the effects of current developments and likely trends, is an appropriate basis for predicting future outcomes. As part of this process, the Company uses a variety of analytical methods that consider experience, trends and other relevant factors. IBNR reserves are generally calculated by first projecting the ultimate cost of all claims that have been reported or expected to be reported in the future and then subtracting reported losses and LAE. IBNR reserves include both incurred but not reported liabilities plus expected development on reported claims included in the liability for unpaid claims and claim adjustment expenses. Reported losses include cumulative paid losses and LAE plus outstanding case reserves. The Company's ultimate IBNR reserves are estimated by management and reserving actuaries on an aggregate basis for each line of business or coverage for loss and LAE liabilities not reflected within the case reserves. Case reserves are established by claim personnel individually, on a claim by claim basis, and based on information specific to the occurrence and terms of the underlying policy. Case reserves are periodically reviewed and modified based on new or additional information pertaining to the claim.

For events designated as catastrophes, the Company generally calculates IBNR reserves directly as a result of an estimated IBNR claim count and an estimated average claim amount for each event. Such an assessment involves a comprehensive analysis of the nature of the event, of policyholder exposures within the affected geographic area, and of available claims intelligence.

Carried reserves for each line of business and coverage are determined based on the quarterly loss reserving process. In making the determination, the Company considers numerous quantitative and qualitative factors. Quantitative factors include changes in reserve estimates in the period, the maturity of the accident year, trends observed over the recent past, the level of volatility within a particular class of business, the estimated effects of reinsurance, including reinstatement premiums, general economic trends such as inflation, and other factors. Qualitative factors may include legal and regulatory developments, changes in claim handling and case reserving practices, court actions or delays in legal proceedings, social inflation and legal system abuse dynamics, changes in claims complexion, recent entry into new markets or products, changes in underwriting practices or business mix, concerns that the Company does not have sufficient or quality historical reported and paid loss and LAE information with respect to a particular line of business and coverage, effects of the economy and political outlook, perceived anomalies in the historical results, evolving trends or other factors. Pressure from litigation trends, legal system abuse, and general and social inflation in the U.S. economy in recent years, along with other factors outside the Company's control, have resulted in higher claims costs. Additionally, several other significant uncertainties persist, including increased attorney involvement in claims resulting in delayed claim settlements and a trend toward higher valued settlements and litigation costs.

Reserve Rollforward and Prior Year Development

The Company regularly updates its reserve estimates as new information becomes available and further events occur which may impact the resolution of unsettled claims. Reserve adjustments are reflected in results of operations as adjustments to losses and LAE. Often these adjustments are recognized in periods subsequent to the period in which the underlying policy was written and loss event occurred. These types of subsequent adjustments are described as loss and LAE "development." Such development can be either favorable or unfavorable to the Company's financial results and may vary by line of business. In this section, all amounts presented include catastrophe losses and LAE. Catastrophe losses were $276.3 million, $375.9 million, and $690.1 million in 2025, 2024, and 2023, respectively.

The table below provides a reconciliation of the gross beginning and ending reserve for unpaid losses and loss adjustment expenses.

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Gross reserve for losses and LAE, beginning of year	**$ 7,461.2**	$ 7,308.1	$ 7,012.6
Reinsurance recoverable on unpaid losses	**1,829.8**	1,795.0	1,748.6
Net reserve for losses and LAE, beginning of year	**5,631.4**	5,513.1	5,264.0
Net incurred losses and LAE in respect of losses occurring in:			
Current year	**3,825.7**	3,866.8	4,150.5
Prior years	**(96.4)**	(109.4)	(15.9)
Total incurred losses and LAE	**3,729.3**	3,757.4	4,134.6
Net payments of losses and LAE in respect of losses occurring in:			
Current year	**1,641.0**	1,800.6	2,037.9
Prior years	**1,814.8**	1,838.5	1,847.6
Total payments	**3,455.8**	3,639.1	3,885.5
Net reserve for losses and LAE, end of year	**5,904.9**	5,631.4	5,513.1
Reinsurance recoverable on unpaid losses	**1,850.3**	1,829.8	1,795.0
Gross reserve for losses and LAE, end of year	**$ 7,755.2**	$ 7,461.2	$ 7,308.1

The following table provides a summary of (favorable) unfavorable loss and LAE reserve development.

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Core Commercial	**$ (18.1)**	$ (50.0)	$ (2.0)
Specialty	**(60.8)**	(60.9)	(57.1)
Personal Lines	**(18.2)**	0.1	40.9
Other	**0.7**	1.4	2.3
Total loss and LAE reserve development, including catastrophes	**$ (96.4)**	$ (109.4)	$ (15.9)

As a result of continuing trends in the Company's business, reserves, including catastrophes, have been re-estimated for all prior accident years and were decreased by $96.4 million, $109.4 million and $15.9 million in 2025, 2024 and 2023, respectively.

2025

For the year ended December 31, 2025, net favorable loss and LAE development was $96.4 million. Specialty favorable loss and LAE development of $60.8 million was primarily due to lower than expected non-catastrophe losses in the Specialty Property & Casualty lines division, primarily in the programs and excess and surplus lines, the Professional and Executive Lines division, primarily in the claims-made general liability coverage, and in the Marine division. Personal Lines favorable loss and LAE development of $18.2 million was primarily due to lower than expected catastrophe and non-catastrophe losses in the homeowners line. Core Commercial favorable loss and LAE development of $18.1 million was primarily due to lower than expected catastrophe losses in the commercial multiple peril line related to events from accident years 2023 through 2024, including several convective storms across multiple states and Winter Storm Elliot. Additionally, favorable development was due to lower than expected non-catastrophe losses in the workers' compensation, general liability and commercial multiple peril lines, partially offset by higher than expected losses in the commercial automobile and other core commercial lines.

2024

For the year ended December 31, 2024, net favorable loss and LAE development was $109.4 million. Specialty favorable loss and LAE development of $60.9 million was primarily due to lower than expected non-catastrophe losses in the Professional and Executive Lines division's claims-made general liability coverage and, to a lesser extent, in the Surety and Specialty Property & Casualty divisions, as well as lower than expected catastrophe losses primarily in the Marine division. Core Commercial favorable loss and LAE development of $50.0 million was primarily due to catastrophe development of $32.3 million, driven by lower than expected losses in accident years 2021 through 2023, including several convective storms across multiple states, Winter Storm Elliot and Hurricane Ian. Additionally, and to a lesser extent, favorable development was due to lower than expected non-catastrophe losses across each of the main product lines: commercial multiple peril, commercial automobile, workers' compensation and other commercial lines. Personal Lines unfavorable loss and LAE development of $0.1 million was primarily due to higher than expected losses in the other personal lines, partially offset by lower than expected non-catastrophe losses within the personal automobile line.

2023

For the year ended December 31, 2023, net favorable loss and LAE development was $15.9 million. The favorable loss and LAE development in Specialty of $57.1 million was primarily due to lower than expected losses within the Professional and Executive Lines division and in the Surety division. Core Commercial favorable loss and LAE development of $2.0 million was primarily due to lower than expected losses in the workers' compensation line, and was partially offset by unfavorable development in the commercial automobile line, commercial umbrella coverage, and, to a lesser extent, in general liability coverages. Personal Lines unfavorable loss and LAE development of $40.9 million was primarily due to higher than expected losses in the personal automobile line, standalone personal umbrella coverage, and homeowners line. The net unfavorable development within the personal automobile line related to bodily injury coverages, whereas the homeowners line was driven by higher than expected catastrophe losses primarily related to Winter Storm Elliot.

Carried Reserves

The table below summarizes the gross, ceded and net reserves for losses and LAE and reconciles to the incurred claims development in the following section. Within the Core Commercial segment, commercial multiple peril includes small commercial umbrella policies sold as an endorsement, and general liability and umbrella - occurrence which includes workers' compensation excess coverages.

YEARS ENDED DECEMBER 31	2025			2024		
(in millions)	Gross	Ceded	Net	Gross	Ceded	Net
Commercial multiple peril	**$ 1,712.8**	**$ (247.0)**	**$ 1,465.8**	$ 1,626.9	$ (202.0)	$ 1,424.9
Workers' compensation	**768.7**	**(129.3)**	**639.4**	761.1	(131.6)	629.5
Commercial automobile liability	**581.7**	**(27.1)**	**554.6**	513.5	(22.3)	491.2
General liability and umbrella - occurrence	**697.2**	**(293.7)**	**403.5**	620.7	(258.2)	362.5
Other core commercial	**100.9**	**(19.3)**	**81.6**	91.2	(10.1)	81.1
Total Core Commercial	**3,861.3**	**(716.4)**	**3,144.9**	3,613.4	(624.2)	2,989.2
Specialty property & casualty	**845.3**	**(249.7)**	**595.6**	837.9	(257.3)	580.6
General liability - claims made	**472.9**	**(30.6)**	**442.3**	454.2	(30.6)	423.6
Other specialty	**414.7**	**(42.6)**	**372.1**	383.8	(46.7)	337.1
Total Specialty	**1,732.9**	**(322.9)**	**1,410.0**	1,675.9	(334.6)	1,341.3
Personal automobile liability	**1,655.4**	**(787.6)**	**867.8**	1,635.6	(817.4)	818.2
Homeowners	**300.8**	**(3.9)**	**296.9**	323.6	(1.5)	322.1
Other personal	**175.2**	**(2.2)**	**173.0**	149.8	(1.8)	148.0
Total Personal Lines	**2,131.4**	**(793.7)**	**1,337.7**	2,109.0	(820.7)	1,288.3
Total Other	**29.6**	**(17.3)**	**12.3**	62.9	(50.3)	12.6
Total loss and LAE reserves	**$ 7,755.2**	**$ (1,850.3)**	**$ 5,904.9**	$ 7,461.2	$ (1,829.8)	$ 5,631.4

Core Commercial - general liability and umbrella - occurrence is primarily comprised of the Company's commercial monoline general liability and umbrella coverages. Other core commercial lines is primarily comprised of commercial property and product liability coverages. Specialty general liability - claims made is comprised of claims made coverages within the Professional and Executive Lines division, primarily comprised of professional and management liability lines. Other specialty lines is primarily comprised of marine, surety, healthcare, and fidelity lines. Total Other is comprised of the Company's run-off direct asbestos and environmental business, run-off voluntary assumed property and casualty reinsurance pools, and run-off product liability business, which includes $27.5 million and $55.8 million of gross asbestos and environmental reserves as of December 31, 2025 and 2024, respectively.

Incurred claims development tables

For the following net reserve components, Core Commercial - commercial multiple peril, Core Commercial - workers' compensation, Core Commercial - commercial automobile liability, Core Commercial - general liability and umbrella - occurrence, Specialty property & casualty, Specialty general liability - claims made, personal automobile liability, and homeowners, the Company is presenting incurred claims development tables by accident year. In each of these tables, the Company is presenting the number of years for which claims are typically outstanding, which is consistent with the period at which substantially all of the reserve development has emerged based on past history. The following tables present cumulative incurred loss and allocated loss adjustment expenses ("ALAE"), cumulative paid loss and ALAE, and IBNR balances at December 31, 2025. IBNR includes both incurred but not reported liabilities and expected development on reported claims. In addition, cumulative incurred claim counts are presented as of December 31, 2025 and claim duration is presented in a separate table disclosing the average annual percentage payout of incurred claims by age, net of reinsurance. Claim duration is calculated as an average of paid loss and ALAE divided by incurred loss and ALAE by elapsed year. The incurred claims development tables presented are reconciled to the net carried reserves in the preceding table as of December 31, 2025.

Incurred claim count information presented represents claim frequency by individual claimant and measures the frequency of direct claim settlements that have resulted in or are expected to result in claim payments. Claim count information is presented in a manner consistent with that used in the quarterly loss reserving process. A single claim event, particularly in automobile lines, may result in multiple individual claimants and, therefore, multiple claim counts. Incurred claim counts are comprised of outstanding claims and those that are closed with a loss payment and exclude those that are closed without a loss payment. A single claim event may result in multiple claims closed with a payment when a claim is subsequently reopened with further payment. In this case, a reopened claim payment is counted as an incremental claim settlement. Claim count information is not available for direct and assumed participations in various involuntary pools and residual market mechanisms, which represent approximately 4% or less of both the total net earned premium and net incurred claims for the lines presented. Incurred claim counts are also not adjusted for the effect of claims ceded as part of reinsurance programs, although the incurred losses and cumulative paid losses presented in the following tables are presented net of reinsurance ceded.

Core Commercial - commercial multiple peril
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	As of December 31, 2025 IBNR	As of December 31, 2025 Cumulative Incurred Claim Count
2018	$ 511.1	$ 495.6	$ 489.5	$ 490.6	$ 495.8	$ 499.7	$ 500.1	**$ 502.6**	**$ 12.8**	**15,935**
2019		520.2	527.0	533.1	542.6	540.2	537.4	**536.1**	**18.0**	**15,266**
2020			562.1	546.7	531.5	514.9	509.5	**511.8**	**20.5**	**12,972**
2021				673.5	658.7	655.1	651.9	**650.1**	**29.2**	**14,854**
2022					748.1	749.2	733.8	**722.5**	**51.9**	**13,975**
2023						698.3	684.1	**672.4**	**95.4**	**12,765**
2024							662.4	**633.1**	**157.6**	**12,025**
2025								**682.8**	**304.8**	**9,297**
Total								**$ 4,911.4**		

Cumulative Paid Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2018	$ 165.7	$ 274.1	$ 326.4	$ 362.9	$ 403.6	$ 429.5	$ 454.9	**$ 462.9**
2019		156.5	288.5	348.7	396.3	444.5	470.4	**490.8**
2020			200.8	318.6	364.2	401.0	434.2	**461.9**
2021				245.1	392.6	450.0	513.8	**564.2**
2022					198.2	441.2	513.8	**575.5**
2023						240.5	392.1	**460.1**
2024							217.9	**355.2**
2025								**209.8**
Total								**3,580.4**
Total reserves for 2018 - 2025 accident years (incurred - paid)								**1,331.0**
Total reserves for 2017 and prior accident years								**108.8**
Unallocated loss adjustment expense								**26.0**
Net reserves at December 31, 2025								**$ 1,465.8**

Core Commercial - workers' compensation
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2016 Unaudited	2017 Unaudited	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	As of December 31, 2025 IBNR	Cumulative Incurred Claim Count
2016	$ 158.9	$ 152.8	$ 139.9	$ 133.5	$ 128.3	$ 124.9	$ 122.3	$ 118.3	$ 117.2	**$ 115.6**	**$ 5.1**	**12,853**
2017		159.6	148.7	139.9	136.7	132.4	129.6	125.7	123.8	**121.8**	**5.6**	**13,496**
2018			165.2	161.3	152.6	150.8	149.2	145.8	142.7	**139.8**	**8.4**	**15,075**
2019				170.5	165.0	162.9	163.2	159.5	159.2	**155.6**	**9.7**	**15,551**
2020					167.1	166.8	150.6	142.4	139.8	**136.0**	**9.9**	**12,237**
2021						178.5	180.8	175.5	174.0	**172.5**	**12.0**	**14,827**
2022							198.5	205.9	207.4	**206.1**	**17.3**	**15,934**
2023								202.3	215.7	**215.6**	**23.4**	**14,625**
2024									209.1	**206.3**	**43.1**	**13,751**
2025										**217.8**	**89.5**	**13,584**
Total										**$ 1,687.1**		

Cumulative Paid Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2016 Unaudited	2017 Unaudited	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2016	$ 29.2	$ 67.0	$ 84.4	$ 93.3	$ 97.2	$ 100.1	$ 102.1	$ 103.5	$ 104.7	**$ 104.6**
2017		28.5	63.7	82.0	92.7	99.0	102.6	106.2	108.1	**109.6**
2018			32.2	72.0	91.7	104.2	112.0	117.8	121.6	**123.5**
2019				30.4	75.7	102.4	116.2	124.5	128.7	**134.3**
2020					28.8	71.4	91.8	102.9	109.1	**112.9**
2021						40.6	85.3	109.4	125.5	**134.0**
2022							41.4	101.8	132.9	**149.8**
2023								48.8	107.0	**141.7**
2024									44.1	**101.7**
2025										**46.4**
Total										**1,158.5**
Total reserves for 2016 - 2025 accident years (incurred - paid)										**528.6**
Total reserves for 2015 and prior accident years										**89.6**
Unallocated loss adjustment expense and other										**21.2**
Net reserves at December 31, 2025										**$ 639.4**

Core Commercial - commercial automobile liability
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	As of December 31, 2025 IBNR	As of December 31, 2025 Cumulative Incurred Claim Count
2019	$ 161.0	$ 167.9	$ 169.7	$ 174.6	$ 181.4	$ 179.9	**$ 178.9**	**$ 5.0**	**9,797**
2020		153.2	141.5	140.2	134.5	132.4	**131.0**	**5.4**	**5,911**
2021			154.1	156.5	146.1	144.6	**145.4**	**10.9**	**6,132**
2022				157.5	173.3	168.7	**171.7**	**21.4**	**6,185**
2023					171.5	179.4	**194.1**	**40.3**	**6,271**
2024						182.7	**203.6**	**80.9**	**6,059**
2025							**220.8**	**163.7**	**5,419**
Total							**$ 1,245.5**		

Cumulative Paid Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2019	$ 27.1	$ 64.5	$ 94.8	$ 126.5	$ 147.9	$ 163.5	**$ 167.9**
2020		21.0	42.1	71.4	96.3	112.0	**119.7**
2021			17.7	45.2	73.7	98.8	**120.0**
2022				18.9	53.0	80.5	**122.2**
2023					23.7	55.3	**101.2**
2024						23.0	**58.4**
2025							**25.5**
Total							**714.9**
Total reserves for 2019 - 2025 accident years (incurred - paid)							**530.6**
Total reserves for 2018 and prior accident years							**19.4**
Unallocated loss adjustment expense							**4.6**
Net reserves at December 31, 2025							**$ 554.6**

Core Commercial - general liability and umbrella - occurrence
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2016 Unaudited	2017 Unaudited	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	As of December 31, 2025 IBNR	Cumulative Incurred Claim Count
2016	$ 58.5	$ 61.0	$ 57.8	$ 55.8	$ 53.7	$ 54.5	$ 54.2	$ 59.2	$ 61.9	**$ 65.2**	**$ 2.6**	**1,218**
2017		58.2	67.1	66.3	63.0	62.9	61.0	60.8	60.9	**60.2**	**4.1**	**1,036**
2018			58.8	61.1	60.3	63.3	63.2	65.0	64.3	**60.4**	**6.4**	**978**
2019				58.9	60.0	60.3	69.3	73.7	74.5	**71.3**	**7.8**	**882**
2020					56.2	58.9	53.4	52.1	44.9	**43.9**	**9.1**	**561**
2021						58.3	70.0	73.7	69.6	**68.2**	**19.5**	**529**
2022							63.3	76.6	75.2	**89.3**	**27.4**	**542**
2023								72.2	77.6	**79.7**	**43.2**	**443**
2024									93.3	**94.9**	**65.1**	**468**
2025										**98.7**	**84.0**	**428**
Total										**$ 731.8**		

Cumulative Paid Losses and ALAE, Net of Reinsurance
YEARS ENDED DECEMBER 31,

Accident Year	2016 Unaudited	2017 Unaudited	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2016	$ 0.7	$ 7.3	$ 14.8	$ 25.3	$ 31.7	$ 34.4	$ 38.7	$ 52.0	$ 54.1	**$ 56.5**
2017		2.3	9.0	19.3	27.1	33.9	42.6	46.8	49.0	**51.8**
2018			1.0	4.4	18.8	27.2	38.1	40.7	45.7	**48.2**
2019				4.3	8.7	16.5	28.2	38.2	49.9	**57.1**
2020					2.1	9.2	11.9	17.8	24.7	**27.8**
2021						1.5	6.6	17.3	29.6	**40.4**
2022							0.4	9.3	19.1	**39.8**
2023								5.4	11.4	**18.3**
2024									2.6	**11.0**
2025										**1.4**
Total										**352.3**
Total reserves for 2016 - 2025 accident years (incurred - paid)										**379.5**
Total reserves for 2015 and prior accident years										**21.1**
Unallocated loss adjustment expense and other										**2.9**
Net reserves at December 31, 2025										**$ 403.5**

Specialty property & casualty
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,									As of December 31, 2025	
Accident Year	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	IBNR	Cumulative Incurred Claim Count
2018	$ 193.0	$ 194.1	$ 193.7	$ 190.2	$ 191.1	$ 191.1	$ 189.3	**$ 188.7**	**$ 5.5**	**6,382**
2019		212.2	209.4	225.7	237.1	236.8	231.0	**228.4**	**9.9**	**6,469**
2020			181.1	170.8	164.9	169.5	165.6	**161.2**	**10.0**	**5,219**
2021				202.9	213.9	210.2	211.2	**205.9**	**19.4**	**5,912**
2022					218.3	215.3	222.2	**217.8**	**36.2**	**5,442**
2023						229.7	214.2	**208.4**	**58.4**	**4,526**
2024							212.8	**214.1**	**87.9**	**4,200**
2025								**226.6**	**135.4**	**2,939**
Total								**$ 1,651.1**		

Cumulative Paid Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,								
Accident Year	2018 Unaudited	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2018	$ 56.0	$ 107.9	$ 124.9	$ 140.3	$ 158.6	$ 170.4	$ 176.5	**$ 179.7**
2019		71.5	113.9	136.5	164.9	187.1	203.5	**208.1**
2020			40.4	84.0	101.2	121.9	136.3	**142.8**
2021				59.2	106.6	125.9	149.1	**167.5**
2022					60.7	106.5	127.6	**153.8**
2023						61.1	92.4	**117.1**
2024							49.3	**86.3**
2025								**56.0**
Total								**1,111.3**
Total reserves for 2018 - 2025 accident years (incurred - paid)								**539.8**
Total reserves for 2017 and prior accident years								**41.1**
Unallocated loss adjustment expense								**14.7**
Net reserves at December 31, 2025								**$ 595.6**

Specialty - general liability - claims made
($ in millions)

Incurred Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,								As of December 31, 2025	
Accident Year	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	IBNR	Cumulative Incurred Claim Count
2019	$ 119.8	$ 119.5	$ 125.6	$ 127.6	$ 126.7	$ 129.0	**$ 128.8**	**$ 3.4**	**1,201**
2020		137.3	134.2	123.3	119.1	122.5	**118.0**	**5.8**	**1,193**
2021			148.2	144.8	134.6	128.6	**131.8**	**13.2**	**1,083**
2022				162.3	149.0	137.6	**134.6**	**21.8**	**1,089**
2023					170.5	167.7	**158.1**	**36.1**	**1,383**
2024						183.6	**179.0**	**63.4**	**1,524**
2025							**175.3**	**87.3**	**2,672**
Total							**$ 1,025.6**		

Cumulative Paid Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,							
Accident Year	2019 Unaudited	2020 Unaudited	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
2019	$ 16.5	$ 53.3	$ 77.0	$ 95.4	$ 107.4	$ 115.4	**$ 120.1**
2020		16.8	50.6	75.0	89.4	101.2	**104.6**
2021			15.8	49.9	76.7	92.4	**105.6**
2022				18.1	54.0	78.2	**94.2**
2023					17.9	55.4	**86.7**
2024						24.4	**64.0**
2025							**23.4**
Total							**598.6**
Total reserves for 2019 - 2025 accident years (incurred - paid)							**427.0**
Total reserves for 2018 and prior accident years							**8.7**
Unallocated loss adjustment expense							**6.6**
Net reserves at December 31, 2025							**$ 442.3**

Personal automobile liability
($ in millions)

Accident Year	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	IBNR	Cumulative Incurred Claim Count
	Incurred Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,					As of December 31, 2025	
2021	$ 407.2	$ 411.6	$ 408.5	$ 403.0	**$ 403.6**	**$ 6.6**	**30,846**
2022		441.9	458.6	456.6	**458.7**	**16.3**	**33,974**
2023			489.9	511.1	**523.0**	**42.6**	**35,474**
2024				494.7	**497.7**	**90.5**	**31,374**
2025					**531.5**	**263.1**	**26,157**
Total					**$ 2,414.5**		

Accident Year	2021 Unaudited	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
	Cumulative Paid Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,				
2021	$ 106.4	$ 225.9	$ 304.4	$ 353.0	**$ 380.7**
2022		117.2	255.0	346.0	**403.5**
2023			143.1	296.4	**400.7**
2024				142.9	**286.5**
2025					**143.2**
Total					**1,614.6**
Total reserves for 2021 - 2025 accident years (incurred - paid)					**799.9**
Total reserves for 2020 and prior accident years					**51.7**
Unallocated loss adjustment expense					**16.2**
Net reserves at December 31, 2025					**$ 867.8**

Homeowners
($ in millions)

Accident Year	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025	IBNR	Cumulative Incurred Claim Count
	Incurred Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,				As of December 31, 2025	
2022	$ 548.5	$ 557.0	$ 559.7	**$ 561.8**	**$ 5.3**	**35,242**
2023		874.4	863.8	**855.3**	**7.0**	**50,444**
2024			648.6	**635.6**	**23.8**	**31,998**
2025				**489.2**	**124.6**	**19,467**
Total				**$ 2,541.9**		

Accident Year	2022 Unaudited	2023 Unaudited	2024 Unaudited	2025
	Cumulative Paid Losses and ALAE, Net of Reinsurance YEARS ENDED DECEMBER 31,			
2022	$ 324.1	$ 511.7	$ 537.0	**$ 546.8**
2023		590.4	811.9	**836.5**
2024			430.9	**584.3**
2025				**296.1**
Total				**2,263.7**
Total reserves for 2022 - 2025 accident years (incurred - paid)				**278.2**
Total reserves for 2021 and prior accident years				**13.3**
Unallocated loss adjustment expense				**5.4**
Net reserves at December 31, 2025				**$ 296.9**

The following table is information about average historical claims duration as of December 31, 2025. The table is computed based on the paid and incurred claims data, net of reinsurance, for the accident years presented in the preceding claims development tables.

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance
Unaudited

	1	2	3	4	5	6	7	8	9	10
Core Commercial - commercial multiple peril	33.4%	24.3%	9.9%	8.3%	7.8%	5.1%	4.4%	1.6%		
Core Commercial - workers' compensation	22.1%	29.0%	15.2%	8.6%	4.8%	3.0%	2.8%	1.4%	1.1%	0.0%
Core Commercial - commercial automobile liability	12.8%	18.2%	19.7%	19.6%	12.8%	7.3%	2.5%			
Core Commercial - general liability and umbrella - occurrence	3.1%	9.2%	13.1%	16.3%	14.1%	9.3%	8.0%	9.4%	3.9%	3.7%
Specialty property & casualty	27.5%	21.4%	10.1%	11.3%	9.3%	5.8%	2.6%	1.7%		
Specialty - general liability - claims made	13.0%	25.9%	19.4%	12.6%	9.8%	4.5%	3.6%			
Personal automobile liability	27.0%	29.5%	19.7%	12.3%	6.9%					
Homeowners	63.8%	27.8%	3.7%	1.7%						

15. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company has been named a defendant in various legal proceedings arising in the normal course of business. In addition, the Company is involved, from time to time, in examinations, investigations and proceedings by governmental and self-regulatory agencies. The potential outcome of any such action or regulatory proceedings in which the Company has been named a defendant or the subject of an inquiry, examination or investigation, and its ultimate liability, if any, from such action or regulatory proceedings, is difficult to predict at this time. The ultimate resolutions of such proceedings are not expected to have a material effect on its financial position, although they could have a material effect on the results of operations for a particular quarterly or annual period.

Residual Markets

The Company is required to participate in residual markets in various states, which generally pertain to high risk insureds, disrupted markets or lines of business or geographic areas where rates are regarded as excessive. The results of the residual markets are not subject to the predictability associated with the Company's own managed business, and are significant to both the personal and commercial automobile lines of business.

16. STATUTORY FINANCIAL INFORMATION

The Company's insurance subsidiaries are required to file annual statements with state regulatory authorities prepared on an accounting basis prescribed or permitted by such authorities (statutory basis), as codified by the National Association of Insurance Commissioners ("NAIC"). Permitted statutory accounting practices encompass all accounting practices that are not prescribed; such practices differ from state to state, may differ from company to company within a state, and may change in the future. The Company's insurance subsidiaries did not have any permitted practices as of or for the years ended December 31, 2025, 2024 and 2023.

Statutory capital and surplus differs from shareholders' equity reported in accordance with U.S. GAAP primarily because under the statutory basis of accounting, deferred acquisition costs are expensed when incurred, generally bonds are carried at amortized cost, certain assets are non-admitted, and the recognition of deferred tax assets is based on different recoverability assumptions.

The following table provides statutory net income for the years ended December 31 and statutory capital and surplus for the insurance subsidiaries as of December 31 for the periods indicated:

(in millions)	2025	2024	2023
Statutory Net Income	**$ 644.7**	$ 404.7	$ 36.5
Statutory Capital and Surplus	**3,337.9**	2,971.7	2,642.7

The minimum statutory capital and surplus necessary to satisfy the Company's regulatory requirements was $752.4 million, $705.7 million and $667.0 million, which equals the Authorized Control Level at December 31, 2025, 2024 and 2023, respectively.

17. SUBSEQUENT EVENTS

On January 15, 2026, the Company used a portion of the proceeds from the August 21, 2025 issuance of $500.0 million aggregate principal amount of 5.50% senior unsecured debentures to redeem its outstanding $375.0 million principal amount of senior debentures due April 15, 2026.

ITEM 9–CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A–CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES EVALUATION

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

LIMITATIONS ON THE EFFECTIVENESS OF CONTROLS

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CONCLUSION REGARDING THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES

Based on our controls evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures were effective to provide reasonable assurance that (i) the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) material information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

INTERNAL CONTROL OVER FINANCING REPORTING

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control – Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

CHANGES IN INTERNAL CONTROL

Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the internal control over financial reporting, as required by Rule 13a-15(d) of the Exchange Act, to determine whether any changes occurred during the period covered by this Annual Report on Form 10-K that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that there was no such change during the last quarter of the fiscal year covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B-OTHER INFORMATION

Rule 10b5-1 Trading Plans

On November 19, 2025, John C. Roche, the Company's President and Chief Executive Officer, adopted a trading plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). His 10b5-1 trading plan provides for the net exercise, and subsequent sale, of options to purchase an aggregate of 51,318 shares of the Company's common stock. The options were granted in 2017 and 2018. The 10b5-1 trading plan expires on February 19, 2027, or upon an earlier date if and when all the options are exercised and sold. The amount of shares actually sold will depend on the satisfaction of certain conditions as set forth in his 10b5-1 trading plan.

No other officer or director adopted, modified, or terminated a contract, instruction or written plan for the purchase or sale of the Company's securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement during the fourth quarter ended December 31, 2025.

ITEM 9C-DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10–DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

DIRECTORS OF THE REGISTRANT

Except for the portions about executive officers, our Code of Conduct, and our insider trading policies and procedures that are set forth below, this information is incorporated herein by reference to the Proxy Statement for the Annual Meeting of Shareholders to be held on May 12, 2026 to be filed pursuant to Regulation 14A under the Exchange Act.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below is biographical information concerning our executive officers.

Jeffrey M. Farber, 61

Executive Vice President, Chief Financial Officer

Mr. Farber joined THG in 2016 after spending the previous five years with American International Group (AIG). He joined AIG as Senior Vice President and Deputy Chief Financial Officer and then was appointed Chief Risk Officer, Commercial and Consumer Business. Prior to AIG, Mr. Farber served as Executive Vice President and Chief Financial Officer of GAMCO Investors, Inc., a public company asset manager. Previously, he held senior accounting and finance roles at The Bear Stearns Companies, Inc., most recently as Senior Managing Director, Controller and Senior Vice President, responsible for finance, tax and global procurement. He began his career at Deloitte & Touche LLP, rising to partner in the firm.

Dennis F. Kerrigan, 61

Executive Vice President, Chief Legal Officer and Corporate Secretary

Mr. Kerrigan joined the Company as Executive Vice President, Deputy General Counsel and Assistant Secretary, in January 2020, becoming General Counsel (Chief Legal Officer) in April 2020 and Corporate Secretary in January 2026. Before joining THG, Mr. Kerrigan was Executive Vice President, General Counsel and Corporate Secretary for Zurich North America, from 2008 to 2019. Previously, he was a litigation partner with the law firm then known as Dewey & LeBoeuf.

Richard W. Lavey, 58

Executive Vice President and Chief Operating Officer

Mr. Lavey has served as Executive Vice President and Chief Operating Officer since March 2025. He served as the Company's Executive Vice President and President, Hanover Agency Markets since 2017, until his appointment as Chief Operating Officer. Mr. Lavey previously served as Executive Vice President, Chief Growth Innovation Officer from February 2017 to November 2017. Prior to that time, he was President, Personal Lines of THG since 2014 and Chief Marketing Officer since 2011, assuming responsibility for Field Operations in 2016. Mr. Lavey joined THG in 2004 and during this time has also served in the following roles: Chief Distribution Officer, Senior Vice President, Operations and Marketing; Regional President, Northeast; and Vice President, Field Operations and Marketing and Distribution. Prior to joining the Company, Mr. Lavey worked for The Hartford Financial Services Group, Inc. and The Travelers Corp.

Willard T. Lee, 56

Executive Vice President, Chief Information and Innovation Officer

Mr. Lee became Executive Vice President, Chief Information and Innovation Officer in 2021 after briefly serving as Deputy Chief Information and Technology Innovation Officer. Prior to that time, he was Business and Innovation CIO of THG since 2017 and Chief Operating Officer, Specialty Lines since 2012. Mr. Lee joined THG in 2003 and during this time has also served in the following roles: Vice President, Corporate Development and Vice President, Commercial Lines Product Development. Prior to joining THG, Mr. Lee worked for BancTec/Plexus.

David J. Lovely, 63

Executive Vice President, Chief Claims Officer

Mr. Lovely joined the Company as Executive Vice President and Chief Claims Officer in January 2023. Prior to joining THG, he served as Director, Financial Crime Unit, at PricewaterhouseCoopers ("PWC"), a global, leading public accounting, audit and consulting firm, from June 2022 to December 2022. Before joining PWC, Mr. Lovely was the UK and Global Chief Claims Officer of Aviva from May 2014 to 2021, and had spent many years in senior claims leadership roles at companies including Chubb Insurance, Allianz Insurance Group and General Electric Company, and began his career at Liberty Mutual.

Denise M. Lowsley, 54

Executive Vice President, Chief Human Resources Officer

Ms. Lowsley joined the Company as Executive Vice President and Chief Human Resources Officer in 2019. Prior to joining the Company, she spent the previous 10 years as Senior Vice President and Chief Human Resources Officer at The Navigators Group, Inc., a specialty property and casualty insurance holding company. Before joining Navigators, Ms. Lowsley was International Vice President, Compensation and Benefits at New York Life Insurance Company, and had spent the previous 10 years at Liberty Mutual Insurance Group, rising to the role of Global Human Resources Manager.

John C. Roche, 62

President and Chief Executive Officer

Mr. Roche became President and Chief Executive Officer in 2017. Prior to that he led the Company's personal and commercial lines businesses as Executive Vice President and President, Hanover Agency Markets. Since joining the Company in 2006, Mr. Roche has served in several senior leadership positions, including President, Business Insurance; Vice President, Field Operations, Marketing and Distribution; and Vice President, Commercial Lines Underwriting and Product Management. Prior to joining the Company, he served in senior roles at the St. Paul Travelers Companies. He began his career at Fireman's Fund and Atlantic Mutual, where he held a number of underwriting and management positions.

Bryan J. Salvatore, 61

Executive Vice President; President, Specialty

Mr. Salvatore joined the Company in 2017 as Executive Vice President and President, Specialty. Prior to joining the Company, he spent 20 years with Zurich North America in a number of leadership roles, most recently serving as President of the company's specialty products business since 2012. Prior to joining Zurich in 1997, Mr. Salvatore was a Director in the programs division of Frank Crystal & Co., Inc., a leading brokerage firm.

Pursuant to section 4.4 of the Company's by-laws, each officer shall hold office until the first meeting of the Board of Directors following the next annual meeting of the shareholders and until his or her respective successor is chosen and qualified unless a shorter period shall have been specified by the terms of his or her election or appointment, or in each case until such officer sooner dies, resigns, is removed or becomes disqualified.

ANNUAL MEETING OF SHAREHOLDERS

The 2026 Annual Meeting of Shareholders has been scheduled for May 12, 2026. The record date for determining the shareholders of the Company entitled to notice of and to vote at such Annual Meeting is March 19, 2026.

CODE OF CONDUCT

Our Code of Conduct is available, free of charge, on our website at www.hanover.com under "About The Hanover – Our governance – Company policies". The Code of Conduct applies to our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and Corporate Controller. In addition, we expect our agents, contractors and others with whom we do business to act in accordance with our Code of Conduct. We will disclose any future amendments to the Code of Conduct (other than technical, administrative or non-substantive amendments) within four business days following the date of such amendment. While we do not expect to grant waivers to our Code of Conduct, any such waivers to our Chief Executive Officer, Chief Financial Officer or Corporate Controller will be posted on our website at www.hanover.com, as required by applicable law or New York Stock Exchange requirements. A printed copy of the Code of Conduct will be provided, free of charge, by contacting the Company's Corporate Secretary at the Company's headquarters, 440 Lincoln Street, Worcester, MA 01653.

INSIDER TRADING POLICIES AND PROCEDURES

We have an insider trading policy which governs the purchase, sale and/or other dispositions of our securities by the Company and our directors, executive officers and employees, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our Insider Trading Policy and Addendum to Insider Trading Policy are filed as Exhibit 19.1 and Exhibit 19.2, respectively, to this Annual Report on Form 10-K.

ITEM 11–EXECUTIVE COMPENSATION

Incorporated herein by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held May 12, 2026, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934.

ITEM 12–SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2025 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights [1]	Weighted average exercise price of outstanding options, warrants and rights [1]	Number of securities remaining available for future issuance under equity compensation plans [2]
Equity compensation plans approved by security holders	1,726,263	$ 126.02	2,995,382
Equity compensation plans not approved by security holders	—	—	—
Total	1,726,263	$ 126.02	2,995,382

(1) Includes 631,801 shares of common stock which may be issued upon vesting of outstanding restricted stock units, performance-based restricted stock units, and market-based restricted stock units (assuming the maximum award amount) of which, 24,432 represent dividend equivalent shares associated with the 2025, 2024 and 2023 awards. The weighted average exercise price does not take these awards into account.

(2) On May 10, 2022 the shareholders approved The Hanover Insurance Group 2022 Long-Term Incentive Plan (the "2022 Stock Plan"). With respect to new share-based issuances, the 2022 Stock Plan replaced The Hanover Insurance Group, Inc. 2014 Long-Term Incentive Plan (the "2014 Stock Plan") and provided authorization for 3,380,000 shares in a new share pool plus any shares subject to outstanding awards under the 2014 Stock Plan that may become available for reissuance as a result of the cash settlement, forfeiture, expiration or cancellation of such awards. In accordance with the 2022 Stock Plan, the issuance of one share of common stock in the form of an option or Stock Appreciation Right will reduce the share pool by one share, whereas the issuance of one share of common stock for the other types of stock awards provided by the Plan will reduce the pool by 3.2 shares. On May 9, 2023, shareholders approved The Hanover Insurance Group 2023 Employee Stock Purchase Plan authorizing the issuance of 1,250,000 shares under such plan.

Additional information related to Security Ownership of Certain Beneficial Owners and Management is incorporated herein by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held May 12, 2026, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934.

ITEM 13–CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated herein by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held May 12, 2026, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934.

ITEM 14–PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated herein by reference from the Proxy Statement for the Annual Meeting of Shareholders to be held May 12, 2026, to be filed pursuant to Regulation 14A under the Securities Exchange Act of 1934.

PART IV

ITEM 15–EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(A)(1) FINANCIAL STATEMENTS

The consolidated financial statements and accompanying notes thereto are included on pages 65 to 114 of this Form 10-K.

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Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	65
Consolidated Statements of Income for the years ended December 31, 2025, 2024 and 2023	67
Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023	68
Consolidated Balance Sheets as of December 31, 2025 and 2024	69
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025, 2024 and 2023	70
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023	71
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(A)(2) FINANCIAL STATEMENTS SCHEDULES

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I	Summary of Investments - Other than Investments in Related Parties as of December 31, 2025	125
II	Condensed Financial Information of Registrant as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023	126
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VI	Supplemental Information Concerning Property and Casualty Insurance Operations as of December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023	132

(A)(3) EXHIBIT INDEX

2.1 Agreement for the Sale and Purchase of Shares in the Capital of The Hanover Insurance International Holdings Limited, Chaucer Insurance Company Designated Activity Company and Hanover Australia HoldCo Pty Ltd., dated September 13, 2018, by and between the Registrant and China Reinsurance (Group) Corporation (the schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K), previously filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on September 13, 2018 and incorporated herein by reference.

2.2 Supplemental Agreement by and between the Registrant and China Reinsurance (Group) Corporation, dated December 28, 2018 relating to the Agreement for the Sale and Purchase of Shares in the Capital of The Hanover Insurance International Holdings Limited, Chaucer Insurance Company Designated Activity Company and Hanover Australia HoldCo Pty Ltd., dated September 13, 2018, by and between the Registrant and China Reinsurance (Group) Corporation, previously filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on January 3, 2019 and incorporated herein by reference.

2.3 Second Supplemental Agreement by and between the Registrant and China Reinsurance (Group) Corporation, dated March 27, 2019 relating to the Agreement for the Sale and Purchase of Shares in the Capital of The Hanover Insurance International Holdings Limited, Chaucer Insurance Company Designated Activity Company and Hanover Australia HoldCo Pty Ltd., dated September 13, 2018, by and between the Registrant and China Reinsurance (Group) Corporation, previously filed as Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 2, 2019 and incorporated herein by reference.

3.1 Amended and Restated Certificate of Incorporation of the Registrant, previously filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 16, 2024 and incorporated herein by reference.

3.2 Amended and Restated By-Laws of the Registrant, previously filed as Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 1, 2024 and incorporated herein by reference.

4.1 Specimen Certificate of the Registrant's Common Stock, previously filed as Exhibit 4 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 16, 2006 and incorporated herein by reference.

4.2 Form of Indenture relating to the Debentures between the Registrant, as issuer, and State Street Bank & Trust Company, as trustee, previously filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 33-96764) filed with the Commission on September 11, 1995 and incorporated herein by reference. (P)

4.3 Form of Global Debenture relating to the Registrant's 7 5/8% Senior Debentures due 2025, previously filed as Exhibit 4.2 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 16, 2006 and incorporated herein by reference.

4.4 Indenture, dated February 3, 1997, relating to the Registrant's Junior Subordinated Debentures, previously filed as Exhibit 3 to the Registrant's Current Report on Form 8-K filed with the Commission on February 5, 1997 and incorporated herein by reference.

4.5 First Supplemental Indenture, dated July 30, 2009, amending the indenture dated February 3, 1997 relating to the Junior Subordinated Debentures of the Registrant, previously filed as Exhibit 4.5 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 1, 2010 and incorporated herein by reference.

4.6 Form of Global Security representing $300,000,000 principal amount of Junior Subordinated Debentures of the Registrant, previously filed as Exhibit 4.6 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 1, 2010 and incorporated herein by reference.

4.7 Base Indenture, dated as of April 8, 2016, between the Registrant, as issuer, and U.S. Bank National Association, as trustee, previously filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Commission on April 8, 2016 and incorporated herein by reference.

4.8 First Supplemental Indenture (to the Base Indenture dated as of April 8, 2016), as of April 8, 2016, between the Registrant, as issuer, and U.S. Bank National Association, as trustee, previously filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Commission on April 8, 2016 and incorporated herein by reference.

4.9 Form of Security Certificate representing the 4.5% Notes due 2026, previously filed as Exhibit 4.3 (and included in Exhibit 4.2) to the Registrant's Current Report on Form 8-K filed with the Commission on April 8, 2016 and incorporated herein by reference.

4.10	Second Supplemental Indenture (to the Base Indenture dated as of April 8, 2016) dated as of August 24, 2020 between the Registrant, as issuer, and U.S. Bank National Association, as trustee, previously filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Commission on August 24, 2020 and incorporated herein by reference.
4.11	Form of Security Certificate representing the 2.5% Notes due 2030, previously filed as Exhibit 4.3 (and included in Exhibit 4.2) to the Registrant's Current Report on Form 8-K filed with the Commission on August 24, 2020 and incorporated herein by reference.
4.12	Third Supplemental Indenture (to the Base Indenture dates as of April 8, 2016) dated as of August 21, 2025, between the Registrant, as issuer, and U.S. Bank Trust Company National Association, as successor in interest to U.S. Bank National Association, as trustee, previously filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Commission on August 21, 2025 and incorporated herein by reference.
4.13	Form of Security Certificate representing the 5.5% Notes due 2035, previously filed as Exhibit 4.3 (and included in Exhibit 4.2) to the Registrant's Current Report on Form 8-K filed with the Commission on August 21, 2025 and incorporated herein by reference.
4.14	Description of Registrant's Securities.
+10.1	State Mutual Life Assurance Company of America Excess Benefit Retirement Plan, previously filed as Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (No. 33-91766) filed with the Commission on May 1, 1995 and incorporated herein by reference. (P)
+10.2	The Hanover Insurance Group Cash Balance Pension Plan, as amended.
+10.3	The Hanover Insurance Group Retirement Savings Plan, as amended.
+10.4	The Hanover Insurance Group, Inc. Amended and Restated Non-Qualified Retirement Savings Plan, previously filed as Exhibit 10.30 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 24, 2011 and incorporated herein by reference.
+10.5	The Hanover Insurance Group 2014 Long-Term Incentive Plan, previously filed as Annex I to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on April 3, 2014 and incorporated herein by reference.
+10.6	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2014 Long-Term Incentive Plan, previously filed as Exhibit 10.19 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 25, 2016 and incorporated herein by reference.
+10.7	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2014 Long-Term Incentive Plan, previously filed as Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 27, 2018 and incorporated herein by reference.
+10.8	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2014 Long-Term Incentive Plan for Chief Financial Officer, previously filed as Exhibit 10.17 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 27, 2018 and incorporated herein by reference.
+10.9	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2014 Long-Term Incentive Plan, previously filed as Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 24, 2020 and incorporated herein by reference.
+10.10	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2014 Long-Term Incentive Plan, previously filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 4, 2022 and incorporated herein by reference.
+10.11	The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Annex 1 to the Registrant's Proxy Statement filed with the Commission on March 25, 2022 and incorporated herein by reference.
+10.12	Form of Restricted Stock Unit Agreement under The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 3, 2022 and incorporated herein by reference.
+10.13	Form of Non-Qualified Stock Option Agreement under The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 3, 2023 and incorporated herein by reference.

+10.14	Form of Performance-Based Restricted Stock Unit Agreement under The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 3, 2023 and incorporated herein by reference.
+10.15	Form of Restricted Stock Unit Agreement under The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on May 3, 2023 and incorporated herein by reference.
+10.16	Form of Restricted Stock Unit Agreement for Non-Employee Directors under The Hanover Insurance Group 2022 Long-Term Incentive Plan, previously filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on October 30, 2025 and incorporated herein by reference.
+10.17	The Hanover Insurance Group, Inc. Amended and Restated Employment Continuity Plan, previously filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 11, 2008 and incorporated herein by reference.
+10.18	Form of Side Letter Agreement for New Participants in The Hanover Insurance Group, Inc. Amended and Restated Employment Continuity Plan waiving right to IRC §280G "Gross-Up" Payments, previously filed as Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 29, 2016 and incorporated herein by reference.
+10.19	Description of 2025 - 2026 Non-Employee Director Compensation, previously filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on July 31, 2025 and incorporated herein by reference.
+10.20	The Hanover Insurance Group, Inc. Amended and Restated Non-Employee Director Deferral Plan previously filed as Exhibit 10.31 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 22, 2024 and incorporated herein by reference.
+10.21	Offer Letter, dated September 21, 2016, by and between Jeffrey M. Farber and the Registrant, previously filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on September 23, 2016 and incorporated herein by reference.
+10.22	The Hanover Insurance Group 2023 Employee Stock Purchase Plan, previously filed as Annex I to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on March 24, 2023 and incorporated herein by reference.
+10.23	Form of Leadership Severance Arrangement, previously filed as Exhibit 10.40 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 27, 2018 and incorporated herein by reference.
+10.24	Offer Letter, dated December 2, 2019, by and between Dennis F. Kerrigan and the Registrant, previously filed as Exhibit 10.29 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 24, 2021 and incorporated herein by reference.
10.25	Form of Accident and Health Coinsurance Agreement between The Hanover Insurance Company, as Reinsurer, and First Allmerica Financial Life Insurance Company (the schedules and certain exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K), previously filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on August 4, 2008 and incorporated herein by reference.
10.26	Credit Agreement, dated as of July 21, 2023, by and among the Hanover Insurance Group, Inc., JPMorgan Chase Bank, as administrative agent, and the lenders party thereto, previously filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on July 21, 2023, and incorporated herein by reference.
19.1	The Hanover Insurance Group, Inc. Insider Trading Policy, previously filed as Exhibit 19.1 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 24, 2025 and incorporated herein by reference.
19.2	The Hanover Insurance Group, Inc. Addendum to Insider Trading Policy, previously filed as Exhibit 19.2 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 24, 2025 and incorporated herein by reference.
21	Subsidiaries of THG.
23	Consent of Independent Registered Public Accounting Firm.
24	Power of Attorney.
31.1	Certification of the Chief Executive Officer, pursuant to 15 U.S.C. 78m. 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.

31.2	Certification of the Chief Financial Officer, pursuant to 15 U.S.C. 78m, 78o(d), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
97.1	The Hanover Insurance Group, Inc. Policy for Recoupment of Incentive Compensation previously filed as Exhibit 97.1 to the Registrant's Annual Report on Form 10-K filed with the Commission on February 22, 2024 and incorporated herein by reference.
99.1	Internal Revenue Service Ruling dated April 15, 1995 previously filed as Exhibit 99.1 to the Registrant's Registration Statement on Form S-1 (No. 33-91766) filed with the Commission on May 1, 1995 and incorporated herein by reference. (P)
101	The following materials from The Hanover Insurance Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 formatted in Inline eXtensible Business Reporting Language ("iXBRL"): (i) Consolidated Statements of Income for the years ended December 31, 2025, 2024 and 2023; (ii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023; (iii) Consolidated Balance Sheets at December 31, 2025 and 2024; (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2025, 2024 and 2023; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023; (vi) related notes to these consolidated financial statements; and (vii) Financial Statement Schedules.
104	The cover page from The Hanover Insurance Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025, formatted in iXBRL (embedded within EX-101).

+ Management contract or compensatory plan or arrangement.

(P) Paper exhibits.

ITEM 16 – FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

THE HANOVER INSURANCE GROUP, INC.
Registrant

Date: February 20, 2026

By: **/S/ JOHN C. ROCHE**
John C. Roche,
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 20, 2026	By:	**/S/ JOHN C. ROCHE** **John C. Roche,** **President, Chief Executive Officer and Director**
Date: February 20, 2026	By:	**/S/ JEFFREY M. FARBER** **Jeffrey M. Farber,** **Executive Vice President, Chief Financial Officer and Principal Accounting Officer**
Date: February 20, 2026	By:	* **Francisco A. Aristeguieta,** **Director**
Date: February 20, 2026	By:	* **Kevin J. Bradicich,** **Director**
Date: February 20, 2026	By:	* **Theodore H. Bunting, Jr.,** **Director**
Date: February 20, 2026	By:	* **Jane D. Carlin,** **Director**
Date: February 20, 2026	By:	* **J. Paul Condrin III,** **Director**
Date: February 20, 2026	By:	* **William E. Donnell** **Director**
Date: February 20, 2026	By:	* **Cynthia L. Egan,** **Chair of the Board**
Date: February 20, 2026	By:	* **Kathleen S. Lane,** **Director**
Date: February 20, 2026	By:	* **Joseph R. Ramrath,** **Director**
Date: February 20, 2026	By:	* **Elizabeth A. Ward,** **Director**
Date: February 20, 2026	*By:	**/S/ JEFFREY M. FARBER** **Jeffrey M. Farber,** **Attorney-in-fact**

SCHEDULE I

THE HANOVER INSURANCE GROUP, INC.

SUMMARY OF INVESTMENTS – OTHER THAN INVESTMENTS IN RELATED PARTIES

DECEMBER 31, 2025
(in millions)

Type of investment	Cost [1]	Fair Value	Amount at which shown in the balance sheet [2]
Fixed maturities:			
Bonds:			
U.S. Government and government agencies and authorities	$ 2,500.7	$ 2,410.8	$ 2,410.8
States, municipalities and political subdivisions	910.8	847.7	847.7
Foreign governments	2.5	2.7	2.7
Public utilities	353.5	355.5	355.5
All other corporate bonds	5,916.6	5,918.0	5,918.0
Total fixed maturities	9,684.1	9,534.7	9,534.7
Equity securities:			
Common stocks:			
Public utilities	10.2	26.3	26.3
Banks, trusts and insurance companies	1.6	3.0	3.0
Industrial, miscellaneous and all other	53.5	136.5	136.5
Nonredeemable preferred stock	12.4	19.0	19.0
Total equity securities	77.7	184.8	184.8
Mortgage loans on real estate	255.1	238.7	247.0
Other long-term investments	386.1	414.4	414.4
Short-term investments	1.8	1.8	1.8
Total investments	$ 10,404.8	$ 10,374.4	$ 10,382.7

(1) Original cost of equity securities and, as to fixed maturities, original cost reduced by repayments and adjusted for amortization of premiums and accretion of discounts.

(2) Mortgage loans on real estate are shown on the balance sheet at unpaid principal balances adjusted for deferred fees or expenses, net of an allowance for credit losses.

SCHEDULE II

THE HANOVER INSURANCE GROUP, INC.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

PARENT COMPANY ONLY

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Revenues			
Net investment income	**$ 21.2**	$ 10.5	$ 11.5
Net realized losses from sales and other	**(0.2)**	(4.6)	(1.1)
Other income	**—**	—	0.5
Total revenues	**21.0**	5.9	10.9
Expenses			
Interest expense	**43.1**	34.1	34.1
Employee benefit related expenses	**3.9**	3.4	3.9
Interest expense on loan from subsidiary	**7.0**	7.1	7.0
Other operating expenses	**9.9**	6.5	4.8
Total expenses	**63.9**	51.1	49.8
Net loss before income taxes and equity in income of subsidiaries	**(42.9)**	(45.2)	(38.9)
Income tax benefit	**13.1**	12.6	10.8
Equity in income of subsidiaries	**692.0**	457.9	62.2
Income from continuing operations	**662.2**	425.3	34.1
Income from discontinued Chaucer business (net of income tax expense of $0.1, $0.2 and $0.3)	**0.3**	0.7	1.2
Net income	**662.5**	426.0	35.3
Other comprehensive income, net of tax	**284.9**	60.9	184.3
Comprehensive income	**$ 947.4**	$ 486.9	$ 219.6

The condensed financial information should be read in conjunction with the consolidated financial statements and notes thereto.

SCHEDULE II (CONTINUED)

THE HANOVER INSURANCE GROUP, INC.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

PARENT COMPANY ONLY

BALANCE SHEETS

DECEMBER 31 *(in millions, except per share data)*	2025	2024
Assets		
Fixed maturities - at fair value (amortized cost of $332.7 and $231.1)	**$ 332.0**	$ 227.2
Equity securities - at fair value	**2.9**	2.8
Cash and cash equivalents	**449.0**	57.4
Investments in subsidiaries	**4,130.2**	3,451.3
Net receivable from subsidiaries	**24.6**	25.2
Current income tax receivable	**2.0**	4.7
Other assets	**5.9**	3.3
Total assets	**$ 4,946.6**	$ 3,771.9
Liabilities		
Expenses and state taxes payable	**$ 12.6**	$ 10.7
Interest payable	**19.2**	10.3
Short-term debt	**375.0**	61.8
Long-term debt	**968.3**	847.3
Total liabilities	**1,375.1**	930.1
Shareholders' Equity		
Preferred stock, par value $0.01 per share; 20.0 million shares authorized; none issued	**—**	—
Common stock, par value $0.01 per share; 300.0 million shares authorized; 60.5 million shares issued	**0.6**	0.6
Additional paid-in capital	**2,013.5**	1,973.6
Accumulated other comprehensive loss	**(171.4)**	(456.3)
Retained earnings	**3,741.6**	3,209.6
Treasury stock at cost (25.1 and 24.6 million shares)	**(2,012.8)**	(1,885.7)
Total shareholders'equity	**3,571.5**	2,841.8
Total liabilities and shareholders' equity	**$ 4,946.6**	$ 3,771.9

The condensed financial information should be read in conjunction with the consolidated financial statements and notes thereto.

SCHEDULE II (CONTINUED)

THE HANOVER INSURANCE GROUP, INC.

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

PARENT COMPANY ONLY

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31 *(in millions)*	2025	2024	2023
Cash flows from operating activities			
Net income	**$ 662.5**	$ 426.0	$ 35.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Net realized investment losses	**0.2**	4.6	1.1
Equity in net income of subsidiaries	**(692.0)**	(457.9)	(62.2)
Dividends received from subsidiaries, net of capital contributed	**1.3**	75.5	0.7
Deferred income tax benefit	**(1.3)**	(1.9)	(0.4)
Change in expenses and taxes payable	**11.6**	(1.9)	(5.6)
Change in net receivable from subsidiaries	**26.5**	23.2	24.1
Other, net	**2.4**	1.0	1.4
Net cash provided by (used in) operating activities	**11.2**	68.6	(5.6)
Cash flows from investing activities			
Proceeds from disposals and maturities of fixed maturities	**237.5**	187.8	111.4
Proceeds from disposals of equity securities	**0.2**	0.2	—
Purchase of fixed maturities	**(46.1)**	(103.4)	—
Net cash provided by investing activities	**191.6**	84.6	111.4
Cash flows from financing activities			
Proceeds from exercise of employee stock options	**15.4**	16.7	6.5
Proceeds from issuance of debt, net	**495.0**	—	—
Dividends paid to shareholders	**(130.6)**	(124.1)	(117.2)
Repayment of debt	**(61.8)**	—	—
Repurchases of common stock	**(129.2)**	(26.7)	—
Net cash provided by (used in) financing activities	**188.8**	(134.1)	(110.7)
Net change in cash and cash equivalents	**391.6**	19.1	(4.9)
Cash and cash equivalents, beginning of year	**57.4**	38.3	43.2
Cash and cash equivalents, end of year	**$ 449.0**	$ 57.4	$ 38.3

Included in other operating cash flows was the cash portion of dividends received from unconsolidated subsidiaries. Additionally, investment assets of $292.7 million, $25.8 million and $98.6 million were transferred to the parent company in 2025, 2024 and 2023, respectively, to settle dividend obligations and other intercompany borrowings and balances.

The condensed financial information should be read in conjunction with the consolidated financial statements and notes thereto.

SCHEDULE III

THE HANOVER INSURANCE GROUP, INC.

SUPPLEMENTARY INSURANCE INFORMATION

DECEMBER 31, 2025

(in millions)

Segments	Deferred acquisition costs	Future policy benefits, losses, claims and loss expenses	Unearned premiums	Other policy claims and benefits payable	Premium revenue	Net investment income (1)	Benefits, claims, losses and settlement expenses	Amortization of deferred acquisition costs	Other operating expenses (2)	Premiums written
Core Commercial	$ 234.6	$ 3,853.1	$ 1,187.9	$ 8.3	$ 2,211.0	$ 202.5	$ 1,411.9	$ 481.2	$ 274.7	$ 2,273.7
Specialty	227.0	1,725.7	850.8	7.1	1,398.3	102.6	676.9	367.2	165.5	1,441.5
Personal Lines	241.4	2,131.4	1,401.7	—	2,551.8	128.5	1,639.8	436.8	238.6	2,606.9
Other	—	29.6	—	—	—	20.8	0.7	—	14.1	—
Interest on Debt	—	—	—	—	—	—	—	—	43.2	—
Eliminations	—	—	—	—	—	—	—	—	—	—
Total	$ 703.0	$ 7,739.8	$ 3,440.4	$ 15.4	$ 6,161.1	$ 454.4	$ 3,729.3	$ 1,285.2	$ 736.1	$ 6,322.1

DECEMBER 31, 2024

(in millions)

Segments	Deferred acquisition costs	Future policy benefits, losses, claims and loss expenses	Unearned premiums	Other policy claims and benefits payable	Premium revenue	Net investment income (1)	Benefits, claims, losses and settlement expenses	Amortization of deferred acquisition costs	Other operating expenses (2)	Premiums written
Core Commercial	$ 230.8	$ 3,606.3	$ 1,121.4	$ 7.4	$ 2,148.8	$ 170.4	$ 1,302.1	$ 462.6	$ 277.9	$ 2,195.5
Specialty	209.2	1,669.1	800.4	6.7	1,322.0	84.5	646.7	347.4	160.6	1,373.9
Personal Lines	222.8	2,108.8	1,361.5	—	2,441.8	106.7	1,807.2	411.7	234.0	2,514.2
Other	—	62.9	—	—	—	11.0	1.4	—	17.5	—
Interest on Debt	—	—	—	—	—	—	—	—	34.1	—
Eliminations	—	—	—	—	—	—	—	—	(3.6)	—
Total	$ 662.8	$ 7,447.1	$ 3,283.3	$ 14.1	$ 5,912.6	$ 372.6	$ 3,757.4	$ 1,221.7	$ 720.5	$ 6,083.6

DECEMBER 31, 2023

(in millions)

Segments	Deferred acquisition costs	Future policy benefits, losses, claims and loss expenses	Unearned premiums	Other policy claims and benefits payable	Premium revenue	Net investment income (1)	Benefits, claims, losses and settlement expenses	Amortization of deferred acquisition costs	Other operating expenses (2)	Premiums written
Core Commercial	$ 223.0	$ 3,461.5	$ 1,066.8	$ 6.9	$ 2,060.3	$ 151.8	$ 1,354.9	$ 443.8	$ 250.9	$ 2,107.0
Specialty	193.6	1,619.6	755.1	5.9	1,274.2	71.1	645.5	329.5	133.2	1,293.3
Personal Lines	204.2	2,148.8	1,280.6	—	2,328.6	96.8	2,131.9	402.7	211.6	2,409.9
Other	—	65.4	—	—	—	12.4	2.3	—	20.1	—
Interest on Debt	—	—	—	—	—	—	—	—	34.1	—
Eliminations	—	—	—	—	—	—	—	—	(8.1)	—
Total	$ 620.8	$ 7,295.3	$ 3,102.5	$ 12.8	$ 5,663.1	$ 332.1	$ 4,134.6	$ 1,176.0	$ 641.8	$ 5,810.2

(1) The Company manages investment assets for its Core Commercial, Specialty, Personal Lines and Other segments on a combined basis, based on the requirements of its combined insurance companies. Net investment income is allocated to these segments based on actuarial information related to the underlying businesses.

(2) For other operating expenses that are not directly attributable to a single segment, expenses are allocated using a consistent and reasonable approach, generally based on net premiums earned.

SCHEDULE IV

THE HANOVER INSURANCE GROUP, INC.

REINSURANCE

Incorporated herein by reference to Note 13 – “Reinsurance” in the Notes to Consolidated Financial Statements.

SCHEDULE V

THE HANOVER INSURANCE GROUP, INC.

VALUATION AND QUALIFYING ACCOUNTS

DECEMBER 31

(in millions) Description	*Balance at beginning of period*	*Additions (Charged to costs and expenses)*	*Deductions*	*Balance at end of period*
2025				
Allowance for doubtful accounts	**$ 6.4**	**$ 15.9**	**$ (15.5)**	**$ 6.8**
Allowance for uncollectible reinsurance recoverables	**6.5**	**0.6**	**(0.3)**	**6.8**
	$ 12.9	**$ 16.5**	**$ (15.8)**	**$ 13.6**
2024				
Allowance for doubtful accounts	$ 5.1	$ 15.9	$ (14.6)	$ 6.4
Allowance for uncollectible reinsurance recoverables	6.9	—	(0.4)	6.5
	$ 12.0	$ 15.9	$ (15.0)	$ 12.9
2023				
Allowance for doubtful accounts	$ 6.2	$ 13.1	$ (14.2)	$ 5.1
Allowance for uncollectible reinsurance recoverables	7.9	—	(1.0)	6.9
	$ 14.1	$ 13.1	$ (15.2)	$ 12.0

SCHEDULE VI

THE HANOVER INSURANCE GROUP, INC.

SUPPLEMENTAL INFORMATION CONCERNING PROPERTY AND CASUALTY INSURANCE OPERATIONS

YEARS ENDED DECEMBER 31
(in millions)

Affiliation with Registrant	*Deferred acquisition costs*	*Reserves for unpaid claims and claim adjustment expenses* [1]	*Discount, if any, deducted from previous column* [2]	*Unearned premiums* [1]
Consolidated Property and Casualty Subsidiaries				
2025	**$ 703.0**	**$ 7,755.2**	**$ —**	**$ 3,440.4**
2024	$ 662.8	$ 7,461.2	$ —	$ 3,283.3

	Earned premiums	*Net investment income*	*Claims and claim adjustment expenses incurred related to*		*Amortization of deferred acquisition costs*	*Paid claims and claim adjustment expenses*	*Premiums written*
			Current year	*Prior years*			
2025	**$ 6,161.1**	**$ 454.4**	**$ 3,825.7**	**$ (96.4)**	**$ 1,285.2**	**$ 3,455.8**	**$ 6,322.1**
2024	$ 5,912.6	$ 372.6	$ 3,866.8	$ (109.4)	$ 1,221.7	$ 3,639.1	$ 6,083.6
2023	$ 5,663.1	$ 332.1	$ 4,150.5	$ (15.9)	$ 1,176.0	$ 3,885.5	$ 5,810.2

(1) Reserves for unpaid claims and claim adjustment expenses are shown gross of $1,850.3 million and $1,829.8 million of reinsurance recoverable on unpaid losses in 2025 and 2024, respectively. Unearned premiums are shown gross of prepaid premiums of $98.1 million and $90.5 million in 2025 and 2024, respectively. Reserves for unpaid claims and claim adjustment expenses also include policyholder dividends.

(2) The Company does not use discounting techniques.

Exhibit 4.14

DESCRIPTION OF SECURITIES
REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The only class of securities registered by The Hanover Insurance Group, Inc. under Section 12 of the Securities Exchange Act of 1934, as amended, is our common stock, par value $0.01 per share (our "Common Stock"). In this "Description of Securities," unless otherwise indicated, "we," "us," "our," "the Company" and similar words refer to The Hanover Insurance Group, Inc. and not any of its subsidiaries.

DESCRIPTION OF COMMON STOCK

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation (our "Certificate of Incorporation") and our Amended and Restated By-laws (our "By-laws"), each of which have been filed with the Securities and Exchange Commission as exhibits to this Annual Report on Form 10-K.

General

We are authorized to issue up to 300,000,000 shares of Common Stock, par value $0.01 per share. The outstanding shares of Common Stock are validly issued, fully paid and nonassessable. Our Common Stock is listed for quotation on the New York Stock Exchange under the symbol "THG."

Dividends

The holders of our Common Stock are entitled to receive proportionally any dividends declared by our board of directors, subject to any preferential dividend rights of any outstanding preferred stock.

Voting Rights

The holders of our Common Stock are entitled to one vote for each share held on all matters properly submitted to a vote of the stockholders. The holders of our Common Stock do not have any cumulative voting rights.

Liquidation/Dissolution Rights

In the event of a liquidation, dissolution or winding up, holders of our Common Stock are entitled to share ratably in all of our assets remaining after the payment of all debts and other liabilities, subject to the prior distribution rights of any outstanding preferred stock that may be issued in the future.

Other Rights

The holders of our Common Stock have no preemptive, subscription, redemption, sinking fund or conversion rights. All shares of Common Stock have equal rights and preferences. The rights,

preferences and privileges of the holders of our Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any class or series of our preferred stock that we may designate and issue in the future.

Transfer Agent

The transfer agent and registrar for our Common Stock is Computershare Limited.

Provisions of Our Certificate of Incorporation and By-laws and Delaware Law That May Have Anti-Takeover Effects

Certain provisions of our Certificate of Incorporation and By-laws may be deemed to have an anti-takeover effect and may prevent, delay, or defer a tender offer or takeover attempt that a stockholder may deem in his, her, or its best interest. The existence of these provisions also could limit the price that investors might be willing to pay for our securities. Such provisions include:

Staggered Board, Removal of Directors, and Charter Amendments relating to the Board

Our Certificate of Incorporation and By-laws provide for the division of our board of directors into three classes, with each class being as nearly equal in number as possible, until our annual meeting of stockholders to be held in 2027. The term of office of the class of directors elected at our annual meeting of stockholders held in 2024 shall expire at our 2027 annual meeting of stockholders; the term of office of the class of directors elected at our annual meeting of stockholders held in 2025 shall expire at our 2026 annual meeting of stockholders; and the term of office of the class of directors elected at our annual meeting of stockholders held in 2026 shall expire at our 2027 annual meeting of stockholders. Subject to the rights of the holders of shares of any class or series of preferred stock, at each annual meeting of stockholders, commencing with our 2027 annual meeting of stockholders, directors shall be elected for a term of office to expire at our annual meeting of stockholders held in the year following the year of their election, with each director to hold office until his or her successor shall have been duly elected and qualified, or, if earlier, such director's death, resignation or removal from office. Our Certificate of Incorporation provides that any amendments to the Certificate of Incorporation relating to certain actions, including amendments thereto, with respect to the By-laws, actions by directors and classes may only be made by the affirmative vote of the holders of at least two-thirds of the shares of capital stock issued and outstanding and entitled to vote. These provisions may have the effect of making it more difficult for a third party to acquire control of us, or of discouraging a third party from attempting to acquire control of us.

Authorized but Unissued Shares

The authorized but unissued shares of Common Stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the New York Stock Exchange. These additional shares may be utilized for a variety of corporate purposes. In particular, our board of directors could issue shares of preferred stock that could, depending on the terms of the series, impede the completion of a takeover effort. Our board of directors may determine that the issuance of such shares of preferred stock is in our, and our stockholders', best interest. Such issuance could discourage a potential acquirer from making an unsolicited acquisition attempt through which such acquirer may be able to change the composition of the

board, including a tender offer or other transaction a majority of our stockholders might believe to be in their best interest or in which stockholders might receive a substantial premium for their stock over the then-current market price.

Advance Notice Requirements for Director Nominations

Our By-laws provide that any stockholder entitled to vote for the election of directors at a meeting may nominate persons for election as directors by giving timely notice thereof in proper written form to the secretary. To be timely, a stockholder nominating individuals for election to the board of directors must provide advanced notice to us not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders, unless such meeting occurs less than 30 days after notice or public disclosure of the date of the meeting is given or made, in which case notice will be timely if received by us not later than the close of business on the tenth day after the day on which notice or public announcement of the date of such meeting was made.

Limits on Ability of Stockholders to Act by Written Consent

Our Certificate of Incorporation provides that our stockholders may not act by written consent. In addition, our By-laws require that special meetings of stockholders be called only by our board of directors, our chair of the board, if any, our president, or, upon application of a majority of our directors or by the holders of at least 25% of the shares of our capital stock entitled to vote on matters to be considered at the meeting, our secretary (or, in the absence or upon the refusal of the secretary, by an assistant secretary or other officer). Further, business transacted at any special meeting of stockholders is limited to matters relating to the purpose or purposes stated in the notice of meeting. This limit on the ability of our stockholders to act by written consent or to call a special meeting may lengthen the amount of time required to take stockholder proposed actions.

Section 203 of the General Corporation Law of the State of Delaware

We are subject to Section 203 of the Delaware General Corporation Law. This statute regulating corporate takeovers prohibits a Delaware corporation from engaging in any business combination with an interested stockholder for three years following the date that the stockholder became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (1) shares owned by persons who are directors and also officers, and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is any person who, together with such person's affiliates and associates (1) owns 15% or more of a corporation's voting securities or (2) is an affiliate or associate of a corporation and was the owner of 15% or more of the corporation's voting securities at any time within the three year period immediately preceding a business combination governed by Section 203. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve.

Exhibit 10.2

THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

PART I

(As amended and restated generally effective January 1, 2016)

THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

PART I

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ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN

1.01 General Statement. The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**") consists of three parts, Part I, Part II and Part III. Part I of the Plan provides a cash balance and pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan". Part II of the Plan provides a pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan". Part III of the Plan contains provisions applicable to each of Part I and Part II.

The provisions of Part III of the Plan shall override any provision of Part I and or Part II of the Plan as provided in Part III of the Plan.

The benefits payable to eligible Participants under Part I of the Plan are governed by the terms and conditions of Part I of the Plan and Part III of the Plan. The definitions of terms as used in this Part I of the Plan are as set forth in Article II, except as otherwise provided in this Article I.

1.02 Name of Plan. The prior version of this Part I of the Plan, known as The Allmerica Financial Cash Balance Pension Plan, generally effective January 1, 1997 ("**The Allmerica Cash Balance Plan**"), was an amendment and restatement of the State Mutual Companies' Pension Plan. It was adopted by First Allmerica Financial Life Insurance Company ("**First Allmerica**") and its affiliates, Citizens Insurance Company ("**Citizens**") and The Hanover Insurance Company ("**Hanover**"). Effective January 1, 1995, the State Mutual Companies Pension Plan added a cash balance benefit. Effective December 31, 1994, benefit accruals provided under the integrated unit credit benefit formula of the State Mutual Companies' Pension Plan were frozen for all Participants, except Participants eligible for certain continuing benefit accruals. Certain other accruals and benefits under this Part I of the Plan were subsequently frozen as provided in this Part I.

Prior versions of this Part I of the Plan were sponsored by First Allmerica, formerly known as State Mutual Life Assurance Company of America, from January 1, 1941 to December 31, 2007. Effective January 1, 2008, this Part I of the Plan was adopted by Hanover, an Affiliate of First Allmerica, as the sole Employer. Effective January 1, 1992, a prior version of this Part I of the Plan was merged with The Allmerica Financial Agents' Pension Plan (formerly known as the State Mutual Agents' Pension Plan) (the "**Agents' Pension Plan**").

Benefits payable under the Agents' Pension Plan are set forth in Part II of the Plan. Parts I and II of the Plan are permissively aggregated for purposes of the qualification and non-discrimination requirements applicable to the Plan under Code Sections 401 and 410.

1.03 Purpose. The Plan has been established for the exclusive benefit of Participants and their Beneficiaries and as far as possible shall be interpreted and administered in a manner consistent with this intent and consistent with the requirements of Code Section 401.

Subject to Article IV of Part III of the Plan and to Section 10.04 of Part III of the Plan, which relates to the return of Employer contributions under special circumstances, until such time as the Plan has been terminated and all Plan liabilities have been satisfied, under no circumstances shall any assets of the Plan, or any contributions made under the Plan, be used for, or diverted to, purposes other than for the exclusive benefit of the Participants and their Beneficiaries and to defray reasonable expenses incurred in the administration of the Plan.

1.04 Restated Plan Effective Date. The "**effective date**" of this amended and restated Part I of the Plan is January 1, 2016 (except for those provisions of this Part of the Plan which have an alternative effective date). Except to the extent otherwise specifically provided in this Part I of the Plan, (i) the provisions of this amended and restated Part I of the Plan shall apply to a Participant who is in the employ of the Employer on or after January 1, 2016. The rights and benefits of any Participant whose employment with the Employer terminated prior to January 1, 2016 shall be determined in accordance with the provisions of this Part I of the Plan as were in effect at the appropriate time or times prior to January 1, 2016; provided, however, that if the Accrued Benefit of any such Participant has not been completely distributed before January 1, 2016, then such Accrued Benefit shall be accounted for and distributed in accordance with the provisions of this version of Part I of the Plan, but only to the extent that any such provision is not inconsistent with Part III of the Plan and subject to the requirements of applicable law.

ARTICLE II

DEFINITIONS

All section and article references in this Part I are to section and article references in this Part I, except as otherwise expressly provided.

As used in Parts I, II and III of the Plan, the following words and phrases shall have the meanings set forth in this Part I, unless a different meaning is clearly required by the context or is otherwise provided in Part II and or Part III of the Plan.

2.01 "**Accrued Benefit**":

(a) means, except as provided in Section 2.01(b) below, the sum of (i) the monthly retirement benefit payable as a single life annuity to the Participant beginning on his or her Normal Retirement Date which is the Actuarial Equivalent of the Participant's Projected Account Balance, plus (ii) the Participant's Grandfathered Benefit, if any.

(b) means, with respect to the minimum benefit for Non-Key Employee Participants in a Top Heavy Plan, the sum of such benefits earned by the Participant, which benefits are payable at the Participant's Normal Retirement Date and are described in Section 2.03 of Part III of the Plan.

2.02 "**Actuarial Equivalent**" means a benefit having the same value as the benefit or benefits otherwise payable. Except as otherwise provided in this Section, the present value of any

benefit determined under the terms of the Part I of the Plan will be the actuarial equivalent of the no-death benefit life annuity retirement benefit specified in Section 6.01.

Actuarial Equivalent life annuity settlements of Participants' Projected Account Balances or of optional life annuity Top Heavy Plan benefits will be computed utilizing (i) the Code Section 417 Mortality Table for determining the amount payable to a Participant having an annuity starting date on or after January 1, 2004, and (ii) the Code Section 417 Interest Rate for determining the amount payable to a Participant having an annuity starting date that occurred from January 1, 2004 through December 31, 2007, and the Code Section 417 Applicable Interest Rate for determining the amount payable to a Participant having an annuity starting date on or after January 1, 2008.

Optional annuity settlements of Grandfathered Benefits and of the Actuarial Equivalent monthly life annuity derived from a Participant's Projected Account Balance will be computed utilizing the 1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum. Adjustment factors used to determine optional forms of Grandfathered Benefits and of the Actuarial Equivalent monthly life annuity derived from a Projected Account Balance are included in Exhibit A, attached hereto and made a part of Part I of the Plan.

Adjustment factors used to determine optional Grandfathered Benefits not illustrated and used to determine optional annuities for the Actuarial Equivalent monthly life annuity derived from a Projected Account Balance not included in the preceding paragraph, if any, will be computed on an actuarial basis consistent with that used in computing the factors shown in Exhibit A.

The present value (including, but not limited to, for purposes of Section 7.01(a)(i)(B), Section 7.01(a)(ii)(B), determining eligibility for cashout distributions under Sections 6.06 and 8.02 and determining the amount of any lump sum distribution of a Grandfathered Benefit or a benefit for Non-Key Employee Participants in a Top Heavy Plan) shall be determined on the basis of (i) the mortality rates specified above and an interest rate of 7% per annum, or (ii) the Code Section 417 Mortality Table and the Code Section 417 Interest Rate (or for determining the amount payable to a Participant having an annuity starting date on and after January 1, 2008, the Code Section 417 Applicable Interest Rate), whichever produces the greater benefit.

The preceding paragraphs shall not apply to the extent they would cause the Plan to fail to satisfy the requirements of Article IV of Part III of the Plan or Section 2.03 of Part III of the Plan.

For purposes of the Part I of the Plan,

(a) the "**Code Section 417 Mortality Table**" means the applicable mortality table prescribed by the Secretary of the Treasury pursuant to Code Section 417(e)(3), as in effect from time to time; provided, however, that notwithstanding the preceding provisions of this paragraph, for distributions commencing on or after December

31, 2002 and prior to January 1, 2008, the Code Section 417 Mortality Table means the Table set forth in Revenue Ruling 2001-62 and for purposes of determining the amount payable to a Participant with an annuity starting date on or after January 1, 2008, the Code Section 417 Mortality Table means the Table set forth in Revenue Ruling 2007-67 or such other Table as may be prescribed by the Secretary of the Treasury pursuant to Code Section 417(e)(3);

(b) for periods beginning on and after January 1, 2004, the "**Code Section 417 Interest Rate**" means, for the Plan Year which contains the annuity starting date for the distribution, the annual rate of interest on 30-year Treasury securities in effect for the second month immediately preceding the first day of the Plan Year (*e.g.*, November 2006 for the 2007 Plan Year); and

(c) for periods beginning on and after January 1, 2008, the "**Code Section 417 Applicable Interest Rate**" means, for the Plan Year which contains the annuity starting date for the distribution, the applicable interest rate described by Code Section 417(e) after its amendment by the Pension Protection Act of 2006, which rate more specifically shall be the adjusted first, second, and third segment rates applied under rules similar to the rules of Code Section 430(h)(2)(C) (without considering any adjustment under rules similar to the rules of Code Section 430(h)(2)(C)(iv)) for the lookback month used to determine the previously applicable interest rate on 30-year Treasury securities (*e.g.*, November 2009 for the 2010 Plan Year) or for such other time as the Secretary of the Treasury may by regulations prescribe.

(d) For purposes of determining the Code Section 417 Applicable Interest Rate, the first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code Section 430(h)(2)(C) (without considering any adjustment under Code Section 430(h)(2)(C)(iv)) if:

(i) Code Section 430(h)(2)(D) were applied by substituting the average yields for the month described in clause (ii) below for the average yields for the 24-month period described in such Code section, and

(ii) Code Section 430(h)(2)(G)(i)(II) were applied by substituting "Section 417(e)(3)(A)(ii)(II)" for "Section 412(b)(5)(B)(ii)(II)", and

(iii) The applicable percentage under Code Section 430(h)(2)(G) is treated as being 20% in 2008, 40% in 2009, 60% in 2010, and 80% in 2011.

2.03 (a) "**Affiliate**" means any incorporated Career Agent of an Employer and corporation affiliated with the Employer through the action of such corporation's board of directors and the Employer's Board of Directors.

(b) "**Affiliate**" also means:

(i) Any corporation or corporations which together with the Employer constitute a controlled group of corporations or an "affiliated service

group", as described in Code Sections 414 (b) and 414 (m), as now enacted or as later amended and in regulations promulgated thereunder; and

(ii) Any partnerships or proprietorships under the common control of the Employer.

2.04 "**Age**" means, except for purposes of determining lump sum cash distributions and optional life annuity benefits, the age of a person at his or her last birthday. Lump sum cash distributions and optional life annuity benefits will be determined on the basis of a person's age nearest birthday.

2.05 "**Allocation**" means an amount equal to the percentage of a Participant's Eligible Compensation specified below for each of the Plan Years commencing on or after January 1, 1995 and prior to January 1, 2005.

Plan Year	Percentage
1995	7%
1996	7%
1997	7%
1998	7%
1999	7%
2000	7%
2001	5%
2002	3%
2003	5%
2004	5.5%

An Employee will not receive more than one Allocation for any Plan Year with respect to the same Compensation.

2.06 "**Annuity Commencement Date**" means the date as of which a benefit commences under the Plan.

2.07 "**Beneficiary**" means the person, trust, organization or estate designated to receive Plan benefits payable on or after the death of a Participant.

2.08 "**Compensation**" means:

(a) For purposes of determining a Participant's Allocation specified in Section 4.02, the total wages or salary, overtime, bonuses, and any other taxable remuneration paid to an Employee by the Employer during the Plan Year, while the Employee is a Participant, as reported on the Participant's W-2 for the Plan Year; provided,

however, that Compensation for this purpose shall be determined without reduction for (i) any Code Section 401(k) salary reduction contributions contributed on the Participant's behalf for the Plan Year to any defined contribution plan sponsored by the Employer and (ii) the amount of any salary reduction contributions contributed on the Participant's behalf for the Plan Year to any Code Section 125 plan sponsored by the Employer.

Notwithstanding the above, Compensation for the above purpose shall not include:

(i) incentive compensation paid to Participants pursuant to the Employer's Executive Long Term Performance Unit Plan or pursuant to any similar or successor executive compensation plan;

(ii) Employer contributions to a deferred compensation plan or arrangement (other than salary reduction contributions to a Code Section 401(k) or Code Section 125 plan, as described above) either for the year of deferral or for the year included in the Participant's gross income;

(iii) any income which is received by or on behalf of a Participant in connection with the grant, receipt, settlement, exercise, lapse of risk of forfeiture or restriction on transferability, or disposition of any stock option, stock award, stock grant, stock appreciation right or similar right or award granted under any plan, now or hereafter in effect, of the Employer or any successor to the Employer, the Employer's parent, any such successor's parent, any subsidiaries or affiliates of the Employer, or any stock or securities underlying any such option, award, grant or right;

(iv) severance payments paid in a lump sum;

(v) Code Section 79 imputed income or long term disability and workers' compensation benefit payments;

(vi) taxable moving expense allowances or taxable tuition or other educational reimbursements;

(vii) for Plan Years commencing after December 31, 1998, compensation paid in the form of commissions;

(viii) non-cash taxable benefits provided to executives, including the taxable value of Employer-paid club memberships, chauffeur services and Employer-provided automobiles; and

(ix) other taxable amounts received other than cash compensation for services rendered, as determined by the Plan Administrator.

(b) For purposes of Section 2.03 of Part III of the Plan and for purposes of Article IV of Part III of the Plan, the term "**Compensation**" means a Participant's wages,

salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a non-accountable plan (as described in Section 1.62-2(c) of the Treasury Regulations), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;

(ii) amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by an Employee becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) other amounts which receive special tax benefits.

For Plan Years commencing after December 31, 1997, Compensation for purposes of the Part I of the Plan shall also include Employee elective deferrals under Code Section 402(g)(3), and amounts contributed or deferred by the Employer at the election of the Employee and not includible in the gross income of the Employee, by reason of Code Sections 125, 132(f)(4), 402(e)(3) and 402(h)(1)(B).

Additionally, amounts under Code Section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage (deemed Code Section 125 compensation). Such an amount will be treated as an amount under Code Section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(c) Notwithstanding Sections 2.08(a) and (b) above, for Plan Years beginning on or after January 1, 1994 and prior to January 1, 2002, the annual Compensation of each Participant taken into account for determining all benefits provided under Part I of the Plan for any determination period shall not exceed $150,000. This limitation shall be adjusted for inflation by the Secretary under Code Section 401(a)(17)(B) in multiples of $10,000 by applying an inflation adjustment factor and rounding the result down to the next multiple of $10,000 (increases of less

than $10,000 are disregarded). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined beginning in such calendar year.

If Compensation is being determined for a Plan Year that contains fewer than 12 calendar months, then the annual Compensation limit is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

If Compensation for any prior determination period is taken into account in determining a Participant's benefits for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. For this purpose, in determining benefits in Plan Years beginning on or after January 1, 1989, the annual Compensation limit in effect for determination periods beginning before that date is $200,000. In addition, in determining benefits in Plan Years beginning on or after January 1, 1994, the annual Compensation limit in effect for determination periods beginning before that date is $150,000.

(d) Notwithstanding the foregoing, the annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed $200,000. Annual compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Part I of the Plan (the "**determination period**"). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, the annual Compensation for any prior determination period shall be limited to $200,000.

The $200,000 limit on annual Compensation for determination periods beginning after December 31, 2001 shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

2.09 "**Credited Service**" means and includes all Hours of Service (except excluded Hours described in Sections 2.23(b), (c), (g) and (h)) completed with the Employer as an eligible Employee on and after the date an Employee becomes a Participant in Part I of the Plan.

For purposes of the Part I of the Plan, a Participant shall receive a Year of Credited Service for each Plan Year in which he or she completes at least 1,000 Hours of Credited Service; provided that for the Plan Year in which an Employee initially becomes a Participant in Part I of the Plan, such Participant shall receive a Year of Credited Service if he or she completes at least 1,000 Hours of Service in the Plan Year.

A Participant who is absent because of sickness or injury shall receive Credited Service for the period described in Sections 2.23(b) or (g). Except as provided in Section 6.05, if any such absence continues beyond such period, the Participant shall receive no further Credited Service.

Notwithstanding the rules for determining Credited Service described above:

(i) Eligible Re-employed Pensioners of First Allmerica, Citizens, Hanover and General Agents of First Allmerica (as each is described in Section 6.09) shall receive no further Credited Service for periods of re-employment following their retirement unless they complete at least 1,000 Hours of Service in a Plan Year.

(ii) If during a Plan Year a Participant is employed by the Employer as a member of an eligible class of Employees and is also employed by an Affiliate, employed as a member of an ineligible class of Employees, or employed as a Career Agent or General Agent of First Allmerica, he or she shall receive Credited Service under this Part I of the Plan only for Hours of Service completed while employed as a member of an eligible class of Employees.

(iii) For purposes only of determining eligibility for early retirement and eligibility for the Rule of 85 and Rule of 95 subsidized Early Retirement Benefits described in Section 6.02, but not for purposes of computing the amount of benefits payable, Credited Service shall include Hours of Service completed with Craftsman Insurance Company and the Hanover Life Insurance Company, both former affiliates of Hanover, and as a Career Agent or General Agent of First Allmerica.

2.10 "**Determination Date**" means the date as of which a Participant's Accrued Benefit is calculated.

2.11 "**Eligible Compensation**" means the Compensation taken into account for purposes of determining a Participant's Allocation for a Plan Year pursuant to Section 4.02. If a Participant is a Participant in Part I of the Plan on the first day of any Plan Year, such Participant's Eligible Compensation shall be his or her Compensation for such Plan Year paid while the Participant is employed as a member of an eligible class of Employees. If an Employee becomes a Participant in Part I of the Plan on any day after the first day of a Plan Year, such Participant's Eligible Compensation shall be his or her Compensation for such Plan Year paid on and after the date he or she becomes a Participant and while the Participant is employed as a member of an eligible class of Employees.

2.12 "**Eligibility Computation Period**" means a period of twelve consecutive months commencing on an Employee's Employment Commencement Date or, if an Employee does not complete at least 1,000 Hours of Service during such initial period, such Employee's Eligibility Computation Period means the Plan Year commencing with the first Plan Year following the Employee's Employment Commencement Date and, if necessary, each succeeding Plan Year.

2.13 "**Employee**" means any employee who is employed by the Employer.

2.14 "**Employer**" means The Hanover Insurance Company.

2.15 "**Employment Commencement Date**" means the date on which an Employee first performs an Hour of Service or, in the case of an Employee who has a One-Year Break in Service, the date on which he or she first performs an Hour of Service after such Break.

2.16 "**Fiduciary**" means any person who (i) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets; (ii) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so; or (iii) has any discretionary authority or discretionary responsibility in the administration of the Plan, including, but not limited to, the Plan Administrator.

2.17 "**First Allmerica**" means First Allmerica Financial Life Insurance Company.

2.18 "**Five Percent Owner**" means, in the case of a corporation, any person who owns (or is considered as owning within the meaning of Code Section 318) more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer. In the case of an Employer that is not a corporation; "**Five Percent Owner**" means any person who owns or under applicable regulations is considered as owning more than five percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers.

2.19 "**Former Participant**" means a person who had been an active Participant in Part I or Part II of the Plan (as applicable), but who has ceased to accrue further Credited Service for any reason.

2.20 "**Grandfathered Benefit**" means either the Basic Grandfathered Benefit or the Special Grandfathered Benefit, as defined below.

(a) "**Basic Grandfathered Benefit**" means the monthly retirement benefit payable as a single life annuity to an actively employed Participant on his or her Normal Retirement Date, calculated in accordance with the benefit formula set forth in Section 6.01 of Part I of the Plan, as in effect on December 31, 1994. Such benefit shall be calculated based on the Participant's Average Monthly Compensation and Credited Service, determined as of December 31, 1994, based on the provisions of Part I of the Plan as in effect on such date.

(b) "**Special Grandfathered Benefit**" means the monthly retirement benefit payable as a single life annuity to an actively employed Participant on his or her Normal Retirement Date, calculated in accordance with the benefit formula set forth in Section 6.01 of Part I of the Plan, as in effect on December 31, 1994. Such benefit shall be based on the Participant's Average Monthly Compensation and Credited Service calculated as of the date of determination, both being determined in accordance with the provisions of Part I of the Plan as in effect on December 31, 1994. The Special Grandfathered Benefit is available only to Participants who were actively employed by the Employer or by an Affiliate and accruing Credited Service on December 31, 1994, whose age on December 31, 1994, when added to two times their Credited Service as of such date (determined in accordance with the provisions of Part I of the Plan as in effect on December 31, 1994), total at least 85.

For purposes of this Section "**actively employed**" means that the Participant was performing work duties for the Employer or an Affiliate on December 31, 1994 or was then absent by reason of a scheduled day off, paid vacation day, personal day, or sick day or was then absent due to an Employer-approved leave of absence. Additionally, a Participant shall be deemed to have been actively employed on December 31, 1994 if on such date the Participant was then employed by the Employer or by an Affiliate and was then receiving disability benefits under his or her Employer's long-term disability benefit plan.

Notwithstanding the above, each Section 401(a)(17) Employee's Special Grandfathered Benefit under this Part I of the Plan will be the greater of the Special Grandfathered Benefit determined for the Employee under (i) or (ii) below:

(i) the Employee's Special Grandfathered Benefit, calculated as described above, based on the Employee's total Years of Credited Service as of the date of determination; or

(ii) the sum of:

(A) the Employee's Plan Accrued Benefit as of December 31, 1993, frozen in accordance with Section 1.401(a)(4)-13 of the Treasury Regulations, and

(B) the Employee's Special Grandfathered Benefit determined under the benefit formula applicable for the 1994 Plan Year, as applied to the Employee's Years of Credited Service (calculated as of the date of determination in accordance with the provisions of Part I of the Plan as in effect on December 31, 1994) for Plan Years beginning on or after January 1, 1994 and prior to January 1, 2005.

A "**Section 401(a)(17) Employee**" means an Employee whose Accrued Benefit as of a date on or after the first day of the first Plan Year beginning on or after January 1, 1994, is based on Compensation for a Year beginning prior to the first day of the first Plan Year beginning on or after January 1, 1994, that exceeded $150,000.

Notwithstanding anything in Part I of the Plan to the contrary, if an Employee who is accruing additional Special Grandfathered Benefits ceases to be eligible to accrue further benefits under Part I of the Plan because of termination of employment, retirement, transfer to an ineligible class of Employees, or for any other reason, such Employee shall not be eligible to accrue any additional Special Grandfathered Benefits upon resumption of service as an otherwise eligible Employee of the Employer.

Notwithstanding anything in Part I of the Plan to the contrary, no additional Special Grandfathered Benefits shall accrue for periods after December 31, 2004. Except as provided in the following paragraph, the amount of a Participant's Special Grandfathered Benefit shall be frozen as of December 31, 2004, with such frozen Special Grandfathered Benefit being calculated based on the Participant's Average Monthly Compensation and Credited Service as of the earlier of December 31, 2004 or the date the Participant ceases to be eligible to accrue additional Special Grandfathered Benefits determined in accordance with the provisions of Part I of the Plan as in effect on such date.

If a Participant was eligible to accrue additional Special Grandfathered Benefits as of December 31, 2004 under the provisions of Part I of the Plan in effect on December 31, 2004, the amount of the Participant's frozen Special Grandfathered Benefit shall be increased to reflect increases in the cost of living after December 31, 2004 by:

(i) 5% per annum, compounded annually, for each Plan Year commencing on or after January 1, 2005 and ending on the earlier of (A) the date the Participant commences distribution of his or her Special Grandfathered Benefit or (B) the last day of the month within which the Participant

would have completed 35 years of Credited Service (based on the provisions of Part I of the Plan in effect on December 31, 2004) if he or she had remained in continuous employment with the Employer through such date (the "**Maximum Service Date**"), and

(ii) If the Participant has not commenced receiving distribution of his or her Special Grandfathered Benefit prior to his or her Maximum Service Date, 3% per annum, compounded annually, for each Plan Year commencing after the Participant's Maximum Service Date and ending on the date the Participant begins receiving his or her Special Grandfathered Benefit.

If the Participant commences receiving distribution of his or her Special Grandfathered Benefit as of any date other than the first day of a Plan Year, the cost of living adjustment percentage for such Plan Year shall be determined by multiplying the applicable cost of living adjustment percentage for such year by a fraction the numerator of which is the number of full or partial months from the first day of such Plan Year until the date as of which distribution of the Participant's Special Grandfathered Benefit commences and the denominator of which is 12. If a Participant would have completed 35 years of Credited Service on a day other than the last day of the Plan Year, then the cost of living adjustment for such Plan Year shall be determined by multiplying 5% by a fraction the numerator of which is the number of full or partial months from the first day of such Plan Year until the date the Participant would have completed 35 years of Credited Service and the denominator of which is 12. The remaining months of the Plan Year after the Participant would have completed 35 years of Credited Service will be credited with a cost of living adjustment determined by multiplying 3% by a fraction the numerator of which is the remaining full months of such Plan Year and the denominator of which is 12. The foregoing cost of living adjustment provided in this Section 2.20(b) shall be applied to each eligible Participant's Special Grandfathered Benefit without regard to his or her employment status after December 31, 2004. A Participant will not be eligible for this cost of living adjustment if the Participant had ceased accruing additional Special Grandfathered Benefits prior to December 31, 2004 due to the Participant's retirement, death or other termination of employment prior to December 31, 2004.

2.21 "**Group Annuity Contract**" means the group annuity contract or contracts issued by the Insurer through which benefits of the Plan are to be funded.

2.22 "**Highly Compensated Employee**" means any Employee who:

(a) was a Five Percent Owner at any time during the Plan Year or the preceding Plan Year; or

(b) for the preceding Plan Year:

(i) had Compensation from the Employer in excess of $80,000 (as adjusted pursuant to Code Section 414(q)(1)), and

(ii) for such preceding Plan Year was in the top-paid group of Employees for such preceding Year.

For purposes of this Section the "**top-paid group**" for a Plan Year is the top 20% of Employees ranked on the basis of Compensation paid during such Year.

In addition to the foregoing, the term "**Highly Compensated Employee**" shall also mean any former Employee who separated from service prior to the Plan Year, performs no service for the Employer during the Plan Year, and was an actively employed Highly Compensated Employee in the separation year or any Plan Year ending on or after the date the Employee attained Age 55.

In determining whether an Employee is a Highly Compensated Employee for Plan Years beginning in 1997, the amendments of Code Section 414(q) stated above are treated as having been in effect for Plan Years beginning in 1996.

For purposes of this Section, "**Compensation**" means Compensation determined for purposes of Article IV of Part III of the Plan but, for Plan Years beginning before January 1, 1998, without regard to Code Sections 125, 402(e)(3) and 402(h)(1)(B).

The determination of who is a Highly Compensated Employee, including the determinations of the numbers and identity of employees in the top-paid group and the Compensation that is considered will be made in accordance with Code Section 414(q) and regulations thereunder.

2.23 "**Hour of Service**" means:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. For purposes of Part I of the Plan, an Employee who is exempt from the requirements of the Fair Labor Standards Act of 1938, as amended, shall be credited with 45 Hours of Service for each complete or partial week he or she would be credited with at least one Hour of Service under this Section 2.23.

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Notwithstanding the preceding sentence:

(i) No more than the number of Hours in one regularly scheduled work year of the Employer shall be credited to an Employee under this Subsection (b) on account of any single continuous period during which the Employee

performs no duties (whether or not such period occurs in a single computation period);

(ii) No hours shall be credited under this Section 2.23(b) for any payments made or due under a plan maintained solely for the purpose of complying with any applicable workers' compensation, unemployment compensation or disability insurance laws; and

(iii) No hours shall be credited under this Section 2.23(b) for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Section 2.23(b) a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund or insurer, to which the Employer contributes or pays premium.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be both credited under Sections 2.23(a) or (b), as the case may be, and under this Section 2.23(c). No more than 501 Hours shall be credited under this Subsection for a period of time during which an Employee did not or would not have performed duties.

(d) Special rules for determining Hours of Service for reasons other than the performance of duties.

In the case of a payment which is made or due and which results in the crediting of Hours of Service under Section 2.23(b) or in the case of an award or agreement for back pay, to the extent that such an award or agreement is made with respect to a period during which an Employee performs no duties, the number of Hours of Service to be credited shall be determined as follows:

(i) In the case of a payment made or due which is calculated on the basis of units of time (such as hours, days, weeks or months), the number of Hours of Service to be credited for "exempt" Employees described in Section 2.23(a) shall be determined as provided in such Section 2.23(a). For all other Employees, the Hours of Service to be credited shall be those regularly scheduled hours in such unit of time; provided, however, that when an Employee does not have regularly scheduled hours, such Employee shall be credited with eight (8) Hours of Service for each workday for which he or she is entitled to be credited with Hours of Service under Section 2.23(b).

(ii) Except as provided in Section 2.23(d)(iii), in the case of a payment made or due which is not calculated on the basis of units of time, the number of Hours of Service to be credited shall be equal to the amount of the payment divided by the Employee's most recent hourly rate of

compensation (as determined below) before the period during which no duties are performed.

(A) The hourly rate of compensation of Employees paid on an hourly basis shall be the most recent hourly rate of such Employees.

(B) In the case of Employees whose compensation is determined on the basis of a fixed rate for specified periods of time (other than hours) such as days, weeks or months, the hourly rate of compensation shall be the Employee's most recent rate of compensation for a specified period of time (other than an hour), divided by the number of hours regularly scheduled for the performance of duties during such period of time. The rule described in Section 2.23(d)(i) shall be applied under this Section 2.23(d)(ii)(B) to Employees without a regular work schedule.

(C) In the case of Employees whose compensation is not determined on the basis of a fixed rate for specified periods of time, the Employee's hourly rate of compensation shall be the lowest hourly rate of compensation paid to Employees in the same job classification as that of the Employee or, if no Employees in the same job classification have an hourly rate, the minimum wage as established from time to time under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(iii) Rule against double credit. An Employee shall not be credited on account of a period during which no duties are performed with more hours than such employee would have been credited but for such absence.

(e) Crediting of Hours of Service to computation periods

(i) Hours of Service described in Section 2.23(a) shall be credited to the Employee for the computation period or periods in which the duties are performed.

(ii) Hours of Service described in Section 2.23(b) shall be credited as follows:

(A) Hours of Service credited to an Employee on account of a payment which is calculated on the basis of units of time (such as hours, days, weeks or months) shall be credited to the computation period or periods in which the period during which no duties are performed occurs, beginning with the first unit of time to which the payment relates.

(B) Hours of Service credited to an Employee by reason of a payment which is not calculated on the basis of units of time shall be credited to the computation period in which the period during which no duties are performed occurs, or if the period during

which no duties are performed extends beyond one computation period, such Hours of Service shall be allocated between not more than the first two computation periods in accordance with reasonable rules established by the Employer, which rules shall be consistently applied with respect to all Employees within the same job classification, reasonably defined.

(iii) Hours of Service described in Section 2.23(c) shall be credited to the computation period or periods to which the award or agreement for back pay pertains, rather than to the computation period in which the award, agreement or payment is made.

(f) For purposes only of determining participation and vesting under Part I of the Plan, Hours of Service shall include periods of service calculated in accordance with the rules set forth in the other subsections of this Section 2.23:

(i) with the Employer in a job or position in which the Employee was not eligible to participate in this Part I of the Plan; or

(ii) as a Career Agent or General Agent of First Allmerica;

(iii) for periods prior to January 1, 1998, with Citizens, Hanover or as an employee of a General Agent of First Allmerica;

(iv) with Financial Profiles, Inc., or Advantage Insurance Network, Affiliates of First Allmerica, including periods of service completed prior to the date it became an Affiliate; or

(v) with an Affiliate.

(g) Rules for Non-Paid Leaves of Absence. For purposes of Part I of the Plan, a Participant will also be credited with Hours of Service during any non-paid leave of absence granted by the Employer. Except as provided in Section 2.23(a) for exempt Employees, the number of Hours of Service to be credited under this Section 2.23(g) shall be the number of regularly scheduled working hours in each workday during the leave of absence; provided, however, that no more than the number of Hours in one regularly scheduled work year of the Employer will be credited for each non-paid leave of absence. In the case of a non-exempt Employee without a regular work schedule, the number of Hours to be credited shall be based on a 40 hour work week and an eight hour workday. Hours of Service described in this Section 2.23(g) shall be credited to the Employee for the computation period or periods during which the leave of absence occurs.

Notwithstanding the foregoing, for Plan Years beginning after December 31, 1998, all Employees (exempt and non-exempt) shall be credited with eight Hours of Service for each workday for which they are entitled to be credited with Hours of Service for a non-paid leave of absence pursuant to this Section 2.23(g)

(h) Rules for Maternity or Paternity Leaves of Absence. In addition to the foregoing rules and solely for purposes of determining whether a One Year Break in Service for participation and vesting purposes has occurred in a computation period, an individual who is absent for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such Hours of Service cannot be determined, 8 Hours of Service per day of such absence; provided, however, that:

(i) Hours of Service shall not be credited under both this Section 2.23(h) and one of the other subsections of this Section 2.23;

(ii) no more than 501 Hours of Service shall be credited for each maternity or paternity absence; and

(iii) if a maternity or paternity leave extends beyond one Plan Year, the Hours of Service shall be credited to the Plan Year in which the absence begins to the extent necessary to prevent a One Year Break in Service, otherwise such Hours of Service shall be credited to the following Plan Year.

For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the individual, (ii) by reason of a birth of a child of the individual, (iii) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement.

(i) Other Federal Law. Nothing in this Section 2.23 shall be construed to alter, amend, modify, invalidate, impair or supersede any law of the United States or any rule or regulation issued under any such law.

2.24 "**Insurer**" means First Allmerica.

2.25 "**Internal Revenue Code**" or "**Code**" means the Internal Revenue Code of 1986, as amended, and any future Internal Revenue Code or similar Internal Revenue laws.

2.26 "**Key Employee**". In determining whether the Plan (in the aggregate, including Parts I, II, and III) is top-heavy for Plan Years beginning after December 31, 2001, "**Key Employee**" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date is: (a) an officer of the Employer (as that term is defined within the meaning of Code Section 416 and the regulations thereunder) having an annual Compensation greater than $130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a (b) Five Percent Owner, or (c) a 1-percent owner of the Employer having an annual Compensation of more than $150,000. In determining whether a Plan is top heavy for Plan Years beginning before January 1, 2002, "**Key Employee**" means any Employee or former Employee (including any deceased Employee) who at any time during the 5-year period ending on the determination date, is (i) an officer of the Employer (as that term is defined within the meaning of Code Section 416 and the

regulations thereunder) having an annual Compensation that exceeds 50 percent of the dollar limitation under Code Section 415(b)(1)(A), (ii) an owner (or an individual considered an owner under Code Section 318) of one of the ten largest interests in the Employer if such individual's Compensation exceeds 100 percent of the dollar limitation under Code Section 415(c)(1)(A), (ii) a Five Percent Owner, or (iv) a 1-percent owner of the Employer who has an annual Compensation of more than $150,000.

The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the regulations and other guidance of general applicability issued thereunder. For purposes of determining whether a Participant is a Key Employee, the Participant's Compensation means Compensation as defined for purposes of Article IV of Part III of the Plan, but for Plan Years beginning before January 1, 1998, without regard to Code Sections 125, 402(e)(3) and 402(h)(1)(B).

2.27 "**Limitation Year**" means a calendar year.

2.28 "**Non-Highly Compensated Employee**" means any employee who is not a Highly Compensated Employee.

2.29 "**Non-Key Employee**" means any Employee who is not a Key Employee.

2.30 "**Normal Retirement Age"** means Age 65.

2.31 "**Normal Retirement Date**" means the first day of the month in which the Participant's Normal Retirement Age occurs.

2.32 "**One Year Break in Service**" means any Plan Year or Eligibility Computation Period during which the Employee has not completed more than 500 Hours of Service.

2.33 "**Participant**" means any eligible Employee who participates in the Plan as provided in Article III of Part I of the Plan and or Article III of Part II of the Plan as applicable; and who has not for any reason become ineligible to participate further in the Plan.

2.34 "**Plan Administrator**" means the Benefits Committee, which shall have fiduciary responsibility for the interpretation and administration of the Plan as provided in Article VII of Part III of the Plan (Plan Fiduciary Responsibilities). Members of the Benefits Committee shall be appointed as provided in Section 8.01 of Part III of the Plan.

2.35 "**Plan Sponsor**" means the Employer.

2.36 "**Plan Year**" means a calendar year.

2.37 "**Plan Year Allocation Date**" means for any Plan Year the date each Participant's Account shall be credited with an Allocation for the Plan Year. Such date shall be the March 1 following the Plan Year with respect to which the Allocation is made.

Notwithstanding the foregoing, for Plan Years beginning after December 31, 1997 the Plan Year Allocation Date means the first business day of March following the Plan Year with respect to which the Allocation is made.

2.38 "**Projected Account Balance**" means:

(a) With respect to a Participant who has attained his or her Normal Retirement Date on the Determination Date, the Participant's Account Balance as of such Determination Date; and

(b) With respect to a Participant who has not attained his or her Normal Retirement Date as of the Determination Date, the projected value of the Participant's Account Balance as of his or her Normal Retirement Date determined as if (i) the Participant has a separation from service on the Determination Date, and (ii) the Participant's Account Balance is credited with earnings on a daily basis based upon an annual effective rate equal to the Code Section 417 Interest Rate from the Determination Date through the Participant's Normal Retirement Date.

(c) Notwithstanding anything in Part I of the Plan to the contrary, in determining a Participant's Projected Account Balance, the Code Section 417 Interest Rate in effect for the Plan Year that contains the Determination Date shall be assumed to remain the same for all future Plan Years, and a Participant's Projected Account Balance valued as of his Annuity Commencement Date for payment of his entire remaining Account Balance will not be less than the sum of the Allocations to his Account Balance, reduced to reflect the value of any prior distributions.

2.39 "**Qualified Domestic Relations Order**" means any judgment, decree or order (including approval of a property settlement agreement) which:

(a) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant;

(b) is made pursuant to a state domestic relations law (including a community property law);

(c) constitutes a "qualified domestic relations order" within the meaning of Code Section 414(p); and

(d) is entered on or after January 1, 1985.

Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("**QDRO**") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

2.40 "**Qualified Joint and Survivor Annuity**" means an immediate annuity for the life of the Participant, with a survivor annuity for the life of the Participant's spouse which is the

amount of the annuity payable during the joint lives of the Participant and the Participant's spouse. The Qualified Joint and Survivor Annuity (i) for the purposes of Part I of the Plan will be the Actuarial Equivalent of the Plan's no-death benefit life annuity normal form of benefit; and (ii) for the purposes of Part II of the Plan will be the Actuarial Equivalent of the Plan's normal form of benefit.

2.41 "**Top Heavy Plan**" means for any Plan Year beginning after December 31, 1983 that any of the following conditions exists:

(a) If the top heavy ratio (as defined in Article II of Part III of the Plan) for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(b) If this Plan is a part of a required aggregation group and part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 60 percent.

(c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

See Article II of Part III of the Plan for requirements and additional definitions applicable to Top Heavy Plans.

2.42 "**Top Heavy Plan Year**" means that, for a particular Plan Year commencing after December 31, 1983, the Plan is a Top Heavy Plan.

2.43 "**Trustee**" means the bank, trust company or person(s) who shall be constituted the original trustee or trustees for the Plan and Trust created therefor, and also any such successor trustee or trustees. The duties and responsibilities of the Trustee are set forth in the Trust Indenture in the form annexed hereto.

2.44 "**Year of Service**" means any Plan Year during which an Employee completes at least 1,000 Hours of Service; provided, however, that for purposes of determining Plan entry under Article III of Part I of the Plan, "**Year of Service**" means an Eligibility Computation Period during which an Employee completes at least 1,000 Hours of Service; provided, further however, that for purposes of determining Plan entry under Article III of Part II of the Plan, "**Year of Service**" shall mean any twelve consecutive month period during which he completes 1,000 Hours of Service computed from the date an Employee first performs an Hour of Service, or any anniversary thereof (or again performs an Hour of Service upon re-employment following a termination resulting in a One Year Break in Service).

ARTICLE III

PARTICIPATION REQUIREMENTS

3.01 Participation Requirements.

(a) Employee Participation. Individuals who were Participants in Part I of the Plan on December 31, 2015 shall continue to be Participants in Part I of the Plan on January 1, 2016.

Notwithstanding anything in Part I of the Plan to the contrary, for periods commencing on and after January 1, 2005, (i) no Employee who had not previously been a Participant in Part I of the Plan shall become a Participant in Part I of the Plan, and (ii) a Former Participant who is re-employed as an Employee shall be reinstated as an active Participant in Part I of the Plan but only for purposes of increasing Plan vesting on his or her frozen Accrued Benefit and for purposes of determining eligibility for early retirement under Section 6.02.

For Plan Years that commenced prior to January 1, 2005, an Employee became eligible to be a Participant on the first day of the calendar month coincident with or next following completion of one Year of Service, provided he or she was then an eligible Employee.

Eligible Employees who were actively employed and who were Participants in The Allmerica Financial Cash Balance Pension Plan as adopted by Citizens Insurance Company of America or in The Allmerica Financial Cash Balance Pension Plan as adopted by The Hanover Insurance Company, each of which were merged with and into this Part I of the Plan, became Participants in this Part I of the Plan on January 1, 1998.

Notwithstanding the foregoing: (i) an Employee who was formerly employed by Financial Profiles, Inc. shall not become eligible to become a Participant in this Part I of the Plan until January 1, 1999; and (ii) an Employee who was formerly employed by Advantage Insurance Network shall not become eligible to become a Participant in this Part I of the Plan until August 1, 1999.

Notwithstanding the foregoing, the following persons shall not be eligible to become or remain active Participants in Part I of the Plan:

(i) Employees who are or were eligible to participate in The Allmerica Financial Agents' Retirement Plan;

(ii) Retirees of First Allmerica or retirees of General Agents of First Allmerica who are receiving retirement benefits under this Part I of the Plan whose current period of post-retirement re-employment with First Allmerica, Citizens or Hanover began prior to January 1, 1988;

(iii) Retirees of Citizens or Hanover who are receiving retirement benefits under this Part I of the Plan whose current period of post-retirement re-employment with First Allmerica, Citizens or Hanover began prior to January 1, 1993;

(iv) Leased Employees, within the meaning of Code Sections 414(n) and (o);

(v) A contractor's employee, *i.e.*, a person working for a company providing goods or services (including temporary employee services) to the Employer or to an Affiliate whom the Employer does not regard to be its common law employee, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law employee; or

(vi) An independent contractor, *i.e.*, a person who is classified by the Employer as an independent contractor, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law employee.

(b) Reeligibility of Former Participants. A Former Participant, who again becomes eligible to participate in Part I of the Plan, will become a Participant in Part I of the Plan on the date of his or her recommencement of service with the Employer. Any other former Employee who again becomes eligible will become a Participant on the entry date determined under the rules set forth in Section 3.01(a).

3.02 Classification Changes. In the event of a change in job classification, such that an Employee, although still in the employment of the Employer, no longer is an eligible Employee, he or she shall receive no further Credited Service under Part I of the Plan, and the Participant's Accrued Benefit on the date he or she becomes ineligible shall continue to vest, become payable or be forfeited, as the case may be, in the same manner and to the same extent as if the Employee had remained an eligible Participant.

For periods commencing prior to January 1, 2005, in the event a Participant becomes ineligible to accrue further Credited Service because he or she is no longer a member of an eligible class of Employees, but has not terminated his or her employment with an Employer, such Participant shall again be eligible to accrue further Credited Service immediately upon his or her return to an eligible class of Employees.

In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall participate immediately if such Employee has satisfied the minimum service requirements of Part I of the Plan, and would have previously become a Participant had he or she been in the eligible class.

3.03 Participant Cooperation, Participant Refusal. Each Employee who is eligible shall become a Participant on the entry date specified in Section 3.01(a) unless he or she notifies the Plan Administrator in writing prior to such entry date that he or she does not wish to be a Participant under this Part I of the Plan. Any such election not to participate

in this Part I of the Plan shall be irrevocable. In order to waive participation in this Part I of the Plan, an Employee must agree to irrevocably waive his or her right to become a Participant in any other qualified retirement plan sponsored by the Employer. Each eligible Employee who becomes a Participant hereunder thereby agrees to be bound by all of the terms and conditions of this Part I of the Plan. Each eligible Employee, by becoming a Participant in this Part I of the Plan, agrees to cooperate fully with the Insurer, including completion and signing of such forms as are required by the Insurer under the Group Annuity Contract.

ARTICLE IV

PARTICIPANT ACCOUNTS

4.01 Establishment of Accounts. For Plan Years commencing on or after January 1, 1995, a memorandum Account shall be established under Part I of the Plan for each Participant. Such Account shall be credited with Allocations in accordance with Section 4.02 and shall be adjusted in accordance with Section 4.03 and for any distributions in accordance with Section 4.04. The resultant value determined at any time, after the operation of Sections 4.02, 4.03 and 4.04, shall be the Participant's "**Account Balance**." The memorandum Account is part of a mechanism for computing benefits under Part I of the Plan. Accordingly, there need be no relationship between Participants' Account Balances and the amount or nature of Plan assets.

4.02 Allocations to Accounts. For each Plan Year commencing on or after January 1, 1995 and prior to January 1, 2005 during which a Participant completes a Year of Credited Service and, regardless of the number of Hours of Service credited to the Participant, for any such Plan Year during which a Participant dies or first retires, such Participant's Account shall be credited with an Allocation for such Plan Year as of the Plan Year Allocation Date. Allocations under the Plan are part of the mechanism for computing benefits under the Plan and do not relate to actual contributions to the Plan.

Notwithstanding anything in the Plan to the contrary, no Allocations shall be credited to Participants for Plan Years beginning on or after January 1, 2005; provided, however, (i) that Allocations shall be credited to eligible Participants for the 2004 Plan Year as of the 2004 Plan Year Allocation Date and (ii) memorandum Accounts shall continue to be credited with investment experience credits after December 31, 2004, as provided in Section 4.03 of Part I of the Plan.

4.03 Adjustments of Accounts.

(a) Adjustment for Earnings for Plan Years beginning on and after January 1, 2004. For each Plan Year beginning on or after January 1, 2004, each Participant's Account shall be credited with earnings on a daily basis based upon an annual effective rate equal to the Code Section 417 Interest Rate in effect for such Plan Year.

(b) Adjustment for Investment Experience for Plan Years beginning on or after January 1, 1995 and before January 1, 2004. For each Plan Year beginning on or after January 1, 1995 and before January 1, 2004, Participants in Part I of the Plan shall make investment experience elections with respect to their respective Account Balances from among choices prescribed by the Plan Administrator. The specific investment choices and the time and manner of making elections may be changed from time to time. Each Participant's Account Balance shall be adjusted to reflect investment experience in the same manner as if the Account Balance were actually invested pursuant to the Participant's elections and as if each Allocation were actually a contribution made to the Plan on the relevant Plan Year Allocation Date.

4.04 Distributions. The Account Balance shall be decreased for any non-annuity distributions paid to the Participant or his or her Beneficiary. In the event a benefit becomes payable as an annuity in accordance with Article VI or as a survivor annuity in accordance with Article VII, the Account Balance shall be decreased by the Actuarial Equivalent of such annuity as of the Annuity Commencement Date.

ARTICLE V

EMPLOYER CONTRIBUTIONS

5.01 Employer Contributions.

(a) Employer Contributions for Plan Years beginning after December 31, 1997. The Employer shall contribute for each Plan Year during which Part I of the Plan is in effect that amount, if any, which the enrolled actuary for the Plan determines is necessary to fund the Plan under the actuarial cost method in effect for the Plan. No contributions will be required of or permitted by Employees.

(b) Employer Contributions for Plan Years beginning prior to January 1, 1998. Each Employer shall contribute for each Plan Year during which the Plan is in effect that amount, if any, which the enrolled actuary for the Plan determines is necessary to fund Part I of the Plan under the actuarial cost method in effect for Part I of the Plan. No contributions will be required of or permitted by Employees.

Except as provided below, contributions paid by each Employer and earnings thereon will be used only to fund Plan costs and benefits for its Employees and will not be used to fund Plan costs and benefits for any other Employees. Notwithstanding the foregoing:

(i) Plan contributions paid by First Allmerica and General Agents of First Allmerica and earnings thereon will be used to fund Plan costs and benefits of both First Allmerica and such General Agents.

(ii) Plan contributions paid by First Allmerica and General Agents of First Allmerica and earnings thereon will also be used to fund costs and benefits

of The Allmerica Financial Agents' Pension Plan (Part II of the Plan), which plan was merged with this Part I of the Plan on January 1, 1992.

5.02 Payment of Contributions to Trustee. The Employer shall make payment of all contributions directly to the Trustee to be held, managed and invested in one or more Group Annuity Contracts and in other investments permitted under the Trust, but subject to Section 5.03.

5.03 Receipt of Contributions by Trustee. The Trustee shall accept and hold under the Trust such contributions of money, or other property approved by the Employer for acceptance by the Trustee, on behalf of the Employer and its Employees and Beneficiaries as it may receive from time to time from the Employer, other than cash it is instructed to remit to the Insurer for deposit with the Insurer. However, the Employer may pay contributions directly to the Insurer, and such payment shall be deemed a contribution to the Trust to the same extent as if payment had been made to the Trustee. All such contributions shall be accompanied by written instructions from the Plan Administrator or its designee accounting for the manner in which they are to be credited.

ARTICLE VI

RETIREMENT AND DISABILITY BENEFITS

6.01 Normal Retirement Benefit. Subject to Section 6.07, each Participant who retires on his or her Normal Retirement Date (and each Former Participant with a vested benefit deferred to his or her Normal Retirement Date) shall be entitled to receive a monthly life annuity commencing on such Date and terminating on the last regular payment date prior to his or her death, which monthly benefit shall equal the Participant's Accrued Benefit (or, in case of each Former Participant with a vested benefit, the Former Participant's vested Accrued Benefit).

Notwithstanding the foregoing, the Grandfathered Benefit (if any) of each Participant shall not be less than the largest periodic Grandfathered Benefit that would have been payable to the Participant upon separation from service at or prior to Normal Retirement Age under Part I of the Plan. For purposes of comparing periodic benefits in the same form commencing prior to and at Normal Retirement Age, the greater benefit is determined by converting the benefit payable prior to Normal Retirement Age into the same form of annuity benefit payable at Normal Retirement Age and comparing the amount of such annuity payments.

Notwithstanding the foregoing, Non-Key Employees who are Participants in a Top Heavy shall be entitled to the minimum benefit described in Section 2.03 of Part III of the Plan if such benefit is greater than the benefit provided by this Section 6.01.

Each actively employed Participant's Accrued Benefit shall become 100% vested and nonforfeitable when the Participant attains his or her Normal Retirement Age. An actively employed Participant may terminate employment with the Employer and retire

on his or her Normal Retirement Date. Upon such date the Participant shall be entitled to receive, or to begin to receive, his or her Normal Retirement Benefit.

The Plan Administrator shall notify the Trustee (and Insurer, if appropriate) as and when the Normal Retirement Age and Normal Retirement Date of each Participant shall occur and shall also advise the Trustee (and Insurer, if appropriate) as to the manner in which retirement benefits are to be distributed to a Participant, subject to the provisions of this Article. Upon receipt of such notification and subject to the other provisions of this Article, the Trustee or Insurer shall take such action as may be necessary in order to commence payment of the Participant's Normal Retirement Benefit.

6.02 Early Retirement Benefit. Any actively employed Participant who has completed at least fifteen Years of Service (or, if earlier, who has completed at least fifteen Years of Credited Service, with Years of Credited Service completed before 1995 being determined in accordance with the terms of Part I of the Plan as in effect on December 31, 1994) may elect to retire on the first day of any month following attainment of Age 55, in which event he or she shall receive, subject to Section 6.07 in the case of a married Participant, a monthly life annuity commencing on the date of his or her early retirement and terminating on the last regular payment date prior to his or her death. Each early retiree's monthly life annuity will be equal to the Actuarial Equivalent of the early retiree's Accrued Benefit, except that the portion of the Accrued Benefit attributable to the Participant's Grandfathered Benefit, if any, shall equal the early retiree's Grandfathered Benefit multiplied by the appropriate percentage.

Retirement Age	Percentage of Monthly Grandfathered Benefit*
65	100
64	93 1/3
63	86 2/3
62	80
61	73 1/3
60	66 2/3
59	63 1/3
58	60
57	56 2/3
56	53 1/3
55	50

*If benefit payments commence in a month other than the month in which the Participant attains the specified Age, the percentage shall be determined by straight line interpolation.

Provided, however, that an actively employed Participant (i) who is entitled to a Special Grandfathered Benefit, (ii) who has been continuously employed as a member of an

eligible class of Employees from January 1, 1995 until the date of his or her early retirement, and (iii) whose combined Age and Years of Credited Service as of the date of determination (calculated in accordance with the provisions of Part I of the Plan in effect on December 31, 1994) total at least 85 (the "**Rule of 85**") shall be entitled to receive a Special Grandfathered Benefit determined without the above actuarial reduction.

Provided, however, that an actively employed Participant (i) who is entitled to a Grandfathered Benefit, (ii) who has attained Age 62, and (iii) whose combined Age and Years of Credited Service as of the date of determination (calculated in accordance with the provisions of Part I of the Plan in effect on December 31, 1994) total at least 95 (the "**Rule of 95**") shall be entitled to receive a Grandfathered Benefit determined without the above actuarial reduction.

For purposes of determining eligibility for the Rule of 85 and Rule of 95 subsidized early retirement benefits, but not for purpose of computing actual benefit amounts, Years of Credited Service shall include Hours of Service completed as a Career Agent or General Agent of First Allmerica.

If a Participant terminates employment after having completed at least fifteen Years of Service, he or she may elect to retire on the first day of any month following his or her 55th birthday and prior to his or her Normal Retirement Date. If any such Former Participant elects to retire early, he or she shall be entitled to receive a monthly retirement benefit equal to a percentage of the monthly benefit to which the Participant would have been entitled on his or her Normal Retirement Date. Such percentage shall be obtained by applying the appropriate percentage set forth in the table above to the monthly benefit payable on the Former Participant's Normal Retirement Date.

Notwithstanding the foregoing, if this Plan is a Top Heavy Plan, and if greater than the benefit described above, each Non-Key Employee who elects early retirement shall be entitled to receive a monthly early retirement benefit equal to the appropriate percentage above of his or her Accrued Benefit described in Section 2.01(b).

6.03 Subsidized Early Retirement Benefit. Any eligible Participant who elected an immediate early retirement benefit to commence between March 1, 2003 and May 1, 2004 shall be entitled to an increased retirement benefit, computed as described below, to commence on the date of his or her actual retirement.

(a) Eligible Participants. Only Participants in Part I of the Plan who are actively employed by First Allmerica on February 1, 2003 (or are then on an Employer-approved paid leave of absence, which paid leave commenced no earlier than December 18, 2002) shall be eligible for the subsidized early retirement benefit described in this Section 6.03. In addition, in order to be eligible for such benefits, a Participant must have retired between March 1, 2003 and May 1, 2004 and met the following requirements:

(i) The Participant must be eligible for a "Special Grandfathered Benefit" (as described in Section 2.20(b)) on the date of his or her early retirement.

(ii) The Participant must have been continuously employed as a member of an eligible class of Employees from January 1, 1995 until the date of his or her retirement.

(iii) The Participant must not have attained Age 65 on the date of his or her retirement.

(iv) The Participant must not be eligible for the Rule of 85 subsidized early retirement benefit (as described in Section 6.02) on the date of his or her retirement.

(v) The Participant's job or position with First Allmerica must have been or will be eliminated by May 1, 2003 as a result of the reorganization of the Allmerica Financial Services Division of First Allmerica.

(vi) The Participant must be actively at work on the last business day preceding the date of his or her early retirement or then be on vacation, be on an Employer-approved paid leave of absence or be absent due to sickness or injury.

(vii) The Participant must execute an appropriate release satisfactory to First Allmerica releasing the company (and its subsidiaries and affiliates and its and their officers, directors and employees) from all liability arising out of or relating to his or her employment with First Allmerica or with any of its predecessors, subsidiaries or affiliates.

(b) Qualified Early Retirement Benefit. Those eligible Participants as described in Section 6.03(a) who retired between March 1, 2003 and May 1, 2004 shall be entitled to a subsidized early retirement benefit, to be computed as follows:

(i) Subsidized Early Retirement Benefit. Those eligible Participants electing early retirement under Section 6.03 shall be entitled to an increased retirement benefit commencing on their date of actual retirement, to be computed as follows:

The Participant's early retirement benefit shall be computed as provided in Section 6.02, except as provided below:

Any eligible Participant may elect to retire on the first day of any month between March 1, 2003 and May 1, 2004, in which event he or she shall receive, subject to Section 6.07 in the case of a married Participant, a monthly life annuity commencing on the date of his or her early retirement and terminating on the last regular payment date prior to his or her death. An eligible Participant may also choose one of the distribution options set forth in Section 6.06, with spousal consent if the Participant is married. In the case of a Participant who chooses a monthly life annuity, such benefit will be equal to the sum of (A) and (B) below:

(A) A monthly life annuity benefit that is the Actuarial Equivalent (as described in Section 2.02) of the Participant's Account Balance (as described in Section 4.01), plus

(B) A monthly life annuity benefit which is equal to a percentage of the Participant's Special Grandfathered Benefit, accrued to the date of actual retirement, based on the Participant's Age, Average Monthly Compensation and Credited Service (such Average Monthly Compensation and Credited Service being calculated in accordance with the provisions of Part I of the Plan in effect on December 31, 1994), each determined as of the date of the Participant's early retirement. Such percentage shall be equal to the appropriate percentage determined from the Schedule below of the Special Grandfathered Benefit that would have been payable had the Participant's date of initial eligibility for the Rule of 85 subsidized early retirement benefit (as described in Section 6.02) been his or her Normal Retirement Date, based on the assumption that his or her continuous employment had continued until such date, but with the actual benefit being based on the Participant's Special Grandfathered Benefit actually accrued as of the date of early retirement.

Retirement Age*	**Percentage of Special Monthly Grand-Fathered Benefit****
55	1.0000
54	0.9333
53	0.8667
52	0.8000
51	0.7333
50	0.6667
49	0.6333
48	0.6000
47	0.5667
46	0.5333
45	0.500

*This Schedule assumes the Participant would have been eligible for the Rule of 85 subsidized early retirement benefit at Age 55. If a Participant would have been eligible for the Rule of 85 at a date later than Age 55, the appropriate percentage shall be determined by the Plan actuary using the same assumptions used in constructing the above Schedule.

**If a benefit commences in a month other than the month in which the Participant attains the specified Age, the percentage shall be determined by straight line interpretation.

Example. Assume an eligible Participant will attain Age 52 on January 1, 2004 and will have completed 32 Years of Credited Service on such date. Assume further that as of such date the Participant has accrued a Special Grandfathered Benefit, payable as a single life annuity, of $1,000 per month. Thus, the Participant will initially be eligible for the Rule of 85 subsidized early retirement benefit on January 1, 2007, the date the Participant will attain Age 55. Under the terms of Section 6.03, the Participant may elect to retire on January 1, 2004 and begin to receive an immediate early retirement benefit. If a single life annuity benefit is chosen, such life annuity benefit will be equal to $800 per month ($1,000 x 0.8000 = $800).

(ii) Cost-for-Living ("**COL**") Adjustments. Notwithstanding anything in Section 6.08 to the contrary, Participants (and the Beneficiaries of Participants) who elect to retire pursuant to this Section 6.03 shall be eligible to receive COL benefits, subject to the other rules and requirements set forth in Section 6.08. Notwithstanding anything in Section 6.08 to the contrary, the early retirement monthly annuity benefits described in this Section 6.03 shall be a part of a Participant's basic plan benefit and shall be included in determining any COL adjustment to which the Participant may become entitled pursuant to Section 6.08.

6.04 Late Retirement Benefit. If a Participant shall continue in active service beyond his or her Normal Retirement Date, he or she shall continue to participate under Part I of the Plan and Trust. For Employees in Section 203(a)(3)(B) service (as described in Section 6.09(a)), who continue in active employment beyond their Normal Retirement Date, retirement benefits shall be suspended, as provided in Section 6.09. Except as provided in Section 6.07 in the case of a married Participant, the monthly retirement benefit payable to a Participant retiring on a late retirement date shall be a monthly life annuity commencing on the date of his or her late retirement and terminating on the last regular payment date prior to his or her death. Each late retiree's monthly life annuity will be equal to the late retiree's Accrued Benefit; provided, however, that the portion of the Accrued Benefit attributable to the Participant's Grandfathered Benefit, if any, shall equal the Participant's Basic Grandfathered Benefit, if any, or the Participant's Special Grandfathered Benefit, if any.

Notwithstanding the foregoing, if this Plan is a Top Heavy Plan and if greater than the benefit described above, each Non-Key Employee who elects late retirement shall be entitled to receive a monthly late retirement benefit equal to his or her Accrued Benefit described in Section 2.01(b).

Notwithstanding the above, monthly annuity benefits shall commence no later than a Participant's required beginning date (as defined in Article III of Part III of the Plan). If a Participant has not retired by his or her required beginning date, monthly retirement benefits shall commence on such date and shall be computed as described in the preceding paragraph, with benefits based on the assumption that the Participant's required beginning date was the date of late retirement.

Notwithstanding the foregoing, if late retirement benefits commence after Age 70½, to the extent required under Code Section 401(a)(9)(C) and regulations thereunder, a Participant's Accrued Benefit shall be actuarially increased to take into account the period after Age 70½ in which the Participant was not receiving any benefits under the Plan, including any period during which the Employee is in Section 203(a)(3)(B) service, as described in Section 6.09(a).

6.05 Disability Benefit. Notwithstanding anything in Part I of the Plan to the contrary, if a Participant becomes Totally Disabled while employed by the Employer as an active Participant in Part I of the Plan, such Participant shall have a 100% vested and nonforfeitable right to his or her Accrued Benefit, regardless of his or her length of service.

In addition, if a Participant in Part I of the Plan who is eligible for a Special Grandfathered Benefit was Totally Disabled on December 31, 1994 and before January 1, 2005, becomes Totally Disabled while employed by the Employer as an active Participant in Part I of the Plan, it shall be assumed for purposes of this Part I of the Plan that his or her employment continues from the date of the commencement of his or her total disability to the earliest of his or her Normal Retirement Date, death, termination of employment or date that he or she is no longer Totally Disabled. Prior to January 1, 2005 and while an eligible Employee is Totally Disabled, it shall be assumed for purposes of calculating the Participant's Special Grandfathered Benefit that the Employee continues to earn monthly one-twelfth of the Compensation paid to the Participant during the 12 complete months prior to the month in which he or she ceased active service because of his or her having become Totally Disabled.

For purposes of Part I of the Plan "**Totally Disabled**" means the inability to perform the duties of any occupation for which the Employee is or becomes reasonably fitted by education, training or experience; provided, however, in the case of an Employee receiving disability benefits under a long term disability plan sponsored by the Employer, until benefits have been paid under such policy for 24 months, such Employee will be considered Totally Disabled if he or she is unable to perform the duties of his or her occupation and is not working at any other occupation.

6.06 Distribution of Benefits. The Plan Administrator shall direct the Trustee (or Insurer, if applicable) to commence payment of benefits provided under this Article VI of Part I of the Plan (or provided to a Former Participant pursuant to Article VIII of Part I of the Plan). Plan benefits will be paid only on death, termination of service, Plan termination or retirement.

Except as otherwise provided in Section 6.07, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Part I of the Plan.

All distributions required under the Plan shall be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9), including, to the extent applicable, the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the Treasury Regulations.

Except as provided below and in Section 6.07, a Participant's retirement benefit shall be payable as a life annuity for the life of the Participant with no further benefits payable after the last regular payment date prior to his or her death.

At any time prior to actual retirement, a Participant, with spousal consent if the Participant is married, may elect to receive his or her retirement benefit under one or more of the following settlement options; provided, however, that a Participant may not elect to have the balance of his or her Account, described in Section 4.01, distributed under more than one annuity option, or his or her Grandfathered Benefit distributed under more than one annuity option.

(a) An annuity for the joint lives of the Participant and his or her spouse with 50% or 66 2/3% (whichever is specified when this option is elected) of such amount payable as an annuity for life to the survivor. No further benefits are payable after the death of both the Participant and his or her spouse.

(b) An annuity for the life of the Participant and upon his or her death 100%, 66 2/3%, or 50% (whichever is specified when this option is elected) of the annuity amount will be continued to his or her spouse as his or her contingent annuitant. No further benefits are payable after the death of both the Participant and his or her spouse.

(c) An annuity for the life of the Participant with guaranteed installment payments for a period certain not longer than the life expectancy of the Participant.

(d) An annuity for the life of the Participant with guaranteed installment payments for a period certain not longer than the life expectancy of the Participant and his or her spouse.

(e) Notwithstanding anything in Part I of the Plan to the contrary, a single lump sum payment in an amount equal to the Participant's vested Account Balance on the Determination Date; provided, however, that except as provided in Sections 6.06(f) and (g) below, this form of payment shall not be available with respect to the Participant's vested Accrued Benefit attributable to the Participant's Grandfathered Benefit, if any, on the Determination Date. In the event a Participant elects to have his or her vested Account Balance on the Determination Date payable in a lump sum under this Section 6.06(e), the portion of his or her Accrued Benefit attributable to his or her Grandfathered Benefit, if any, shall be paid only in accordance with the otherwise applicable provisions of this Article VI of Part I of the Plan.

(f) If the present value of a Participant's vested Grandfathered Benefit, if any, on the Determination Date does not exceed $5,000, an immediate single sum payment in an amount equal to such present value. If the present value of a Participant's vested Grandfathered Benefit exceeds $5,000, only annuity options in Sections 6.06(a) through (d) above and the option in Section 6.06(h) below shall be available with respect to such vested Grandfathered Benefit.

(g) Notwithstanding anything in Part I of the Plan to the contrary except Section 6.10, for involuntary cashouts paid after December 1, 2012, an immediate single lump sum payment of the present value of the Former Participant's vested Accrued Benefit on the Determination Date will be paid to a Former Participant (other than a Former Participant who is a participant in The Hanover Excess Benefit Retirement Plan) who is not an Employee of the Employer or an Affiliate if the present value of the Former Participant's vested Accrued Benefit, if any, on the Determination Date does not exceed $5,000. Consent to this involuntary cashout from the Former Participant will not be required, and spousal consent to this involuntary cashout will not be required in the case of a married Former Participant. For purposes of Sections 6.06 and 8.02, an "**involuntary cashout**" is a payment under Section 6.06(g) or its counterpart in Section 8.02, as appropriate.

(h) An annuity for only the life of the Participant that terminates on the last regular payment date prior to the death of the Participant.

All optional forms of benefits shall be the Actuarial Equivalent (as of the date selected) of the normal retirement benefit described in Section 6.01 or in Section 2.03 of Part III of the Plan, if applicable. Any spousal consent shall satisfy the requirements of Section 6.07.

Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the later of the close of the Plan Year in which:

(i) the Participant attains Normal Retirement Age; or

(ii) the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and spouse (or where either the Participant or the spouse has died, the survivor) to consent to a distribution (other than an involuntary cashout) when a benefit is "immediately distributable" (as described below) shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section 6.06 (and provisions of Article III of Part III of the Plan). In no event will benefits begin to be distributed (other than as an involuntary cashout) prior to the later of Age 62 or Normal Retirement Age without the consent of the Participant. The consent of the Participant's spouse will also be required for any such distribution (other than an involuntary cashout) unless the benefit is paid in the form of a Qualified Joint and Survivor Annuity. Any spousal consent shall satisfy the requirements of Section 6.07.

If the Accrued Benefit is immediately distributable, the Participant and the Participant's spouse (or where either the Participant or the spouse has died, the survivor) must consent to any distribution (other than as an involuntary cashout) of such Accrued Benefit. Needed consents of the Participant and the Participant's spouse shall be obtained in writing within the 180-day period ending on the annuity starting date. The "**annuity starting date**" is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and the Participant's spouse of the right to defer any distribution (other than an involuntary cashout) until the Participant's Accrued Benefit is no longer immediately distributable. Such notification shall include a general description of the material features, and an explanation of the relative values, of the optional forms of benefit available under the Plan in a manner that would satisfy the notice requirements of Code Section 417(a)(3), and shall be provided no less than 30 days and no more than 180 days prior to the annuity starting date; provided, however, that the minimum 30 day notice period described in this sentence may be waived by the Participant's written waiver given after notice to the Participant has described that the Participant was allowed at least 30 days to consider his choice under this Section and that the Participant was allowed to revoke his waiver under this Section at any time through his or her annuity starting date.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Accrued Benefit is immediately distributable. Neither the consent of the Participant nor the Participant's spouse shall be required to the extent that a distribution is required to satisfy Code Section 401(a)(9) or Code Section 415.

An Accrued Benefit is "**immediately distributable**" if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or Age 62.

Notwithstanding the above the entire interest of a Participant or a Beneficiary must be distributed in accordance with the minimum required distribution rules set forth in Article III of Part III of the Plan.

6.07 Qualified Joint and Survivor Annuity for Married Participants.

(a) General Rules. Notwithstanding anything in this Article to the contrary, unless a married Participant's Accrued Benefit has been paid in a lump sum pursuant to Section 6.06, such Participant's retirement benefit will be payable to the Participant and his or her spouse in the form of a Qualified Joint and Survivor Annuity, with the survivor to receive 100% of the benefit which had been payable during their joint lives, unless an optional form of benefit is selected pursuant to a qualified election within the 180-day period ending on the annuity starting date. In the case of an unmarried Participant, unless the Participant elects an optional form of benefit, the Participant's retirement benefit will be paid in the form of a no- death benefit life annuity.

(b) Definitions.

(i) Qualified election: A "**qualified election**" means a waiver of a Qualified Joint and Survivor Annuity meeting the requirements of this Section 6.07(b)(i). A qualified election shall not be effective unless: (A) the Participant's spouse consents in writing to the election; (B) the election designates a specific Beneficiary, including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (C) the spouse's consent acknowledges the effect of the election; and (D) the spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's qualified election will not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent). If it is established to the satisfaction of a Plan representative that there is no spouse or that the spouse cannot be located, a waiver will be deemed a qualified election.

Any consent by a spouse obtained under this Section 6.07(b) (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the Participant without any requirement of further consent by such spouse must acknowledge that the spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in Section 6.07(c) below.

(ii) Spouse (surviving spouse): A "**spouse**" means the person, if any, to whom the Participant is lawfully married at his annuity starting date. A "**surviving spouse**" means the person, if any, to whom the Participant is lawfully married at the date of his death. A former spouse will be treated as the spouse or surviving spouse only to the extent provided under a Qualified Domestic Relations Order.

(iii) Annuity starting date: An "**annuity start date**" means the first day of the first period for which an amount is paid as an annuity or under any other form.

(c) Notice Requirement.

(i) In the case of a Qualified Joint and Survivor Annuity as described in Section 6.07(a), the Plan Administrator shall provide each Participant no less than 30 days and no more than 180 days prior to the annuity starting date a written explanation of: (A) the terms and conditions of a Qualified Joint and Survivor Annuity; (B) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity form of benefit; (C) the rights of a Participant's spouse; (D) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity; and (E) the relative values of the various optional forms of benefit under the Plan. Notices given to Participants pursuant to Code Section 411(a)(11) shall include a description of how much larger benefits will be if the commencement of distributions is deferred.

(ii) A Participant may commence receiving a distribution in a form other than a Qualified Joint and Survivor Annuity less than 30 days after receipt of the written explanation described in the preceding paragraph provided: (A) the Participant has been provided with information that clearly indicates that the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) a form of distribution other than a Qualified Joint and Survivor Annuity; (B) the Participant is permitted to revoke any affirmative distribution election at least until the Distribution Commencement Date or, if later, at any time prior to the expiration of the seven day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and (C) the Distribution Commencement Date is after the date the written explanation was provided to the Participant. For distributions on or after December 31, 1996, the Distribution Commencement Date may be a date prior to the date the written explanation is provided to the Participant if the distribution does not commence until at least 30 days after such written explanation is provided, subject to the waiver of the 30-day period. For the purposes of this paragraph, the "**Distribution Commencement Date**" is the date a Participant commences distributions from the Plan. If a Participant commences distribution with respect to a portion of his/her Account Balance, a separate Distribution Commencement Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Distribution Commencement Date is the first day of the first period for which annuity payments are made.

(d) Applicability. The provisions of this Section 6.07 shall apply to any Participant who is credited with at least one Hour of Service with the Employer on or after January 1, 1976. In addition, any living Participant or Former Participant not receiving benefits under Part I of the Plan on August 23, 1984 who would otherwise not receive the benefits prescribed by this Section 6.07 shall be given the opportunity to elect to have the provisions of this Section apply, provided such Participant or Former Participant was credited with at least one Hour of Service under this Part I of the Plan or a predecessor plan on or after September 2, 1974.

The opportunity to elect a Qualified Joint and Survivor retirement option must be afforded to the appropriate Participants or Former Participants during the period commencing on August 23, 1984 and ending on the dates benefits would otherwise commence to such person.

6.08 Supplementary Pension Benefits. Effective July 1, 1986, and on each July 1 thereafter, the amount of monthly retirement benefits payable to eligible retirees (as described below) or their Beneficiaries shall be increased by a percentage determined in accordance with the following formula:

Percentage Increase = .8 (M - .07) x 100

For Plan Years beginning after December 31, 2008, for purposes of the above formula, "**M**" equals the annual coupon return on December 31, 2009 and on each December 31 thereafter of the Barclays Capital U.S. Government/Credit 5-10 Year Index, or its successor.

For Plan Years beginning after December 31, 1997 and prior to January 1, 2009, for purposes of the above formula, "M" equaled the earnings rate for the prior Plan Year on assets representing retired life reserves for retirees of First Allmerica, Citizens and Hanover. Additionally, retired life reserve assets of the Agents' Pension Plan (Part II of the Plan) and retired life reserve assets attributable to retirees of General Agents of First Allmerica and retirees of Beacon Insurance Company of America ("**Beacon**"), formerly an affiliate of Hanover, shall be aggregated and combined with the retired life reserve assets of this Part I of the Plan.

For Plan Years beginning prior to January 1, 1998, for purposes of the above formula, "M" equaled the earnings rate for the prior Plan Year on assets representing retired life reserves for retirees of each Employer. The formula shall be applied separately and retired life reserves shall be determined separately for each Employer; provided, however, (i) that for retirees of First Allmerica and its General Agents who have adopted this Part I of the Plan, retired life reserve assets shall be aggregated and combined with the retired life reserve assets of The First Allmerica Agents' Pension Plan (Part II of the Plan) and (ii) for Plan Years beginning after December 31, 1992, the retired life reserve assets of Beacon shall be combined with the retired life reserve assets of Hanover.

For the Plan Years for which "M" depended on the returns of designated retired life reserve assets, the earnings rate on retired life reserve assets was to be determined by an actuary, using the "investment year block" method of crediting interest that First Allmerica used to credit interest on its Experience Rated group annuity contracts that were in force on an active basis. The resulting earnings rate(s) should neither be associated with nor construed as the investment yield (all or in part) of the pension fund.

For each Plan Year for which "M" depended on the returns of designated retired life reserve assets, the retired life reserve assets for newly qualified retirees to be added to the total retired life assets outstanding was to be determined using a 7% interest rate and the 1971 GAM mortality table.

The determination of "M'' and of the overall earning rate(s) shall be final and conclusively binding for all persons.

The effective date for the payment of supplemental pension benefits paid as a result of this Section shall be each July 1, commencing with July 1, 1986. Those eligible to receive supplemental pension benefits as a result of this Section shall be those retirees of First Allmerica, Citizens, Hanover and General Agents of First Allmerica (and their Beneficiaries) who were receiving basic retirement benefits under Part I of the Plan on

the July 1 increase effective date, had been retired for at least 18 months on such increase effective date, and:

(i) had elected an immediate early retirement benefit pursuant to Section 6.02 (or its successor, if any)

(ii) had terminated employment after having met the eligibility requirements for early retirement specified in Section 6.02 (or its successor, if any) and elected to defer receipt of retirement benefits: or

(iii) had retired on or after their Normal Retirement Age after having completed at least 15 years of Credited Service.

The Beneficiaries of any retiree meeting the above requirements shall be entitled to receive a supplemental pension benefit under this Section if the Beneficiaries were receiving survivor benefits under Part I of the Plan on the July 1 increase effective date.

A supplemental pension benefit determined under this Section shall be added to and become a part of the recipient's basic benefit under Part I of the Plan and shall be payable during such period and under such option as the basic benefit under Part I of the Plan is being paid.

6.09 Suspension of Retirement Benefits.

(a) Suspension of Benefits. Except as provided below, Normal, Early or Late Retirement Benefits will be suspended for each calendar month during which an Employee or Eligible Re-employed Pensioner (a "**Pensioner**") completes more than 80 Hours of Service as described in Sections 2.23(a) and (b) with an Employer in a job or position in which the Employee or Pensioner is eligible to participate in Part I of the Plan ("**Section 203(a)(3)(B) service**").

For purposes of this Section 6.09, an "**Eligible Re-employed Pensioner**" means (i) a retiree of First Allmerica or a retiree of a General Agent of First Allmerica who is re-employed by First Allmerica, Citizens or Hanover on or after January 1, 1988, or (ii) a retiree of Citizens or Hanover who is re-employed by First Allmerica, Citizens or Hanover on or after January 1, 1993 and (iii) for Plan Years beginning after December 31, 1988, who had not attained Age 70; provided, however, that (i) benefits will not be suspended during the calendar month a Pensioner first retires from the Employer, regardless of the number of Hours of Service completed by the Pensioner during such month, and (ii) this Section shall not apply to the Top-Heavy Plan minimum benefits to which any Non-Key Employee may be entitled under the top-heavy rules of Section 2.03 of Part III of the Plan.

(b) Amount Suspended. The benefit suspended shall be equal to the portion of the Employee's or Pensioner's monthly annuity benefit derived from Employer contributions, including any temporary early retirement supplement; provided,

however, that earnings credits provided under Section 4.03(a) shall not be suspended by operation of this Section 6.09.

(c) Resumption of Payment. If retirement benefit payments have been suspended, payments shall resume no later than the first day of the third calendar month after the calendar month in which the Employee or Pensioner ceases to be employed in Section 203(a)(3)(B) service. The initial payment upon resumption shall include the payment scheduled to occur in the calendar month when payments resume and any amounts withheld during the period between the cessation of Section 203(a)(3)(B) service and the resumption of payments.

Notwithstanding the foregoing in this Section 6.09(c), there shall be an offset from any payments to be resumed for the amount of any retirement benefits that had been paid but which should have been withheld under the suspension rules of this Section 6.09. In no event may the offset exceed in any one month more than 25 percent of the amount that would otherwise be payable under Part I of the Plan (excluding the first payment made after resumption which may be offset without limitation). The amount to be resumed shall be the greater of the benefit amount suspended or a benefit computed as described in Sections 6.01 or 6.02 or 6.04, as appropriate, but based on the pensioner's Age (and any joint or contingent annuitant's Age), Credited Service and Compensation on the date of resumption.

(d) Notification. Notwithstanding anything in Part I of the Plan to the contrary, effective January 1, 2007, no retirement benefits (Early, Normal or Late) shall be withheld by the Plan unless the Employee or Pensioner is notified by personal delivery or first class mail during the first calendar month in which the Plan withholds payments that his or her benefits are suspended.

Such notifications shall contain a description of the specific reasons why benefit payments are being suspended, a description of the plan provisions relating to the suspension of payments, a copy of such provisions, and a statement to the effect that applicable Department of Labor regulations may be found in Section 2530.203-3 of the Labor Regulations.

In addition, the notice shall inform the Employee or Pensioner of the Plan's procedures for affording a review of the suspension of benefits. Requests for such reviews may be considered in accordance with the claims procedure adopted by the Plan, as described in Article IX of Part III of the Plan.

6.10 Rollovers to Other Qualified Plans.

(a) Notwithstanding any provision of Part I of the Plan to the contrary that would otherwise limit a distributee's election under this Article or under Articles VII and VIII other than this Section 6.10(a), a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover; provided, however, that if the Actuarial Equivalent present value of a distributee's vested Accrued Benefit does not exceed $1,000, the distributee does not have to be allowed the eligible rollover election described in this sentence. If the Actuarial Equivalent present value of a Participant's Accrued Benefit exceeds $1,000 and does not exceed $5,000 and the Participant does not elect a distribution or a rollover, the Plan shall automatically distribute the Participant's Accrued Benefit, in a direct rollover, to an eligible individual retirement plan (a "**Rollover IRA**") for the benefit of such Participant and pursuant to a written agreement with the Rollover IRA provider that provides (i) the amount rolled over to the Rollover IRA shall be invested in a manner designed to preserve principal and provide a reasonable rate of return and liquidity; (ii) all fees and expenses attendant to a Rollover IRA shall not exceed the fees and expenses charged by the Rollover IRA provider for comparable IRAs established for reasons other than receipt of a rollover distribution; and (iii) the Participant on whose behalf the automatic rollover is made under this Section shall have the right to enforce the terms of the written agreement establishing the Rollover IRA, with regard to his or her rolled over funds, against the Rollover IRA provider. All fees and expenses attendant to the Rollover IRA shall be allocated to the Rollover IRA.

(b) Definitions.

(i) Eligible rollover distribution: An "**eligible rollover distribution**" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than $200 during a year. A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (A) an individual retirement account or annuity described in Code Sections 408(a) or (b); (B) for taxable years beginning after December 31, 2001 and before January 1, 2007, to a qualified trust which is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (C) for taxable years beginning after December 31, 2006, to a qualified trust or to an annuity contract described in Code Section 403(b), if such trust or contract provides for separate accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) Eligible retirement plan: An "**eligible retirement plan**" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a Roth IRA as pursuant to in Code Section 408A(e), an annuity contract described in Code Section 403(b), an annuity plan described in Code Section 403(a), a qualified plan described in Code Section 401(a) that accepts the distributee's eligible rollover distribution, or an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A "**distributee**" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's surviving spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct rollover: A "**direct rollover**" is a payment by the Plan to the eligible retirement plan specified by the distributee.

(c) For distributions after June 9, 2009, a non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("**direct rollover**"), may roll over all or any portion of his or her distribution to an individual retirement account the Beneficiary establishes for purposes of receiving the distribution. In order to do a direct rollover of the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

Although a non-spouse Beneficiary may roll over directly a distribution as provided above, any distribution made prior to January 1, 2010 is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c)). If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a "designated beneficiary" within the meaning of Code Section 401(a)(9)(E).

A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treasury Regulation Section 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary's distribution.

ARTICLE VII

DEATH BENEFITS

7.01 Pre-Retirement Death Benefits.

(a) General Rules. The provisions of this Section shall apply to any Participant or Former Participant provided that such Participant or Former Participant completes at least one Hour of Service on or after January 1, 1995.

(i) If a married Participant who has satisfied the eligibility requirements for an early retirement benefit or normal retirement benefit dies (regardless of whether the Participant is still working for the Employer) before beginning to receive such benefits, then the Participant's surviving spouse will receive a monthly retirement benefit equal to the sum of:

(A) the portion of the Accrued Benefit attributable to the Participant's Grandfathered Benefit, if any, that would have been payable if the Participant had retired on the day before his or her death after having elected an immediate Qualified Joint and Survivor Annuity Option with a 50% continuation of monthly benefits to be payable to the survivor; and

(B) the Actuarial Equivalent annuity (payable on the Participant's death) of the portion of the vested Accrued Benefit attributable to the Participant's Projected Account Balance.

The amount of such benefit shall be payable monthly for the life of the spouse, with the first payment payable as of the date of the Participant's death, unless the spouse requests a later commencement date (consistent with the provisions of the Part I of the Plan).

(ii) If a fully or partially vested married Participant dies on or before attaining eligibility for early retirement, the Participant's surviving spouse will receive a monthly retirement benefit equal to the sum of (A) and (B) below.

(A) The portion of the Accrued Benefit attributable to the Participant's Grandfathered Benefit, if any, which would be payable if the Participant had:

(1) separated from service on the date of death;

(2) survived to Age 55 (if younger than Age 55 on the date of death);

(3) retired at Age 55 (or retired on the day before his or her death, if older than Age 55 at the date of death) after having elected an immediate Qualified Joint and Survivor Annuity Option with a 50% continuation of monthly benefits to be payable to the survivor; and

(4) died on the day after retirement.

(B) The Actuarial Equivalent annuity (payable when the Participant would have attained age 55) of the portion of the vested Accrued Benefit attributable to the Participant's Projected Account Balance.

A surviving spouse entitled to benefits under this Section 7.01(a)(ii) will begin to receive payments on the first day of the month following the date the Participant would have attained Age 55 (or on the first day of the month following the date of death, if the Participant was Age 55 or older on the date of his or her death), unless the spouse requests an earlier or later commencement date (consistent with the provisions of Part I of the Plan).

For purposes of this Section 7.01(a)(ii), the "**earliest retirement age**" is the earliest date on which, under Part I of the Plan, the Participant could elect to receive retirement benefits attributable to his or her Grandfathered Benefit.

The surviving spouse of a Participant who is entitled to receive a pre-retirement death benefit as described in Section 7.01(a)(i) or Section 7.01(a)(ii) may, in lieu of receiving such benefit, elect to receive the portion of such death benefit which is the Participant's Account Balance on the Determination Date in a single sum amount. Such single sum benefit shall be distributed as soon as practicable after the date of the Participant's death (or at any later date, as elected by the surviving spouse, consistent with the provisions of Part I of the Plan) and shall be in an amount equal to the Account Balance as of the Determination Date. Alternatively, the surviving spouse may elect to have the Actuarial Equivalent of the pre-retirement death benefit (or the Actuarial Equivalent of the Grandfathered Benefit, if the Account Balance is to be paid as a single sum) payable commencing as of the date of the Participant's death (or at any later date as elected by the surviving spouse, consistent with the provisions of Part I of the Plan) in any of the other optional forms of payment available under Section 6.06. In the event that a surviving spouse elects to have the portion of his or her benefit attributable to the Participant's Account Balance payable in a lump sum in accordance with this paragraph, the balance of the death benefit otherwise payable under Part I of the Plan in accordance with Section 7.01(a)(i) or Section 7.01(a)(ii), shall consist solely of that portion of such death benefit that is attributable to the Participant's Grandfathered Benefit, if any.

Any surviving spouse described in the preceding paragraph who elects to receive the Participant's Account Balance in a single sum payment may also elect to receive the present value of the Participant's Grandfathered Benefit, if any, in a single sum amount; provided, however, that this option with respect to a Grandfathered Benefit shall only be available to a surviving spouse if the present value of the Grandfathered Benefit does not exceed $5,000. Any such single sum benefit shall be distributed as soon as practicable after the date of the Participant's death.

If a Participant, on or after the earlier of the first day of the Plan Year in which he or she attains age 35 or the date of his or her separation from service and prior to his or her death, elects to waive the pre-retirement death benefit which is attributable to the Participant's Projected Account Balance and the participant's spouse consents to the waiver in accordance with Section 6.07(b)(i) (as if the pre-retirement death benefit waiver was a waiver of a Qualified Joint and Survivor Annuity), the Participant may designate a Beneficiary other than his or her spouse to receive the portion of the Participant's pre-retirement death benefit which is attributable to the Participant's Projected Account Balance.

Any such designation shall be in writing on a form provided by or satisfactory to the Plan Administrator, and such designation may include primary and contingent Beneficiaries. Such benefit shall be paid in the form of a lump sum as soon as practicable after the death of the Participant and shall equal the Participant's Account Balance at the Determination Date. In the event that a portion of a Participant's benefit under the Plan is payable to a non-spouse Beneficiary in accordance with this paragraph, the remaining portion of the death benefit attributable to such Participant shall be paid to the Participant's surviving spouse in accordance with Section 7.01(a)(i) or Section 7.01(a)(ii), as applicable. Before a Participant is permitted to waive the pre-retirement death benefit which is attributable to the Participant's Account Balance, the Plan Administrator shall provide each Participant a written explanation with respect to the pre-retirement death benefit comparable to the explanation described in Section 6.07(c)(i).

(b) Unmarried Participants. If any unmarried Participant dies in any of the circumstances described in Section 7.01(a)(i) or Section 7.01(a)(ii) with respect to married Participants, the Beneficiary (designated in accordance with the rules described in Section 7.01(a)) of such Participant shall receive a death benefit in a single sum as soon as practicable after the date of the Participant's death. The amount of such death benefit shall be equal to the Participant's Account Balance at the Determination Date. There shall be no death benefit payable with respect to the Grandfathered Benefits of any such Participant.

7.02 Death Benefits for Certain Dependent Spouses (Applicable only to certain Employees entitled to Special Grandfathered Benefits).

(a) Eligibility. The spouse of a deceased Employee (including the spouse of any such deceased Employee who had become and continuously remained Totally Disabled [as described in Section 6.05] until death) shall be entitled to a monthly income as set forth in Section 7.02(b), provided:

(i) The spouse was married to, living with and was a dependent of the Employee for at least the three year period immediately preceding the death of the Employee. For purposes of this Section 7.02, dependency shall be assumed only if the average earned income of the spouse during such three year period was less than the average earned income of the Employee during the same three year period;

(ii) The Employee had attained Age 50 prior to the date of death;

(iii) The Employee was an employee of First Allmerica or a General Agent of First Allmerica prior to January 1, 1976 and had not thereafter retired or attained Age 65 and since December 31, 1975 was continuously employed with the Employer until the date of his or her death;

(iv) The Employee was eligible to accrue additional Special Grandfathered Benefits (as described in Section 2.20(b)) on December 31, 2004 (or on the date of his or her death, if earlier); and

(v) The Employee was not a Highly Compensated Employee on the date of his or her death.

Whether or not a spouse qualifies as a "dependent spouse" shall be determined by the Plan Administrator, whose determination shall be conclusive and binding on all persons. If an Employee or spouse is Totally Disabled (as described in Section 6.05), the "average earned income" of the disabled person shall be determined as of the date the Total Disability commenced. The term "**earned income**" for a year means a person's Compensation as defined in Section 2.08(b) paid during the year, plus the sum of (i) any salary reduction contributions allocated during the year on the person's behalf to any tax sheltered annuity qualified under Code Section 403(b) or to any defined contribution plan qualified under Code Section 401(k) maintained by the person's employer, and (ii) the amount of any salary reduction contributions contributed on the person's behalf during the year to any Code Section 125 plan maintained by the person's employer.

(b) Amount of Benefit. The benefit to spouses qualifying under Section 7.02(a) shall be a monthly income commencing as of the date of the death of the Employee, in an amount equal to (i) less (ii) below:

(i) the applicable percentage below of the Special Grandfathered Benefit which the Employee would have received at his or her Normal Retirement Date had the Employee lived and remained a Participant in Part I of the Plan until such date and had the Participant continued to earn monthly one-twelfth of the Compensation paid to the Participant during the 12 complete months prior to the month in which occurred the date of his or her death.

Number of Completed Years Over Employee's Age 49 at Date of Employee's Death	Percentage of Grandfathered Retirement Benefit*
1	10%
2	20%
3	30%
4	40%
5 and over	50%; less

* If death occurs in a month other than the month in which the Participant attains the specified Age, the percentage shall be determined based on straight line interpolation.

(ii) the amount of any benefits provided to the surviving spouse pursuant to Section 7.01 attributable to the Employee's Special Grandfathered Benefit.

ARTICLE VIII

BENEFITS UPON TERMINATION FROM SERVICE

8.01 In General. In the event that a Participant shall terminate from service with the Employer for any reason other than death, his becoming Totally Disabled (as described in Section 6.05) or Normal, Early or Late Retirement, the interests and rights of such Participant shall be limited to those contained in this Article.

8.02 Termination Benefits. Upon any termination of service described in Section 8.01, a Participant shall be entitled to a benefit under Part I of the Plan, payable at his or her Normal Retirement Date, equal to the vesting percentage specified below of the Participant's Accrued Benefit. The automatic form of benefit shall be a Qualified Joint and Survivor Annuity, with the survivor to receive 100% of the benefit which had been payable during their joint lives, if the Participant is married at the time of commencement of benefits, or a single life annuity if the Participant is not married at the time of commencement. With spousal consent, the Participant may elect to have his or her benefit paid in any of the optional forms described in Section 6.06. The amount of any annuity attributable to a Participant's vested Account Balance shall be the Actuarial Equivalent of such vested Account Balance.

Vesting Percentages

(a) With respect to the portion of the Accrued Benefit attributable to such Participant's Grandfathered Benefit, if any:

Completed Years of Service	Nonforfeitable Percentage
Less than 5	0
5 or more	100

(b) With respect to the portion of the Accrued Benefit attributable to such Participant's Projected Account Balance:

Completed Years of Service	Nonforfeitable Percentage
Less than 2	0
2	25
3	50
4	75
5 or more	100

(c) Notwithstanding the above, if the Plan is a Top Heavy Plan, then the Plan shall meet the following vesting requirements for such Plan Year and for all subsequent Plan Years, even if the Plan is not a Top Heavy Plan for such subsequent Plan Years.

Completed Years of Service	Nonforfeitable Percentage
Less than 2	0
2	25
3	50
4	75
5 or more	100

(d) Notwithstanding anything in Part I of the Plan to the contrary, effective on August 17, 2006, for those Participants employed by the Employer on or after such date, such Participants shall be 25% vested in their Account Balance, as defined in Section 4.01, upon completion of two (2) Years of Service and 100% vested in

their Accrued Benefit, as described in Section 2.01, upon completion of three (3) Years of Service.

For purposes of this Article, "**Years of Service**" means Plan Years during which an Employee was credited with at least 1,000 Hours of Service.

Notwithstanding the foregoing, a Participant who is entitled to a deferred Normal Retirement Benefit may elect to receive his or her vested Account Balance on the Determination Date in a single lump sum. In addition, if a Participant makes an election described in the immediately preceding sentence and if the present value of the portion of the vested Accrued Benefit attributable to such Participant's vested Grandfathered Benefit does not exceed $5,000, the Participant may elect to receive such portion of his or her vested Accrued Benefit attributable to the Grandfathered Benefit in a lump sum. Any such Participant may elect to receive either such lump sum at any time after separation from service and, in the case of a single lump sum distribution of his or her vested Account Balance, must receive such benefit no later than the time at which benefits attributable to the Participant's Grandfathered Benefit, if any, commence. Any such election shall be subject to spousal consent in the case of a married Participant. Any spousal consent must satisfy the requirement of Section 6.07.

Notwithstanding anything in Part I of the Plan to the contrary except Section 6.10, effective for involuntary cashouts paid after December 1, 2012, a Former Participant (other than a Former Participant who is a participant in The Hanover Excess Benefit Retirement Plan) who is not an Employee of the Employer or an Affiliate will be paid the present value of his or her vested Accrued Benefit on the Determination Date in an immediate lump sum if the present value of his or her vested Accrued Benefit, if any, on the Determination Date does not exceed $5,000. Consent to this involuntary cashout by the Former Participant will not be required, and spousal consent to this involuntary cashout will not be required in the case of a married Former Participant.

Notwithstanding anything in Part I of the Plan to the contrary, an actively employed Participant's Accrued Benefit shall become 100% vested and non-forfeitable upon the earliest of (i) the date of such Participant's death; (ii) the date such a Participant becomes Totally Disabled (within the meaning of Section 6.05); or (iii) the date such a Participant attains his or her Normal Retirement Age.

Any distributions under this Article shall be subject to the requirements of Sections 6.06 and 6.07, including the requirement that a Participant shall be eligible to receive any form of distribution provided under Section 6.06 at such time as he or she is eligible to receive his or her vested Account Balance in a lump sum, except to the extent expressly provided otherwise in this Section.

8.03 Forfeitures. The non-vested portion of a Participant's Accrued Benefit shall be treated as a forfeiture when the Participant or his or her spouse (or surviving spouse) receives a distribution of the present value of his or her vested Accrued Benefit, pursuant to Section 8.02, and the Participant's service attributable to such distribution shall be disregarded as provided in Section 8.07. For purposes of this Section, if the present value of a

Participant's vested Accrued Benefit is zero, the Participant shall be deemed to have received a distribution of such vested Accrued Benefit.

In the case of a partially vested terminated Participant who does not receive a distribution pursuant to the above paragraph, the value of the nonvested portion of his Accrued Benefit shall be treated as a forfeiture at the end of the Plan Year in which the Participant incurs a One Year Break in Service until the Participant has completed one Year of Service after he has been re-employed.

Forfeitures will be used to reduce (i) Employer contributions for the Plan Year following the Plan Year in which the forfeiture occurs; and or (ii) the Employer's costs under the Plan.

8.04 Resumption of Service. A Participant who terminates his or her participation in Part I of the Plan and who subsequently resumes service with the Employer will again become a Participant on the entry date determined in accordance with Section 3.01(b).

8.05 Service with Affiliates. As provided in Section 2.23, in determining a Participant's vesting percentage, Hours of Service completed with an Affiliate or as a Career Agent or General Agent of First Allmerica shall be deemed to be Hours of Service completed with the Employer.

8.06 Distribution of Benefits. On the Former Participant's Normal Retirement Date, benefits to which he or she is entitled pursuant to this Article shall be distributed in accordance with Article VI.

If a Former Participant entitled to a deferred benefit pursuant to this Article VIII dies prior to his or her Normal Retirement Date, the death benefit, if any, to which he or she is entitled shall be as is specified in Article VII.

8.07 Cashout Repayment Option.

(a) Notwithstanding anything in this Article or in Section 2.01 to the contrary, unless a repayment has been made in accordance with Section 8.07(b) below, in determining a partially vested Employee's Grandfathered Benefit (or, in the case of a Top Heavy Plan, the minimum benefit for Non-Key Employees described in Section 2.01(b)) after a resumption of participation, periods of service with respect to which the Employee received a distribution of the present value of his or her vested Accrued Benefit shall be disregarded.

(b) In the case of the distribution of the present value of a Participant's or Former Participant's vested Accrued Benefit in accordance with Sections 6.06 or 8.02, the Participant's Accrued Benefit described in Sections 2.01(a) and (b) (including all optional forms of benefits and subsidies relating to such benefits) shall be restored if he or she is subsequently an Employee and repays the amount distributed plus interest, if applicable, compounded annually from the date of distribution at the rate of five percent. In determining the amount of any required repayment, interest shall be charged on the portion of any distribution attributable to a Participant's Grandfathered Benefit, if any or, in the case of a Top Heavy Plan, on the portion of any distribution that is a minimum benefit for Non-Key Employees described in Section 2.01(b). No interest shall be payable with respect to the portion of a Participant's distribution attributable to his or her Account Balance. Such repayment must be made by the Employee before the earlier of five years after the first date on which the Employee is subsequently reemployed by the Employer, or the date the Employee incurs five consecutive One Year Breaks in Service following the date of distribution.

If an Employee is deemed to receive a distribution pursuant to this Article, and the Employee resumes employment covered under this Plan before the date the Participant incurs five consecutive One-Year Breaks in Service, upon the reemployment of such Employee, the Employer-derived Accrued Benefit will be restored to the amount of such Accrued Benefit on the date of the deemed distribution.

8.08 Early Retirement Election. Any Participant who terminates service after having completed at least fifteen Years of Service may elect to retire on the first day of any month following his or her 55th birthday, as described in Section 6.02.

8.09 Amendment to Vesting Schedule. If the Vesting Schedule of the Plan is amended, or the Plan is amended in any way that directly or indirectly affects the computation of a Participant's nonforfeitable percentage, or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least three Years of Service with the Employer may elect, within a reasonable period after the adoption of the amendment or change, to have their nonforfeitable percentage computed under the Plan without regard to such amendment or change. The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(i) 60 days after the amendment is adopted;

(ii) 60 days after the amendment becomes effective; or

(iii) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

EXHIBIT A - ADJUSTMENT FACTORS FOR OPTIONAL GRANDFATHERED BENEFITS

Factors for ages not illustrated on the following tables will be computed on an actuarial basis consistent with that used to compute the factors shown.

JOINT AND SURVIVOR OPTION PERCENTAGES

(Applicable only if the Participant's age, nearest birthday, on the date monthly income commences is 65).

Age Nearest Birthday of Joint Annuitant on the Date Monthly Income Commences to the Participant	Percentage of the Adjusted Grandfathered Retirement Annuity Payments which are to be Continued to the Surviving Joint Annuitant		
	100%	66 2/3%	50%
50	80.3%	87.1%	90.9%
51	80.7	87.5	91.3
52	81.1	87.9	91.8
53	81.5	88.4	92.2
54	82.0	88.8	92.7
55	82.4	89.3	93.2
56	82.9	89.8	93.8
57	83.3	90.3	94.3
58	83.8	90.9	94.9
59	84.3	91.4	95.5
60	84.8	92.0	96.1
61	85.3	92.7	96.8
62	85.9	93.3	97.5
63	86.4	94.0	98.3
64	86.9	94.7	99.1
65	87.5	95.4	100.0
66	88.0	96.2	100.0
67	88.6	97.0	101.9
68	89.1	97.9	102.9
69	89.6	98.7	104.0
70	90.2	99.6	105.1

1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum.

Life Ann/Opt.

CONTINGENT ANNUITANT OPTION PERCENTAGES

(Applicable only if the Participant's age, nearest birthday, on the date monthly income commences is 65).

Age Nearest Birthday of Contingent Annuitant on the Date Monthly Income Commences to the Participant	Percentage of the Adjusted Grandfathered Retirement Annuity Payments which are to be Continued to the Surviving Contingent Annuitant		
	100%	66 2/3%	50%
50	80.3%	85.9%	89.0%
51	80.7	86.2	89.3
52	81.1	86.5	89.6
53	81.5	86.9	89.8
54	82.0	87.2	90.1
55	82.4	87.5	90.4
56	82.9	87.9	90.6
57	83.3	88.2	90.9
58	83.8	88.6	91.2
59	84.3	89.0	91.5
60	84.8	89.3	91.8
61	85.3	89.7	92.1
62	85.9	90.1	92.4
63	86.4	90.5	92.7
64	86.9	90.9	93.0
65	87.5	91.3	93.3
66	88.0	91.7	93.6
67	88.6	92.1	93.9
68	89.1	92.5	94.2
69	89.6	92.9	94.5
70	90.2	93.2	94.8

1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum.

Life Ann/Opt.

ANNUITY OPTION ADJUSTMENT PERCENTAGES

Percentages to be applied (to the monthly benefit which would be payable to the Participant on his or her Retirement Date if no Optional Form of Annuity were in effect) to determine the monthly income benefit commencing on the Participant's Retirement Date if one of the following options is in effect.

Age Nearest Birthday on the Date Monthly Income Commences	Annuity Option for Grandfathered Benefit			
	5C&C	10C&C	15C&C	20C&C
50	99.8%	99.2%	98.3%	97.2%
51	99.8	99.1	98.1	96.9
52	99.7	99.0	97.9	96.6
53	99.7	98.9	97.7	96.3
54	99.7	98.8	97.5	96.0
55	99.6	98.6	97.3	95.6
56	99.6	98.5	97.0	95.2
57	99.6	98.4	96.8	94.8
58	99.5	98.3	96.5	94.3
59	99.5	98.1	96.2	93.8
60	99.4	98.0	95.9	93.3
61	99.4	97.8	95.5	92.7
62	99.3	97.6	95.0	92.0
63	99.3	97.3	94.5	91.2
64	99.2	97.1	94.0	90.4
65	99.1	96.7	93.3	89.5
66	99.0	96.4	92.6	88.5
67	98.9	95.9	91.8	87.4
68	98.8	95.4	91.0	86.2
69	98.6	94.9	90.0	84.9
70	98.4	94.3	89.0	83.5

1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum.

Life Ann/Opt.

THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

PART II

(As amended and restated generally effective January 1, 2016)

THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

PART II

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ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN

1.01 General Statement. The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**") consists of three parts, Part I, Part II and Part III. Part I of the Plan provides a cash balance and pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan". Part II of the Plan provides a pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan". Part III of the Plan contains provisions applicable to each of Part I and Part II.

The provisions of Part III of the Plan shall override any provision of Part II of the Plan as provided in Part III of the Plan.

The benefits payable to eligible Participants under Part II of the Plan are governed by the terms and conditions of Part II of the Plan and Part III of the Plan. Terms used in this Part II of the Plan are defined in Part I of the Plan, except as otherwise specifically provided in this Part II of the Plan.

1.02 Name of Plan. The prior version of this Part II of the Plan, known as The Allmerica Financial Agents' Pension Plan, was generally effective January 1, 1999 (except for those provisions of the Plan which had an alternative effective date). The effective date of the prior version of this Part II of the Plan (the "Prior Agents' Plan") was January 1, 1971. Effective January 1, 1992, the Prior Agents' Plan was merged with and became a part of The Allmerica Financial Cash Balance Pension Plan, formerly known as The State Mutual Companies' Pension Plan. Thus, the Prior Agents' Pension Plan became Part II of The Hanover Insurance Group Cash Balance Pension Plan. On December 31, 2007, First Allmerica did not employ any person who was eligible to participate or was actively participating in The Allmerica Financial Agents' Pension Plan. Effective January 1, 2008, First Allmerica transferred sponsorship of, and the liabilities and obligations associated with, The Hanover Insurance Group Cash Balance Plan (including The Allmerica Financial Agents' Pension Plan) to Hanover, and Hanover agreed to assume sponsorship of, and the liabilities and obligations associated with, The Hanover Insurance Group Cash Balance Pension Plan as of such date.

1.03 Purpose. This Part II of the Plan has been established for the exclusive benefit of Participants and their Beneficiaries and as far as possible shall be interpreted and administered in a manner consistent with this intent and consistent with the requirements of Section 401 of the Internal Revenue Code.

Subject to Article IV of Part III of the Plan and to Section 10.04 of Part III of the Plan, which relates to the return of Employer contributions under special circumstances, until such time as the Plan has been terminated and all Plan liabilities have been satisfied, under no circumstances shall any assets of the Plan, or any contributions made under the Plan, be used for, or diverted to, purposes other than for the exclusive benefit of the

Participants and their Beneficiaries and to defray reasonable expenses incurred in the administration of the Plan.

1.04 Restated Plan Effective Date. The effective date of this amended and restated Part II of the Plan is January 1, 2016 (except for those provisions of this Part II of the Plan which have an expressly stated alternative effective date). Except to the extent otherwise specifically provided in this Part II of the Plan, (i) the terms and conditions of this amended and restated Part II of the Plan shall apply only to those eligible Employees actively employed by the Employer (or to those eligible Career Agents with a Career Agent Contract in force) on or after January 1, 2016. The rights and benefits of any Participant whose employment with the Employer terminated (or whose Career Agent Contract terminated) prior to January 1, 2016 shall be determined in accordance with the provisions of this Part II of the Plan as were in effect during the appropriate time or times prior to January 1, 2016; provided, however, that if the Accrued Benefit of any such Participant has not been completely distributed before January 1, 2016, then such Accrued Benefit shall be accounted for and distributed in accordance with the provisions of this version of Part II of the Plan, but only to the extent that any such provision is not inconsistent with Part III of the Plan and subject to the requirements of applicable law and as otherwise specifically provided herein.

ARTICLE II

DEFINITIONS

All section and article references in this Part II are to section and article references in this Part II, except as otherwise expressly provided.

Except to the extent a word or phrase is specifically defined in this Part II of the Plan, the words and phrases used in this Part II of the Plan shall have the meanings set forth in Part I of the Plan, unless a different meaning is clearly required by the context or is otherwise provided in Part III of the Plan.

2.01 "**Accrued Benefit**":

(a) means, except as provided in Section 2.01(c) or Section 2.01(d) below, the sum of a Participant's frozen Grandfathered Benefit (accrued during Years of Credited Service completed prior to January 1, 1999) and the defined benefit credited to eligible Participants in accordance with Section 5.01 attributable to Years of Credited Service completed by the Participant after December 31, 1998.

(b) No Employee contributions shall be required or permitted for Plan Years beginning after December 31, 1988. The portion of a Participant's Accrued Benefit derived from required Employee contributions made on or after January 1,

1971 and prior to January 1, 1989 will be determined in accordance with the rules set forth below:

(i) STEP ONE - Determine the total amount of such contributions made by a Participant as a condition of participation in Part II of the Plan;

(ii) STEP TWO - Add to the amount in Step One interest required by the terms of Part II of the Plan to be credited to such contributions up to the Plan's ERISA compliance date;

(iii) STEP THREE - Add to the sum of the amounts determined in Steps One and Two interest compounded annually at the rate of 5% from the Plan's ERISA compliance date or the date the Participant began participation in Part II of the Plan, whichever is later, to the end of the last Plan Year beginning before January 1, 1988 or the Participant's Normal Retirement Date, whichever is earlier.

(iv) STEP FOUR - Add to the sum of the amounts determined in Steps One, Two and Three interest compounded annually -

(A) at the rate of 120 percent of the Federal mid-term rate (as in effect under Code Section 1274 for the first month of the Plan Year) from the beginning of the first Plan Year beginning after December 31, 1987, and ending with the date on which the determination is being made, and

(B) at the interest rate which would be used under Part II of the Plan under Code Section 417(e)(3) (as of the determination date) for the period beginning with the determination date and ending on the date on which the Employee attains his Normal Retirement Date.

Notwithstanding the foregoing, for Plan Years beginning after December 31, 1998, the interest rate credited in Step Four (A) shall not be less than 5%.

(v) STEP FIVE - The amount in Step Four will be converted into the normal form of benefit using the interest rate that would be used under Part II of the Plan under Code Section 417(e)(3).

The portion of a Participant's Accrued Benefit derived from Employee contributions made prior to January 1, 1971 shall be equal to the total amount of such contributions made by a Participant, plus interest credited thereon. For Plan Years beginning prior to January 1, 1999, interest on such contributions shall be credited at the rate or rates in effect for each Plan Year under the terms of Part II of the Plan as in effect on December 31, 1998. For Plan Years beginning after December 31, 1998, interest on such contributions shall be credited as provided in Steps Four and Five above.

The portion of the Accrued Benefit described in Section 2.01(a) derived from Employer contributions as of any date is equal to such total Accrued Benefit less the portion derived from Employee contributions.

At all times the portion of a Participant's Accrued Benefit attributable to mandatory Employee contributions shall be 100% vested and nonforfeitable.

(c) means, with respect to the minimum benefit for Non-Key Employee Participants in a Top Heavy Plan, the sum of such benefits earned by the Participant, which benefits are payable at the Participant's Normal Retirement Date and are described in Section 2.03 of Part III of the Plan.

(d) (i) Notwithstanding anything in Sections 2.01(a), (b) or (c) to the contrary, unless a repayment has been made in accordance with the rules set forth in Section 2.01(d)(ii) below, in determining the portion of an Employee's Accrued Benefit derived from Employer Contributions upon a resumption of participation, periods of service with respect to which the Employee received a distribution of the present value of his vested Accrued Benefit shall be disregarded.

(ii) In the case of an election of Option 2 described in Section 7.02 or in the case of an involuntary cash-out of the present value of an Employee's Accrued Benefit in accordance with such Section, the Employee's Accrued Benefit described in Sections 2.01(a), (b) and (c) (including all optional forms of benefits and subsidies relating to such benefits) shall be restored if the Employee repays the amount distributed plus interest, compounded annually from the date of distribution at the rate of 5 percent. Such repayment must be made by the Employee before the earlier of five years after the first date on which the Employee is subsequently reemployed by the Employer, or the date the Employee incurs five consecutive One Year Breaks in Service following the date of distribution; provided, however, that there shall be no right of repayment if the Employee was 100% vested on the date of his termination of participation.

Notwithstanding anything in Part II of the Plan to the contrary, for Plan Years beginning before Code Section 411 is applicable hereto, the Participant's Accrued Benefit shall be the greater of that provided by Part II of the Plan, or ½ of the benefit which would have accrued had the provisions of this Section 2.01 been in effect. In the event the Accrued Benefit as of the effective date of Code Section 411 is less than that provided hereunder, such difference shall be accrued in accordance with this Section.

2.02 "**Actuarial Equivalent**" means a benefit having the same value as the benefit or benefits otherwise payable. Except as otherwise provided in this Section, the present value of any

benefit determined under the terms of Part II of the Plan will be the actuarial equivalent of the no-death benefit life annuity retirement benefit specified in Section 5.01.

Actuarial Equivalent life annuity settlements of optional life annuity Top Heavy Plan benefits will be computed utilizing (i) the Code Section 417 Mortality Table for determining the amount payable to a Participant having an annuity starting date on or after January 1, 2004, and (ii) the Code Section 417 Interest Rate for determining the amount payable to a Participant having an annuity starting date from January 1, 2004 through December 31, 2007, and the Code Section 417 Applicable Interest Rate for determining the amount payable to a Participant having an annuity starting date on or after January 1, 2008.

Optional life annuity benefits will be computed on the basis of the 1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum. Adjustment factors used to determine optional forms of life annuity benefits are included in Exhibit A, attached hereto and made a part of Part II of the Plan. Adjustment factors for optional life annuity benefits not illustrated will be computed on an actuarial basis consistent with that used in computing the factors shown in Exhibit A.

The present value of any Plan benefit and the amount of any cash distribution shall be determined on the basis of (i) the mortality rates specified above and an interest rate of 7% per annum or (ii) the Code Section 417 Mortality Table and the Code Section 417 Interest Rate (or for determining the amount payable to a Participant having an annuity starting date on and after January 1, 2008, the Code Section 417 Applicable Interest Rate), whichever produces the greater benefit.

The preceding paragraphs shall not apply to the extent they would cause the Plan to fail to satisfy the requirements of Article IV of Part III of the Plan or Section 2.03 of Part III of the Plan.

For purposes of Part II of the Plan,

(a) the "**Code Section 417 Mortality Table**" means the applicable mortality table prescribed by the Secretary of the Treasury pursuant to Code Section 417(e)(3), as in effect from time to time; provided, however, that notwithstanding the preceding provisions of this paragraph, for distributions commencing on or after December 31, 2002 and prior to January 1, 2008, the Code Section 417 Mortality Table means the Table set forth in Revenue Ruling 2001-62 and for purposes of determining the amount payable to a Participant with an annuity starting date on or after January 1, 2008, the Code Section 417 Mortality Table means the Table set forth in Revenue Ruling 2007-67 or such other Table as may be prescribed by the Secretary of the Treasury pursuant to Code Section 417(e)(3);

(b) for periods beginning on and after January 1, 2004, the "**Code Section 417 Interest Rate**" means, for the Plan Year which contains the annuity starting date for the distribution, the annual rate of interest on a 30-year Treasury securities in

effect for the second month immediately preceding the first day of the Plan Year (*e.g.*, November 2006 for the 2007 Plan Year); and

(c) for periods beginning on and after January 1, 2008, the "**Code Section 417 Applicable Interest Rate**" means, for the Plan Year which contains the annuity starting date for the distribution, the applicable interest rate described by Code Section 417(e) after its amendment by the Pension Protection Act of 2006, which rate more specifically shall be the adjusted first, second, and third segment rates applied under rules similar to the rules of Code Section 430(h)(2)(C) (without considering any adjustment under Code Section 430(h)(2)(C)(iv)) for the lookback month used to determine the previously applicable interest rate on 30-year Treasury securities (*e.g.*, November 2009 for the 2010 Plan Year) or for such other time as the Secretary of the Treasury may by regulations prescribe.

(d) For purposes of determining the Code Section 417 Applicable Interest Rate, the first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code Section 430(h)(2)(C) (without considering any adjustment under Code Section 430(h)(2)(C)(iv)) if:

(i) Code Section 430(h)(2)(D) were applied by substituting the average yields for the month described in clause (ii) below for the average yields for the 24-month period described in such Code section, and

(ii) Code Section 430(h)(2)(G)(i)(II) were applied by substituting "Section 417(e)(3)(A)(ii)(II) for "Section 412(b)(5)(B)(ii)(II)", and

(iii) The applicable percentage under Code section 430(h)(2)(G) is treated as being 20% in 2008, 40% in 2009, 60% in 2010, and 80% in 2011.

2.03 "**Compensation**" means:

(a) For purposes of determining a Participant's Normal Retirement Benefit specified in Section 5.01, a Participant's total calendar year compensation paid (or deferred pursuant to an unfunded, non-qualified deferred payment arrangement) on and after the date he becomes a Participant and while he remains in an eligible class of Employees for (i) and (ii) below:

(i) services performed in connection with the sale and service of products of First Allmerica Financial Life Insurance Company.

(ii) services performed in connection with the sale and service of products of Allmerica Financial Life Insurance and Annuity Company.

Compensation shall also mean and include:

(iii) commissions paid to the Participant by Allmerica Investments, Inc., and

(iv) compensation which is not currently includable in the Participant's gross income by reason of the application of Code Sections 125, 402(e)(3) or 132(f)(4).

Notwithstanding the foregoing, for purposes of Section 2.03(a), renewal commissions received which are attributable to business sold prior to the date the Employee became a Career Agent or General Agent of the Employer shall be excluded.

(b) For purposes of Section 2.03 of Part III of the Plan and for purposes of Article IV of Part III of the Plan, the term "**Compensation**" means a Participant's earned income, wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Section 1.62-2(c) of the Treasury Regulations), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the employee, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) Other amounts which received special tax benefits.

For Plan Years commencing after December 31, 1997, Compensation for purposes of Section 2.03 of Part III of the Plan and Article IV of Part III of the Plan shall also include Employee elective deferrals under Code Section 402(g)(3), amounts contributed or deferred by the Employer at the election of the Employee and not includable in the gross income of the Employee by reason of Code Section 125, and elective amounts that are not includable in the gross income of the Employee by reason of Code Section 132(f)(4).

(c) Notwithstanding Sections 2.03(a) and (b) above, for Plan Years beginning on or after January 1, 1994 and prior to January 1, 2002, the annual Compensation of each Participant taken into account for determining all benefits provided under Part II of the Plan for any determination period shall not exceed $150,000. This limitation shall be adjusted for inflation by the Secretary under Code Section 401(a)(17)(B) in multiples of $10,000 by applying an inflation adjustment factor and rounding the result down to the next multiple of $10,000 (increases of less than $10,000 are disregarded). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined beginning in such calendar year. If Compensation is being determined over a period of time that contains fewer than 12 calendar months, then the annual Compensation limit is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

If Compensation for any prior determination period is taken into account in determining a Participant's benefits for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual Compensation limit in effect for that prior period. For this purpose, in determining benefits in Plan Years beginning on or after January 1, 1989, the annual compensation limit in effect for determination periods beginning before that date is $200,000. In addition, in determining benefits in Plan Years beginning on or after January 1, 1994, the annual Compensation limit in effect for determination periods beginning before that date is $150,000.

(d) Notwithstanding the foregoing, the annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed $200,000. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under Part II of the Plan (the "**determination period**"). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, the annual Compensation for any prior determination period shall be limited to $200,000.

The $200,000 limit on annual Compensation for determination periods beginning after December 31, 2001 shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

2.04 "**Career Agent Contract**" means that form of contract between a life insurance agent and the Employer whereby the agent agrees to sell insurance and annuity policies on a full-time basis.

2.05 "**Credited Interest**" means interest utilized in determining the minimum death benefit specified in Section 6.02. Such interest shall be at the rate determined in accordance with the Group Annuity Contract, but not less than 3% per annum compounded annually from the January 1st next following the date such contributions were made to the first day of the month as of which the Credited Interest is being determined for periods prior to January 1, 1976, plus 5% per annum compounded annually for periods beginning on or after January 1, 1976 and prior to January 1, 1988, plus the greater of (i) 5% per annum compounded annually or (ii) the interest rate which would be credited under Part II of the Plan under Step Four (A) of Section 2.01(b) for periods beginning on or after January 1, 1988.

2.06 "**Credited Service**"

(a) Except as provided in Section 2.06(c) and except for Hours of Service excluded under Sections 2.12(b), (c), and (g), Credited Service means and shall include all Hours of Service completed with the Employer on and after the date the Employee becomes a Participant in Part II of the Plan, completed while the Participant remains in an eligible class of Employees.

(b) A Participant shall receive a year of Credited Service for each Plan Year in which he is credited with 1,000 or more Hours of Service with the Employer.

Additionally, for Plan Years beginning after 1998, a Participant shall receive a Year of Credited Service for the Plan Year he retires or dies, and a Former Participant shall receive a Year of Credited Service for the Year he again becomes a Participant upon a rehire, in each case regardless of the number of Hours of Service completed in such Year. In no event will a Participant receive more than one Year of Credited Service for any one Plan Year.

(c) Notwithstanding anything in this Section to the contrary, Credited Service shall not include periods of service with respect to which any Employee has received a distribution described in Section 2.01(d) unless a repayment has been made pursuant to the rules set forth in paragraph (ii) of such Section.

(d) For purposes only of determining a Participant's eligibility for the Disability Benefit specified in Section 5.04, the following periods of service shall be counted:

(i) periods of prior service with an Affiliate during which he was a participant in a qualified pension or profit sharing plan sponsored by the Affiliate;

(ii) periods of prior service with the Employer in a position in which he was not eligible to participate in this Plan during which he was a participant in another qualified pension or profit sharing plan sponsored by the Employer; and

(iii) the number of full years and completed months during which a General Agent or former General Agent made contributions under Part II of his General Agent's Contract.

2.07 "**Employee**" means any General Agent or life insurance agent who is a common-law employee of the Company or any life insurance agent who holds a Career Agent's Contract with the Employer.

2.08 "**Employee Contributions**" means contributions made by a Participant prior to January 1, 1989 as a condition of participation in Part II of the Plan.

2.09 "**Employer**" means First Allmerica; provided that on and after January 1, 2008, the term "Employer" shall also mean the Plan Sponsor.

2.10 "**General Agent**" means an agent of the Company whose relationship is determined by a General Agent's Agreement wherein the General Agent is required to devote his full-time business activities in the hiring, supervision and management of life insurance agents who sell, administer and service the policies and contracts of the Employer.

2.11 "**Grandfathered Benefit**" means the frozen monthly retirement benefit payable as a single life annuity to a Participant on his Normal Retirement Date, calculated in accordance with the benefit formulas set forth in Section 5.01, and if applicable, Section 2.03 of Part III of the Plan, as in effect on December 31, 1998. Such benefit shall be calculated based on the Participant's Average Compensation, Final Average Compensation, Credited Service, and the amount of benefit offset as determined by applying Section 5.06, each determined as of December 31, 1998, based on the provisions of Part II of the Plan in effect on such date.

2.12 "**Hour of Service**" means:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. For purposes of Part II of the Plan, a Career Agent shall be credited with 45 Hours of Service for each complete or partial week his Career Agent's Contract remains in force, and a General Agent or life insurance agent who is a common-law employee shall be credited with 45 Hours of Service for each complete or partial week he performs duties for the Employer.

(b) Each hour for which the Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Notwithstanding the preceding sentence:

(i) Except in the case of a Participant who is eligible for the Disability Benefit specified in Section 5.04, no more than 1,000 Hours shall be credited to an Employee under this Section 2.12(b) on account of any

single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period);

(ii) No hours shall be credited under this Section 2.12(b) for any payments made or due under a plan maintained solely for the purpose of complying with any applicable workers' compensation, unemployment compensation or disability insurance laws; and

(iii) No hours shall be credited under this Section 2.12(b) for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Section 2.12(b), a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund or insurer, to which the Employer contributes or pays premiums.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be both credited under Section 2.12(a) or Section 2.12(b), as the case may be, and under this Section 2.12(c). No more than 501 Hours shall be credited under this Section 2.12(c) for a period of time during which an Employee did not or would not have performed duties.

(d) Special rules for determining Hours of Service for reasons other than the performance of duties. In the case of a payment which is made or due which results in the crediting of Hours of Service under Section 2.12(b) or in the case of an award or agreement for back pay, to the extent that such an award or agreement is made with respect to a period during which an Employee performs no duties, the number of Hours of Service to be credited shall be determined as follows:

(i) In the case of a payment made or due which is calculated on the basis of units of time (such as hours, days, weeks or months), the number of Hours of Service to be credited shall be determined as provided in Section 2.12(a).

(ii) Except as provided in Section 2.12(d)(iii), in the case of a payment made or due which is not calculated on the basis of units of time, the number of Hours of Service to be credited shall be equal to the amount of the payment divided by the Employee's most recent hourly rate of compensation (as determined below) before the period during which no duties are performed.

(A) In the case of General Agents, the hourly rate of compensation shall be the Employee's most recent rate of semi-monthly compensation divided by 80.

(B) In the case of life insurance agents, the hourly rate of compensation shall be the minimum wage as established from time to time under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(iii) Rule against double credit. An Employee shall not be credited on account of a period during which no duties are performed with more hours than such Employee would have been credited but for such absence.

(e) Crediting of Hours of Service to computation periods.

(i) Hours of Service described in Section 2.12(a) shall be credited to the Employee for the computation period or periods in which the duties are performed.

(ii) Hours of Service described in Section 2.12(b) shall be credited as follows:

(A) Hours of Service credited to an Employee on account of a payment which is calculated on the basis of units of time (such as hours, days, weeks or months) shall be credited to the computation period or periods in which the period during which no duties are performed occurs, beginning with the first unit of time to which the payment relates.

(B) Hours of Service credited to an Employee by reason of a payment which is not calculated on the basis of units of time shall be credited to the computation period in which the period during which no duties are performed occurs, or if the period during which no duties are performed extends beyond one computation period, such Hours of Service shall be allocated between not more than the first two computation periods in accordance with reasonable rules established by the Employer, which rules shall be consistently applied with respect to all Employees within the same job classification, reasonably defined.

(iii) Hours of Service described in Section 2.12(c) shall be credited to the computation period or periods to which the award or agreement for back pay pertains, rather than to the computation period in which the award, agreement or payment is made.

(f) For purposes of Article III, determining eligibility for early retirement (Section 5.02) and Article VII, Hours of Service shall also include Hours of Service determined in accordance with the rules set forth in this Section 2.12 and which would not have been excluded if such Service had been performed with the Employer, completed prior or subsequent to the Employee's commencement of service with the Employer, completed with an Affiliate, as a General Agent or with the Employer in a position in which he was not eligible to participate in this Plan.

(g) Rules for Maternity or Paternity Leaves of Absence. In addition to the foregoing rules and solely for purposes of determining whether a One Year Break in Service for participation and vesting purposes has occurred in a computation period, an individual who is absent for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such Hours cannot be determined, eight Hours of Service per day of such absence; provided, however, that:

(i) Hours of Service shall not be credited under both this Section 2.12(g) and one of the other subsections of this Section 2.12;

(ii) no more than 501 Hours of Service shall be credited for each maternity or paternity absence; and

(iii) if a maternity or paternity leave extends beyond one Plan Year, Hours of Service shall be credited to the Plan Year in which the absence begins to the extent necessary to prevent a One Year Break in Service, otherwise such Hours of Service shall be credited to the following Plan Year. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the individual, (ii) by reason of a birth of a child of the individual, (iii) by reason of the placement of a child with the individual, in connection with the adoption of such child by such individual, or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement.

(h) Other Federal Law. Nothing in this Section 2.12 shall be construed to alter, amend, modify, invalidate, impair or supersede any law of the United States or any rule or regulation issued under any such law.

2.13 "**Normal Retirement Age**" means the later of:

(a) the 65th birthday of the Employee; or

(b) the fifth anniversary of the time the Participant commenced participation in Part II of the Plan.

For purposes of the foregoing, the participation commencement date is the first day of the Plan Year in which the Participant commenced participation in Part II of the Plan.

2.14 "**Normal Retirement Date**" means the first day of the month next following the Participant's Normal Retirement Age.

2.15 (a) "**One Year Break in Service**" means, except for purposes of Article III of this Part II, any Plan Year during which the Employee has not completed more than 500 Hours of Service.

(b) For purposes of Article III of this Part II, "**One Year Break in Service**" means a twelve consecutive month period, computed with reference to the date the Employee's employment commenced, during which the Employee does not complete more than 500 Hours of Service.

ARTICLE III

PARTICIPATION REQUIREMENTS

3.01 Participation Requirements.

(a) Employee Participation. Individuals who were Participants in Part II of the Plan on December 31, 2015 shall continue as a Participant in this Part II of the Plan on January 1, 2016. On and after January 1, 1983, no additional Employees shall be eligible to become Participants in Part II of the Plan.

(b) Notwithstanding the rules set forth in Section 3.01(a), a Former Participant who again becomes eligible to participate in Part II of the Plan will become a Participant on the date of his recommencement of service with the Employer.

(c) Notwithstanding anything in Part II of the Plan to the contrary, for periods commencing on and after January 1, 2003, a Former Participant who is re-employed as an Employee shall be reinstated as an active Plan Participant only for purposes of increasing Plan vesting on his or her frozen Accrued Benefit and for purposes of determining eligibility for early retirement under Section 5.02.

3.02 Classification Changes. In the event of a change in job classification, such that an Employee, although still in the employment of the Employer, no longer is an eligible Employee, he shall receive no further Credited Service under Part II of the Plan, and the Participant's Accrued Benefit on the date he becomes ineligible shall continue to vest, become payable or be forfeited, as the case may be, in the same manner and to the same extent as if the Employee had remained a Participant.

For periods commencing prior to January 1, 2003, in the event a Participant becomes ineligible to accrue further Credited Service because he is no longer a member of an eligible class of Employees, but has not terminated his employment with the Employer, such Employee shall again be eligible to accrue further Credited Service immediately upon his return to an eligible class of Employees.

3.03 Participant Cooperation. Each eligible Employee who becomes a Participant thereby agrees to be bound by all of the terms and conditions of this Plan. Each eligible Employee, by becoming a Participant, agrees to cooperate fully with the Insurer, including completion and signing of such forms as are required by the Insurer under the Group Annuity Contract.

ARTICLE IV

EMPLOYER CONTRIBUTIONS

4.01 Employer Contributions. Each Employer shall pay to the Trustee for each Plan Year such amount which, when combined with required Employee Contributions, shall be necessary in the opinion of the Plan's enrolled actuary to provide the benefits of Part II of the Plan.

4.02 Plan Contributions to Trustees. The Employer shall make payment of all contributions directly to the Trustee to be held, managed and invested in one or more Group Annuity Contracts and in other investments permitted under the Trust, but subject to Section 4.03.

4.03 Receipt of Contributions by Trustee. The Trustee shall accept and hold under the Trust Indenture such contributions of money, or other property approved for acceptance by the Trustee, on behalf of the Employer and its Employees and Beneficiaries, as it may receive from time to time, other than cash it is instructed to remit to the Insurer for deposit with the Insurer. However, the payor may pay contributions directly to the Insurer and such payment shall be deemed a contribution to the Trust to the same extent as if payment had been made to the Trustee. All such contributions shall be accompanied by written instructions from the Plan Administrator accounting for the manner in which they are to be credited.

Notwithstanding the foregoing, for periods commencing on and after January 1, 1992, Plan contributions will also be used to fund costs and provide benefits under the merged State Mutual Companies' Pension Plan, which plan was merged with The Allmerica Financial Agents' Pension Plan on such date.

ARTICLE V

RETIREMENT AND DISABILITY BENEFITS

5.01 Normal Retirement Benefit. (Applicable to all Employees who are active Participants on or after January 1, 1999).

Except as provided in Section 2.03 of Part III of the Plan and Section 5.06, each Participant who retires on his Normal Retirement Date shall be entitled to receive a monthly retirement income, commencing on his Normal Retirement Date and terminating on the last regular payment date prior to his death, which monthly retirement income will be equal to the sum of (a) and, if applicable, (b) below:

(a) The Participant's Grandfathered Benefit; and

(b) For those Participants whose Participant Number is listed on Exhibit B, attached hereto and made a part hereof, an amount equal to 1/12 of the Participant's Post-1998 Annual Accrued Benefit.

For purposes of Part II of the Plan, a Participant's "**Post-1998 Annual Accrued Benefit**" shall be equal to the Participant's total Compensation paid during all Years of Credited Service completed after December 31, 1998 multiplied by the Participant's individual accrual percentage. Each eligible Participant's accrual percentage is set forth in Exhibit B.

5.02 Early Retirement Benefit.

An actively employed Participant in Part II of the Plan who has completed at least 15 Years of Service may retire on the first day of any month after his 55th birthday, in which event, except as provided in Section 5.06, he shall receive a monthly retirement benefit equal to the appropriate percentage set forth below of his Accrued Benefit.

Notwithstanding the above, if the Plan is top heavy and the minimum benefit for Non-Key Employees described in Section 2.03 of Part III of the Plan is to be provided to the Participant, the Participant's early retirement benefit shall be equal to the appropriate percentage set forth below of the Participant's Accrued Benefit (as described in Section 2.03 of Part III of the Plan) earned as of the date of his early retirement.

In the event of early retirement, benefits shall be determined as of the date of retirement and shall be equal to the following percentage of the benefit payable at Age 65:

Retirement Age*	Percentage of Monthly Accrued Benefit
65	100%
64	97
63	94
62	91
61	88
60	85
59	82
58	79
57	76
56	73
55	70
54	67
53	64
52	61
51	58
50	55

*If benefit payments commence in a month other than the month in which the Participant attains the specified Age, the percentage shall be determined by straight line interpolation.

If a Participant terminates his employment (or terminates his Career Agent Contract) after having completed at least 15 Years of Service, he may elect to retire at any time after the first day of the month next following his 55th birthday and prior to his Normal Retirement Date and receive a retirement benefit based on his Credited Service as of the date of termination. The benefit to be provided to any such terminee shall be equal to the appropriate percentage set forth above of his Accrued Benefit.

Notwithstanding anything in this Section to the contrary, any Participant who was actively employed on June 30, 1977 may elect early retirement on the earlier of (i) and (ii) below, in which event, except as provided in Section 5.06, he shall receive a monthly retirement benefit equal to the appropriate percentage set forth above of his Accrued Benefit.

(i) the first day of the month following attainment of Age 50, and completion of at least 20 Years of Service; and

(ii) the first day of any month following attainment of Age 55 and completion of at least 15 Years of Service.

5.03 Late Retirement Benefit.

With the consent of the Employer, a Participant may elect to have his retirement benefit deferred to a late retirement date which may be the first day of any month after his Normal Retirement Date; provided, however, that Employer consent shall not be required for Employees protected beyond their Normal Retirement Date under the Age Discrimination in Employment Act of 1967, as amended or under applicable state law. Except as provided in Section 5.06, the monthly benefit payable to the Participant on his late retirement date shall be equal to the sum of (a) and (b) below:

(a) The Participant's Grandfathered Benefit, which benefit will be actuarially increased; and

(b) For those Participants whose Participant Number is listed on Exhibit B, attached hereto and made a part hereof, an amount equal to 1/12 the Participant's Post-1998 Annual Accrued Benefit, which benefit will be actuarially increased.

For purposes of Section 5.03, and notwithstanding anything in Section 5.01, a Participant's "**Post-1998 Annual Accrued Benefit**" shall be equal to the Participant's total Compensation paid during all Years of Credited Service completed after December 31, 1998, including Years of Credited Service completed after the Participant's Normal Retirement Date, multiplied by the Participant's individual accrual percentage. Each eligible Participant's accrual percentage is set forth in Exhibit B.

Actuarial increases will be determined as provided in Exhibit A, attached hereto and made a part hereof.

Notwithstanding the above, if the Plan is top heavy and the minimum benefit for Non-Key Employees described in Section 2.03 of Part III of the Plan is to be provided to the Participant, the Participant's late retirement benefit shall be determined in accordance with Section 2.03 of Part III of the Plan, with top-heavy minimum benefits being computed for each Year of Service completed until the Participant's Late Retirement Date, which resulting benefit shall be actuarially increased.

5.04 Disability Benefit.

If a Participant becomes Totally Disabled while employed as a General Agent or while his Career Agent Contract remains in force and if such total disability commenced after the Participant had completed at least five Years of Credited Service, it shall be assumed for purposes of this Plan that his employment or contractual relationship continued unchanged from the date of the commencement of his total disability to the earliest of his Normal Retirement Date, death, termination of employment (or, in the case of an Agent, termination of his Career Agent Contract) or the date that he is no longer Totally Disabled. While an Employee is Totally Disabled it shall be assumed for purposes of this Section that the Employee continued to earn annually an amount determined by dividing by three the Compensation paid to the Participant during the 36 months prior to the month in which he became Totally Disabled.

For purposes of this Part II of the Plan "**Totally Disabled**" means the inability to perform the duties of any occupation for which the Employee is reasonably fitted by training, education or experience; provided, however, that during the first 30 months of any disability an Employee will be considered Totally Disabled if he is unable to perform the duties of his occupation and is not working at any other occupation unless such occupation constitutes rehabilitative employment approved by the Plan Administrator.

5.05 Distribution of Benefits. The Plan Administrator shall direct the Insurer to commence payment of benefits provided under this Article V (or provided to a Former Participant pursuant to Article VII). Plan benefits will be paid only on death, disability, termination of employment, Plan termination or retirement.

Except as otherwise provided in Section 5.06, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Part II of the Plan.

All distributions required under the Plan shall be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9), including, to the extent applicable, the minimum distribution incidental benefit requirement of Section 1.401(a)(9)-2 of the Treasury Regulations.

Except as provided below and in Section 5.06, a Participant's retirement benefit shall be payable as a life annuity for the life of the Participant with no further benefits payable after the last regular payment date prior to his death.

At any time prior to actual retirement a Participant, with spousal consent if the Participant is married, may elect to receive his retirement benefit under one or more of the following settlement options:

(a) An annuity for the joint lives of the Participant and his spouse with 50% or 66 2/3% (whichever is specified when this option is elected) of such amount payable as an annuity for life to the survivor. No further benefits are payable after the death of both the Participant and his spouse.

(b) An annuity for the life of the Participant and upon his death 100%, 66 2/3%, or 50% (whichever is specified when this option is elected) of the annuity amount will be continued to his spouse as his contingent annuitant. No further annuity benefits are payable after the death of both the Participant and his spouse.

(c) An annuity for the life of the Participant with guaranteed installment payments for a period certain not longer than the life expectancy of the Participant.

(d) An annuity for the life of the Participant with guaranteed installment payments for a period certain not longer than the life expectancy of the Participant and his spouse.

(e) A lump sum amount equal to the present value of the portion of the Participant's Accrued Benefit described in Section 2.01(b) attributable to required Employee Contributions. Additionally, the Participant shall be entitled to receive a monthly annuity benefit equal to the portion of his Accrued Benefit described in Section 2.01(a) attributable to Employer Contributions. The Participant may elect to receive such monthly annuity benefit under one or more of the options described in Sections 5.05(a) through (d) above, subject to spousal consent if the Participant is married.

(f) An annuity payable for only the life of the Participant that terminates on the last regular payment date prior to the death of the Participant.

All optional forms of benefits shall be the Actuarial Equivalent (as of the date selected) of the normal retirement benefits described in Section 5.01, or Section 2.03 of Part III of the Plan. Any spousal consent shall satisfy the requirements of Section 5.06.

Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the later of the close of the Plan Year in which:

(i) the Participant attains Normal Retirement Age; or

(ii) the Participant terminates service with the Employer.

Notwithstanding anything in Part II of the Plan to the contrary except Section 5.08, effective for involuntary cashouts paid after December 1, 2012, a Former Participant (other than a Former Participant who is a participant in The Hanover Excess Benefit Retirement Plan) who is not an Employee of the Employer or an Affiliate will be paid the present value of his or her vested Accrued Benefit on the Determination Date in an immediate lump sum if the present value of the Former Participant's vested Accrued Benefit, if any, on the Determination Date does not exceed $5,000. Consent to this involuntary cashout by the Former Participant will not be required, and spousal consent to this involuntary cashout will not be required in the case of a married Former Participant

Notwithstanding the foregoing, the failure of a Participant and spouse (or where either the Participant or the spouse has died, the survivor) to consent to a distribution (other than an involuntary cashout) when a benefit is "immediately distributable" (as described below) shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section 5.05 (and provisions of Article III of Part III of the Plan). In no event will benefits begin to be distributed (other than as an involuntary cashout) prior to the later of Age 62 or Normal Retirement Age without the consent of the Participant. The consent of the Participant's spouse will also be required for any such distribution (other than an involuntary cashout) unless the benefit is paid in the form of a Qualified Joint and Survivor Annuity.

If the Accrued Benefit is immediately distributable, the Participant and the Participant's spouse (or where either the Participant or the spouse has died, the survivor) must consent to any distribution (other than as an involuntary cashout) of such Accrued Benefit. Needed consents of the Participant and the Participant's spouse shall be obtained in writing within the 90-day period (180-day period for Plan Years beginning January 1, 2007 and thereafter) ending on the annuity starting date. The "**annuity starting date**" is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and the Participant's spouse of the right to defer any distribution (other than an involuntary cashout) until the Participant's Accrued Benefit is no longer immediately distributable. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under Part II of the Plan in a manner that would satisfy the notice requirements of Code Section 417(a)(3), and shall be provided no less than 30 days and no more than 90 days (180 days for Plan Years beginning January 1, 2007 and thereafter) prior to the annuity starting date; provided, however, that the minimum 30 day notice period described in this sentence may be waived by the Participant's written waiver given after notice to the Participant has described that the Participant was allowed at least 30 days to consider his choice under this Section and that the Participant was allowed to revoke his waiver under this Section at any time through his or her annuity starting date.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Accrued Benefit is immediately distributable. Neither the consent of the Participant nor the

Participant's spouse shall be required to the extent that a distribution is required to satisfy Code Section 401(a)(9) or Code Section 415.

An Accrued Benefit is "**immediately distributable**" if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or Age 62.

Notwithstanding the above, the distribution of the entire interest of a Participant or a Beneficiary must not violate the minimum required distribution rules set forth in Article III of Part III of the Plan.

5.06 Qualified Joint and Survivor Annuity for Married Participants.

(a) General Rules. Notwithstanding anything in this Article to the contrary, unless a married Participant's Accrued Benefit has been paid in a lump sum pursuant to Section 5.05 above, such Participant's retirement benefit will be payable to the Participant and his spouse in the form of a Qualified Joint and Survivor Annuity, with the survivor to receive 100% of the benefit which had been payable during their joint lives, unless an optional form of benefit is selected pursuant to a qualified election within the 90-day period (180-day period for Plan Years beginning January 1, 2007 and thereafter) ending on the annuity starting date. In the case of an unmarried Participant, unless the Participant elects an optional form of benefit the Participant's retirement benefit will be paid in the form of a no-death benefit life annuity.

(b) Definitions.

(i) Qualified election: A waiver of a Qualified Joint and Survivor Annuity. Any waiver of a Qualified Joint and Survivor Annuity shall not be effective unless: (A) the Participant's spouse consents in writing to the election; (B) the election designates a specific Beneficiary, including any class of Beneficiaries or any contingent Beneficiaries, which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent); (C) the spouse's consent acknowledges the effect of the election; and (D) the spouse's consent is witnessed by a Plan representative or notary public. Additionally, a Participant's waiver of the Qualified Joint and Survivor Annuity will not be effective unless the election designates a form of benefit payment which may not be changed without spousal consent (or the spouse expressly permits designations by the Participant without any further spousal consent). If it is established to the satisfaction of a Plan representative that there is no spouse or that the spouse cannot be located, a waiver will be deemed a qualified election.

Any consent by a spouse obtained under this provision (or establishment that the consent of a spouse may not be obtained) shall be effective only with respect to such spouse. A consent that permits designations by the

Participant without any requirement of further consent by such spouse must acknowledge that the spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited. No consent obtained under this provision shall be valid unless the Participant has received notice as provided in Section 5.06(c) below.

(ii) Spouse (surviving spouse): the person, if any, to whom the Participant is lawfully married at the date of his death or at his annuity starting date, whichever is earlier; provided, however, that a former spouse will be treated as the spouse or surviving spouse to the extent provided under a Qualified Domestic Relations Order.

(iii) Annuity starting date: The first day of the first period for which an amount is paid as an annuity or under any other form.

(c) Notice Requirement.

(i) In the case of a Qualified Joint and Survivor Annuity as described in Subsection (a), the Plan Administrator shall provide each Participant no less than 30 days and no more than 90 days (180 days for Plan Years beginning January 1, 2007 and thereafter) prior to the annuity starting date a written explanation of: (A) the terms and conditions of a Qualified Joint and Survivor Annuity; (B) the Participant's right to make and the effect of an election to waive the Qualified Joint and Survivor Annuity form of benefit; (C) the rights of a Participant's spouse; (D) the right to make, and the effect of, a revocation of a previous election to waive the Qualified Joint and Survivor Annuity; and (E) the relative values of the various optional forms of benefit. Notices given to Participants pursuant to Code Section 411(a)(11) in Plan Years beginning after December 31, 2006 shall include a description of how much larger benefits will be if the commencement of distributions is deferred.

(ii) A Participant may commence receiving a distribution in a form other than a Qualified Joint and Survivor Annuity less than 30 days after receipt of the written explanation described in the preceding paragraph provided: (A) the Participant has been provided with information that clearly indicates that the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) a form of distribution other than a Qualified Joint and Survivor Annuity; (B) the Participant is permitted to revoke any affirmative distribution election at least until the Distribution Commencement Date or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and (C) the Distribution Commencement Date is after the date the written explanation was provided to the Participant. For distributions on or after December 31, 1996, the Distribution Commencement Date may be a date prior to the date the written explanation is provided to the Participant if the distribution does not commence until at least 30 days after such written explanation is provided, subject to the waiver of the 30-day period. For the purposes of this paragraph, the "**Distribution Commencement Date**" is the date a Participant commences distributions from Part II of the Plan. If a Participant commences distribution with respect to a portion of his/her Accrued Benefit, a separate Distribution Commencement Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Distribution Commencement Date is the first day of the first period for which annuity payments are made.

(d) Applicability. The provisions of this Section 5.06 shall apply to any Participant who is credited with at least one Hour of Service with the Employer on or after January 1, 1976. In addition, any living Participant or Former Participant not receiving Plan benefits on August 23, 1984 who would otherwise not receive the benefits prescribed by this Section 5.06 shall be given the opportunity to elect to have the provisions of this Section apply provided such Participant or Former Participant was credited with at least one Hour of Service under this Plan or a predecessor Plan on or after September 2, 1974.

The opportunity to elect a Qualified Joint and Survivor retirement option must be afforded to the appropriate Participants or Former Participants during the period commencing on August 23, 1984 and ending on the dates benefits would otherwise commence to such person.

5.07 Supplementary Pension Benefits.

Effective July 1, 1986, and on each July 1 thereafter, the amount of monthly retirement benefits payable to eligible retirees (as described below) or their Beneficiaries shall be increased by a percentage determined in accordance with the following formula:

Percentage Increase = .8 (M - .07) x 100

For Plan Years beginning after December 31, 2008, for purposes of the above formula, "M" equals the annual coupon return on December 31, 2009 and on each December 31 thereafter of the Barclays Capital U.S. Government/Credit 5-10 Year Index, or its successor.

For Plan Years beginning before January 1, 2009, for purposes of the above formula, "**M**" equals the earnings rate for the prior Plan Year on assets representing retired life reserves for retirees under this Plan and retirees under The Allmerica Financial Cash Balance Pension Plan as adopted by First Allmerica (now known as The Hanover Insurance Company Cash Balance Pension Plan), certain of First Allmerica's General Agents, retirees of The Hanover Insurance Company ("**Hanover**'') and retirees of Citizens Insurance Company of America, both Affiliates of First Allmerica. Additionally, in determining "M'', retired life reserve assets attributable to retirees of Beacon Insurance Company of America, formerly an Affiliate of Hanover, shall be aggregated and combined with the retired life reserve assets of this Plan.

For the Plan Years for which "M" depended on the returns of designated retired life reserve assets, the earnings rate on retired life reserve assets was to be determined by an actuary, using the "investment year block" method of crediting interest that First Allmerica used to credit interest on its Experience Rated group annuity contracts that are in force on an active basis. The resulting earnings rate(s) should neither be associated with nor construed as the investment yield (all or in part) of the pension fund.

For each Plan Year for which "M" depended on the returns of designated retired life reserve assets, the retired life reserve assets for newly qualified retirees to be added to the total retired life assets outstanding was to be determined using a 7% interest rate and the 1971 GAM mortality table.

The determination of "M" and of the overall earnings rate(s) shall be final and conclusively binding for all persons.

The effective date for the payment of supplemental pension benefits paid as a result of this Section shall be each July 1, commencing with July 1, 1986. Those eligible to receive supplemental pension benefits as a result of this Section shall be those Plan retirees and their Beneficiaries who were receiving basic Plan retirement benefits on the July 1 increase effective date, had been retired for at least 18 months on such increase effective date, and:

(A) were actively employed Plan Participants who had elected an immediate early retirement benefit pursuant to Section 5.02 (or its successor, if any):

(B) had terminated employment after having met the eligibility requirements for early retirement specified in Section 5.02 (or its successor, if any) and elected to defer receipt of retirement benefits; or

(C) had retired on or after their Normal Retirement Age after having completed at least 15 Years of Service.

The Beneficiaries of any retiree meeting the above requirements shall be entitled to receive a supplemental pension benefit under this Section if the Beneficiaries were receiving Plan survivor benefits on the July 1 increase effective date.

A supplemental pension benefit determined under this Section shall be added to and become a part of the recipient's basic Plan benefit and shall be payable during such period and under such option as the basic Plan benefit is being paid.

5.08 Rollovers to Other Qualified Plans.

(a) Notwithstanding any provision of Part II of the Plan to the contrary that would otherwise limit a distributee's election under this Article or under Articles VI and VII other than this Section 5.08(a), a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover; provided, however, that if the Actuarial Equivalent present value of a distributee's vested Accrued Benefit does not exceed $1,000, the distributee does not have to be allowed the eligible rollover election described in this sentence. If the Actuarial Equivalent present value of a Participant's Accrued Benefit exceeds $1,000 and does not exceed $5,000 and the Participant does not elect a distribution or a rollover, the Plan shall automatically distribute the Participant's Accrued Benefit, in a direct rollover, to an eligible individual retirement plan (a "**Rollover IRA**") for the benefit of such Participant and pursuant to a written agreement with the Rollover IRA provider that provides (i) the amount rolled over to the Rollover IRA shall be invested in a manner designed to preserve principal and provide a reasonable rate of return and liquidity; (ii) all fees and expenses attendant to a Rollover IRA shall not exceed the fees and expenses charged by the Rollover IRA provider for comparable IRAs established for reasons other than receipt of a rollover distribution; and (iii) the Participant on whose behalf the automatic rollover is made under this Section shall have the right to enforce the terms of the written agreement establishing the Rollover IRA, with regard to his or her rolled over funds, against the Rollover IRA provider. All fees and expenses attendant to the Rollover IRA shall be allocated to the Rollover IRA.

(b) Definitions.

(i) Eligible rollover distribution: An "**eligible rollover distribution**" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than $200 during a year. A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (i) an individual retirement account or annuity described in Code Sections 408(a) or (b); (ii) for taxable years beginning after December 31, 2001 and before January 1, 2007, to a qualified trust which is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (iii) for taxable years beginning after December 31, 2006, to a qualified trust or to an annuity contract described in Code Section 403(b), if such trust or contract provides for separate accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) Eligible retirement plan: An "**eligible retirement plan**" is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a Roth IRA as pursuant to in Code Section 408A(e), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), a qualified plan described in Code Section 401(a) that accepts the distributee's eligible rollover distribution, or an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A "**distributee**" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's surviving spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct rollover: A "**direct rollover**" is a payment by the Plan to the eligible retirement plan specified by the distributee.

(c) For distributions after June 9, 2009, a non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("**direct rollover**"), may roll over all or any portion of his or her distribution to an individual retirement account the Beneficiary establishes for purposes of receiving the distribution. In order to do a direct rollover of the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

Although a non-spouse Beneficiary may roll over directly a distribution as provided above, any distribution made prior to January 1, 2010 is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B)), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c)). If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a "designated beneficiary" within the meaning of Code Section 401(a)(9)(E).

A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treasury Regulation Section 1.401(a)(9)-3, Q&A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary's distribution.

ARTICLE VI

DEATH BENEFITS

6.01 Pre-Retirement Spouse Benefit for Married Participants.

(a) General Rules. The provisions of this Section shall apply to any Participant or Former Participant described in Section 6.01(b).

(i) If an eligible married Participant:

(A) dies after attaining eligibility for early retirement but before actually retiring;

(B) dies on or after his Normal Retirement Age while still working for the Employer; or

(C) separates from service on or after his Normal Retirement Age (or after attaining the age necessary for early retirement) and after satisfying the eligibility requirements for the payment of benefits under Part II of the Plan and thereafter dies before beginning to receive such benefits;

then the Participant's surviving spouse will receive a monthly retirement benefit equal to the benefit that would have been payable if the Participant had retired on the day before his death after having elected an immediate Qualified Joint and Survivor Annuity option with a 50% continuation of monthly benefits to be payable to the survivor. The amount of such 50% continuation shall be payable monthly for the life of such spouse, with the first payment payable as of the date of the Participant's death, unless the spouse requests a later commencement date (consistent with the provisions of Part II of the Plan).

(ii) If a fully or partially vested eligible married Participant dies on or before the earliest retirement age, the Participant's surviving spouse will receive the same benefit that would be payable if the Participant had:

(A) separated from service on the date of death;

(B) survived to the earliest retirement age;

(C) retired at the earliest retirement age after having elected an immediate Qualified Joint and Survivor Annuity option with a 50% continuation of monthly benefits to be payable to the survivor; and

(D) died on the day after the earliest retirement age.

A surviving spouse entitled to benefits under this Section 6.01(a)(ii) will begin to receive payments at the earliest retirement age unless the spouse requests an earlier or later commencement date (consistent with the provisions of Part II of the Plan).

For purposes of this Section 6.01(a)(ii) the "**earliest retirement age**" is the earliest date on which, under Part II of the Plan, the Participant could elect to receive retirement benefits.

In the case of a partially vested Participant, benefits under this Section 6.01(a)(ii) will be based on the Participant's vested Accrued Benefit computed on the date of his death.

(b) Applicability. The provisions of Section 6.01(a)(i) shall apply to all Participants or Former Participants who were credited with an Hour of Service on or after January 1, 1976 who meet the eligibility requirements described in such Section 6.01(a)(i) and thereafter die before actually retiring. The provisions of Section 6.01(a)(ii) shall apply to any Participant who is credited with at least one Hour of Service on or after August 23, 1984 and to any Participant or Former Participant living on August 23, 1984 not receiving Plan benefits on such date who was credited with at least one Hour of Service on or after January 1, 1976 and who had at least ten years of vesting service when he separated from service.

6.02 Minimum Death Benefit. If no optional form of retirement benefit has been elected by a Participant pursuant to Section 5.05, a death benefit, as described below, shall be payable. If the death benefit is payable as a result of the Participant's death, any such death benefit shall be payable to the Participant's Beneficiary or, if no Beneficiary survives the Participant, to the executors or administrators of the Participant's estate. If the Participant was survived by his spouse and (i) if the joint and survivor benefit described in Section 5.06 was in effect on the date of the spouse's death, or (ii) the pre-retirement spouse benefit described in Section 6.01 was being paid to the spouse, any such death benefit shall be payable to the Participant's Beneficiary, or if such Beneficiary does not survive the spouse, to the executors or administrators of the spouse's estate.

The amount of this minimum death benefit will be equal to the Participant's unrefunded required Contributions with Credited Interest to the first day of the month in which the earlier of the Participant's death or retirement occurred reduced by (i), (ii) and (iii) below:

(i) the amount of monthly retirement payments which had been paid to the Participant;

(ii) the amount of monthly payments which had been paid to the Participant and his spouse, if the joint and survivor benefit described in Section 5.06 was being paid; and

(iii) the amount of retirement benefits which had been paid to the spouse, if the pre-retirement spouse benefit described in Section 6.01 was being paid.

ARTICLE VII

BENEFITS UPON TERMINATION FROM SERVICE

7.01 In General. In the event that an Employee shall terminate from service (or, in the case of a Career Agent, the agent terminates his Career Agent's Contract) for any reason other than death, his becoming Totally Disabled (as described in Section 5.04), or Normal, Early or Late Retirement, the interests and rights of such Participant shall be limited to those contained in this Article.

7.02 Options on Termination of Participation. Upon any termination of service described in Section 7.01, a Participant shall have the right, subject to any required spousal consent, to elect either Option 1 or Option 2 described below.

For purposes of determining the Actuarial Equivalent present value of benefits, values shall be calculated using the interest rate(s) specified in Section 2.02.

Any distributions made pursuant to this Article shall be subject to the requirements of Sections 5.05 and 5.06 (and Article III of Part III of the Plan).

Option 1 - Deferred Benefit - Under this Option the Participant will receive a monthly retirement benefit commencing on his Normal Retirement Date equal to the sum of (a) and, if applicable, (b) below:

(a) 1/12 of the annual deferred benefit described in Section 2.01(b), which deferred benefit is attributable to required Employee contributions.

(b) In addition, if as of his date of termination of participation the Employee has completed at least the minimum Years of Service required for vesting, he will receive commencing on his Normal Retirement Date, an additional monthly retirement benefit equal to (i) or (ii) below, whichever is applicable:

(i) the portion of the Accrued Benefit described in Section 2.01(a) derived from Employer Contributions, multiplied by the appropriate percentage in Option 1(b)(iii) below.

(ii) in the case of a Non-Key Employee Participant in a Top Heavy Plan, if greater than (i) above, the Accrued Benefit described in Section 2.01(c), multiplied by the appropriate percentage in Option 1(b)(iii) below.

(iii)

Completed Years of Service	Nonforfeitable Percentage
Less than 5	0%
5 or more	100%

Notwithstanding the above, if the Plan is a Top Heavy Plan for any Plan Year beginning after December 31, 1983, then the Plan shall meet the following vesting requirements for such Plan Year and for all subsequent Plan Years, even if the Plan is not a Top Heavy Plan for such subsequent Plan Years.

Completed Years of Service	Nonforfeitable Percentage
Less than 2	0%
2	20
3	40
4	60
5 or more	100

Notwithstanding anything in Part II of the Plan to the contrary, the portion of an Employee's Accrued Benefit derived from Employer Contributions shall be 100% vested upon completion of three (3) Years of Service.

Option 2 - Cash Option - Under this option, except as provided in Section 5.08, the Participant will receive an amount equal to (a) below plus, if applicable, a deferred benefit as described in (b) below:

(a) an amount equal to the present value of the portion of the Participant's Accrued Benefit described in Section 2.01(b) attributable to required Employee Contributions, and

(b) In addition, if the Employee is fully or partially vested in the portion of his Accrued Benefit derived from Employer Contributions, as determined from the appropriate table above on the date of his termination of participation, he will receive, commencing on his Normal Retirement Date, a monthly retirement benefit determined in accordance with Option 1(b).

Option 1 will be deemed to have been elected by an Employee unless he elects Option 2 within 90 days of his termination of participation in this Plan.

For purposes of this Article VII, "**Years of Service**" means Plan Years during which an Employee completed at least 1,000 Hours of Service; provided, however, for purposes of this Article, service shall not be deemed to be interrupted or employment terminated because employment is transferred to a position or job with the Employer in which he is no longer eligible to participate in this Plan, or because the Employee becomes a General Agent who is not a common-law employee of the Company, but service shall be deemed terminated if the Employee terminates from the Employer or as a General Agent.

Notwithstanding anything in of Part II of the Plan to the contrary, a Participant's Normal Retirement Benefit shall become 100% vested and nonforfeitable upon the attainment of his Normal Retirement Age.

Notwithstanding anything in Part II of the Plan to the contrary, (i) a Participant who was actively employed on December 31, 2002 (or an agent whose Career Agent's Contract had not been terminated prior to such date), and (ii) all Former Participants who had not incurred five consecutive One Year Breaks in Service as of December 31, 2002, shall have a fully vested and non-forfeitable interest in any Accrued Benefit that had not been distributed to the Participant or Former Participant prior to December 31, 2002.

7.03 Forfeitures. The non-vested portion of a Participant's Accrued Benefit shall be treated as a forfeiture when the Participant or his or her spouse (or surviving spouse) receives a distribution of the present value of his or her vested Accrued Benefit attributable to Employer and Employee Contributions pursuant to Section 7.02 and the Participant's service attributable to such distribution shall be disregarded as provided in Section 7.06. For purposes of this Section, if the present value of a Participant's vested Accrued Benefit is zero, the Participant shall be deemed to have received a distribution of such vested Accrued Benefit.

In the case of a partially vested terminated Participant who does not receive a distribution pursuant to the above paragraph, the value of the nonvested portion of his Accrued Benefit shall be treated as a forfeiture at the end of the Plan Year in which the Participant incurs a One Year Break in Service until the Participant has completed one Year of Service after he has been re-employed.

Forfeitures will be used to reduce (i) Employer contributions for the Plan Year following the Plan Year in which the forfeiture occurs; and or (ii) the Employer's costs under the Plan.

7.04 Resumption of Service. A Participant who terminates his or her participation in Part II of the Plan and who subsequently resumes service with the Employer will again become a Participant, if eligible, on the date of his or her recommencement of such service.

7.05 Distribution of Benefits. On the Former Participant's Normal Retirement Date, benefits to which he or she is entitled pursuant to this Article shall be distributed in accordance with Article V.

If a Former Participant entitled to a deferred benefit pursuant to this Article VII dies prior to his or her Normal Retirement Date, the death benefit, if any, to which he is entitled shall be as is specified in Article VI.

7.06 Cashout Repayment Option.

(a) Notwithstanding anything in this Article to the contrary, unless a repayment has been made in accordance with Section 7.06(b) below, in determining the portion of an Employee's Accrued Benefit derived from Employer contributions (or, in the case of a Top Heavy Plan, the minimum benefit for Non-Key Employees described in Section 2.01(c)) after a resumption of participation, periods of service with respect to which the Employee received a distribution of the present value of his vested Accrued Benefit shall be disregarded.

(b) In the case of the distribution of the present value of a partially vested Employee's vested Accrued Benefit in accordance with Sections 5.05 or 7.02, the Employee's Accrued Benefit described in Sections 2.01(a) and (b) (including all optional forms of benefits and subsidies relating to such benefits) shall be restored if he or she is subsequently an Employee and repays the amount distributed plus interest, compounded annually from the date of distribution at the rate of five percent. Such repayment must be made by the Employee before the earlier of five years after the first date on which the Employee is subsequently reemployed by the Employer, or the date the Employee incurs five consecutive One Year Breaks in Service following the date of distribution.

If an Employee is deemed to receive a distribution pursuant to this Article, and the Employee resumes employment covered under this Plan before the date on which the Employee could no longer repay his distribution under the preceding paragraph, upon the reemployment of such Employee, the Employer-derived Accrued Benefit will be restored to the amount of such Accrued Benefit on the date of the deemed distribution.

7.07 Early Retirement Election. Any Participant who terminates service after having completed at least fifteen Years of Service may elect to retire on the first day of any month following his 55th birthday. Any Participant who was actively employed on June 30, 1977 who terminates service after having completed at least twenty Years of Service may elect to retire on the first day of any month following his 50th birthday.

7.08 Amendment to Vesting Schedule. If the Vesting Schedule of Part II of the Plan is amended, or the Plan is amended in any way that directly or indirectly affects the computation of a Participant's nonforfeitable percentage, or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least three Years of Service with the Employer may elect, within a reasonable period after the adoption of the amendment or change, to have their nonforfeitable percentage computed under Part II of the Plan without regard to such amendment or change. The period during which the election may be made shall

commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(a) 60 days after the amendment is adopted;

(b) 60 days after the amendment becomes effective; or

(c) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

EXHIBIT A
ADJUSTMENT FACTORS FOR OPTIONAL AND LATE RETIREMENT BENEFITS

Factors for ages not illustrated on the following tables will be computed on an actuarial basis consistent with that used to compute the factors shown.

JOINT AND SURVIVOR OPTION PERCENTAGES

(Applicable only if the Participant's age, nearest birthday, on the date monthly income commences is 65).

Age Nearest Birthday of Joint Annuitant on the Date Monthly Income Commences to the Participant	Percentage of the Adjusted Retirement Annuity Payments which are to be Continued to the Surviving Joint Annuitant		
	100%	66 2/3%	50%
50	80.3%	87.1%	90.9%
51	80.7	87.5	91.3
52	81.1	87.9	91.8
53	81.5	88.4	92.2
54	82.0	88.8	92.7
55	82.4	89.3	93.2
56	82.9	89.8	93.8
57	83.3	90.3	94.3
58	83.8	90.9	94.9
59	84.3	91.4	95.5
60	84.8	92.0	96.1
61	85.3	92.7	96.8
62	85.9	93.3	97.5
63	86.4	94.0	98.3
64	86.9	94.7	99.1
65	87.5	95.4	100.0
66	88.0	96.2	100.0
67	88.6	97.0	101.9
68	89.1	97.9	102.9
69	89.6	98.7	104.0
70	90.2	99.6	105.1

1983 Group Annuity Table with Projection H, with mortality rates based on calendar

year of birth of 1930 and interest at the rate of 7% per annum.

CONTINGENT ANNUITANT OPTION PERCENTAGES

(Applicable only if the Participant's age, nearest birthday, on the date monthly income commences is 65).

Age Nearest Birthday of Contingent Annuitant on the Date Monthly Income Commences to the Participant	Percentage of the Adjusted Retirement Annuity Payments which are to be Continued to the Surviving Contingent Annuitant		
	100%	66 2/3%	50%
50	80.3%	85.9%	89.0%~
51	80.7	86.2	89.3
52	81.1	86.5	89.6
53	81.5	86.9	89.8
54	82.0	87.2	90.1
55	82.4	87.5	90.4
56	82.9	87.9	90.6
57	83.3	88.2	90.9
58	83.8	88.6	91.2
59	84.3	89.0	91.5
60	84.8	89.3	91.8
61	85.3	89.7	92.1
62	85.9	90.1	92.4
63	86.4	90.5	92.7
64	86.9	90.9	93.0
65	87.5	91.3	93.3
66	88.0	91.7	93.6
67	88.6	92.1	93.9
68	89.1	92.5	94.2
69	89.6	92.9	94.5
70	90.2	93.2	94.8

1983 Group Annuity Table with Projection H, with mortality rates based on calendar year of birth of 1930 and interest at the rate of 7% per annum.

Life Ann/Opt.

ANNUITY OPTION ADJUSTMENT PERCENTAGES

Percentages to be applied (to the monthly benefit which would be payable to the Participant on his Retirement Date if no Optional Form of Annuity were in effect) to determine the monthly income benefit commencing on the Participant's Retirement Date if one of the following options is in effect.

Age Nearest Birthday on the Date Monthly Income Commences	Annuity Option			
	5C&C	10C&C	15C&C	20C&C
50	99.8%	99.2%	98.3%	97.2%
51	99.8	99.1	98.1	96.9
52	99.7	99.0	97.9	96.6
53	99.7	98.9	97.7	96.3
54	99.7	98.8	97.5	96.0
55	99.6	98.6	97.3	95.6
56	99.6	98.5	97.0	95.2
57	99.6	98.4	96.8	94.8
58	99.5	98.3	96.5	94.3
59	99.5	98.1	96.2	93.8
60	99.4	98.0	95.9	93.3
61	99.4	97.8	95.5	92.7
62	99.3	97.6	95.0	92.0
63	99.3	97.3	94.5	91.2
64	99.2	97.1	94.0	90.4
65	99.1	96.7	93.3	89.5
66	99.0	96.4	92.6	88.5
67	98.9	95.9	91.8	87.4
68	98.8	95.4	91.0	86.2
69	98.6	94.9	90.0	84.9
70	98.4	94.3	89.0	83.5

1983 Group Annuity Table with Projection H, with morality rates based on calender year of birth of 1930 and interest at the rate of 7% per annum.

Life Ann/Opt.

LATE RETIREMENT PERCENTAGES

(Applicable only if the Participant's age, nearest birthday, on his or her Normal Retirement Date is 65).

The following percentages are applied to retirement benefits determined in accordance with Part II of the Plan, prior to any actuarial increase with respect to a Participant whose date of retirement is subsequent to his or her Normal Retirement Date, to determine actuarially increased retirement benefits commencing on his or her Late Retirement Date. If benefits commence in a month other than the month in which the Participant attains the specified age, the percentage shall be determined by straight line interpolation. Percentages for Late Retirement Dates and ages not illustrated will be computed on an actuarial basis consistent with that used to compute the factors shown.

Number of Years Late Retirement Date Succeeds Normal Retirement Date	Actuarial Increase Percentage
1	111.3%
2	124.3%
3	139.2%
4	156.6%
5	176.8%
6	200.4%
7	228.3%
8	261.5%
9	301.1%
10	348.8%

The actuarial basis increase percentages beyond ten years after Normal Retirement Date shall be determined based on the 1951 Group Annuity Table with 2/3 of Projection C, with mortality rates based on calendar year of birth of 1910 and interest at a rate of 6% per annum (male rate).

Notwithstanding the foregoing, if late retirement benefits commence after Age 70½, a Participant's Accrued Benefit shall be actuarially increased to take into account the period after Age 70½ in which the Participant was not receiving any benefits under Part II of the Plan. Any such actuarial increase shall be the greater of (i) the actuarial increase determined in accordance with the rules described above, or (ii) such actuarial increase as shall be required under Code Section 401(a)(9)(C) and regulations promulgated thereunder.

Exhibit B

Participant Accrual Percentages

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THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN
PART III

(As amended and restated generally effective January 1, 2016)

THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

PART III

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ARTICLE I

PURPOSE AND EFFECTIVE DATE OF PLAN

1.01 General Statement. The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**") consists of three parts, Part I, Part II and Part III. Part I of the Plan provides a cash balance and pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan". Part II of the Plan provides a pension benefit, which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan". This Part III of the Plan contains provisions applicable to each of Part I and Part II.

The provisions of this Part III of the Plan shall override any provision of Part I and or Part II of the Plan as provided in Part III of the Plan.

The words and phrases used in this Part III of the Plan shall have the meanings set forth in Part I of the Plan, unless a different meaning is clearly required by the context or is otherwise provided in Part III of the Plan.

1.02 Effective Date. The effective date of this Part III of the Plan is January 1, 2016 (except for those provisions of this Part of the Plan which have an expressly stated alternative effective date).

ARTICLE II

PROVISIONS APPLICABLE TO TOP HEAVY PLANS

2.01 Top Heavy Plan Requirements.

(a) For any Top Heavy Plan Year, the Plan shall provide the following:

(i) the minimum vesting requirements for Top Heavy Plans set forth in Section 8.02 of Part I of the Plan and Section 7.02 of Part II of the Plan; and

(ii) the minimum benefit accruals for Non-Key Employees set forth in Section 2.03 of this Part III below.

(b) Once the Plan has become a Top Heavy Plan, the top heavy vesting requirements described in Section 8.02 of Part I of the Plan and Section 7.02 of Part II of the Plan shall be applicable to all subsequent Plan Years, regardless of whether such years are Top Heavy Plan Years.

(c) If the Plan is or becomes a Top Heavy Plan, the provisions of this Article II of this Part III will supersede any conflicting provision in the Plan.

(d) In determining Top Heavy Plan vesting, the Top Heavy vesting schedule set forth in Section 8.02 of Part I of the Plan and in Section 7.02 of Part II of the Plan applies to all benefits within the meaning of Code Section 411(a)(7), including benefits accrued before the effective date of Code Section 416 and benefits accrued before the Plan became top-heavy. Further, no reduction in vested benefits may occur in the event the Plan's status as top heavy changes for any Plan Year. However, this Section does not apply to the Accrued Benefits of any Employee who does not have an Hour of Service after the Plan has initially become top-heavy and such Employee's Accrued Benefits attributable to Employer contributions will be determined without regard to this Section.

2.02 Determination of Top Heavy Status.

(a) This Plan shall be a Top Heavy Plan for any Plan Year commencing after December 31, 1983 if any of the following conditions exists:

(i) The top heavy ratio for this Plan exceeds 60 percent, and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) This Plan is a part of a required aggregation group of plans (but not part of a permissive aggregation group), and the top heavy ratio for the group of plans exceeds 60 percent.

(iii) This Plan is a part of a required aggregation group and part of a permissive aggregation group of plans, and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

(b) The Plan's **"top heavy ratio"** shall be determined as follows:

(i) If the Employer maintains one or more defined benefit plans and the employer has not maintained any defined contribution plan (including any simplified employee pension, as defined in Code Section 408(k)) which during the 5-year period ending on the determination date(s) has or has had account balances, the top-heavy ratio for this plan alone or for the required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the present value of Accrued Benefits of all Key Employees as of the determination date(s) (including any part of any Accrued Benefit distributed in the 1-year period ending on the determination date(s)) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), and the denominator of which is the sum of the present value of Accrued Benefits (including any part of any Accrued Benefits distributed in the 1-year period ending on the determination date(s)) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), determined in accordance with Code Section 416 and the regulations thereunder.

(ii) If the Employer maintains one or more defined benefit plans and the employer maintains or has maintained one or more defined contribution plans (including any simplified employee pension) which during the 5-year period ending on the determination date(s) has or has had any account balances, the top-heavy ratio for any required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees, determined in accordance with Section 2.02(b)(i) of this Part III above, and the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees as of the determination date(s), and the denominator of which is the sum of the present value of accrued benefits under the defined benefit plan or plans for all participants, determined in accordance with Section 2.02(b)(i) of this Part III above, and the account balances under the aggregated defined contribution plan or plans for all participants as of the determination date(s), all determined in accordance with Code Section 416 and the regulations thereunder. The account balances under a defined contribution in both the numerator and denominator of the top heavy ratio are increased for any distribution of an account balance made in the 1-year period ending on the determination date (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability).

(iii) For purposes of Sections 2.02(b)(i) and 2.02(b)(ii) of this Part III above, the value of account balances and the present value of Accrued Benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Code Section 416 and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not been credited with at least one Hour of Service with any employer maintaining the Plan at any time during the 1-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416 and the regulations thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans, the value of account balances and Accrued Benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The Accrued Benefit of a Participant other than a Key Employee shall be determined under (A) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (B) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code Section 411(b)(1)(C).

(c) Permissive aggregation group: "**Permissive aggregation group**" means the required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(d) Required aggregation group: "**Required aggregation group**" means (i) each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Code Sections 401(a)(4) or 410.

(e) Determination date: "**Determination date**" means the last day of the preceding Plan Year.

(f) Valuation date: "**Valuation date**" means the last day of each Plan Year, as of which Accrued Benefits are valued for purposes of calculating the top heavy ratio.

(g) Present value: "**Present value**" shall be based on the interest and mortality rates specified in the definition of Actuarial Equivalent.

2.03 Minimum Benefit Requirements for Top Heavy Plans.

(a) Minimum Benefit Requirements for Top Heavy Plans.

Notwithstanding any other provision in this Plan except Section 2.03(b) and Section 2.03(c) of this Part III below, for any Plan Year in which this Plan is a Top Heavy Plan, each Participant who is not a Key Employee and has completed at least 1,000 Hours of Service will accrue a benefit (to be provided solely by Employer contributions and expressed as a life annuity commencing at Normal Retirement Age) of not less than 2% of the Participant's highest average Compensation for the five consecutive years in which such Non-Key Employee had the highest Compensation (as defined for purposes of Article III of Part III of the Plan). The aggregate Compensation for the years during such five-year period in which the Participant was credited with a Year of Service will be divided by the number of such years in order to determine average annual Compensation.

Provided, however, that no additional benefit accruals shall be provided pursuant to this Section to the extent that the total accruals on behalf of the Participant attributable to Employer contributions will provide a benefit expressed as a life annuity commencing at Normal Retirement Age that equals or exceeds 20% of the Participant's average Compensation for the five consecutive years in which the Participant had the highest Compensation (as defined for purposes of Article III of Part III of the Plan). All accruals of Employer-derived benefits, whether or not attributable to years for which the Plan is Top Heavy, may be used in computing whether the minimum 20% accrual requirements of this paragraph are satisfied.

The minimum accrual above applies even though under other Plan provisions the Participant would not otherwise be entitled to receive an accrual, or would have received a lesser accrual for the Plan Year because (i) the Non-Key Employee fails to make mandatory contributions to the Plan, (ii) the Non-Key Employee's Compensation is less than a stated amount, (iii) the Non-Key Employee is not employed on the last day of the accrual computation period, or (iv) the Plan is integrated with Social Security.

The Compensation required to be taken into account under this Section is Compensation as defined for purposes of Article III of Part III of the Plan that is not in excess of the applicable dollar limitation imposed by Code Section 401(a)(17). However, Compensation received by a Non-Key Employee for Plan Years beginning after the close of the last year in which the Plan was a Top Heavy Plan shall be disregarded. The minimum accrual determined under this Section shall be determined without regard to any Social Security contribution.

The top-heavy minimum benefit is a life annuity benefit (with no ancillary benefits) commencing at Normal Retirement Age. If the benefit commences at a date other than Normal Retirement Age, the Employee must receive at least an amount that is the Actuarial Equivalent of the minimum single life annuity benefit commencing at Normal Retirement Age.

Notwithstanding the foregoing, for Plan Years beginning after December 31, 2001, for purposes of satisfying the minimum benefit requirements of Code Section 416(c)(1) and the Plan, in determining Years of Service with the Employer, any service with the Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Code Section 410(b)) no Key Employee or former Key Employee.

(b) Notwithstanding anything herein to the contrary, in any Plan Year in which a Non-Key Employee participates in both a defined benefit plan and a defined contribution plan included in a Required or Permissive Aggregation Group of Top Heavy Plans, the Employer is not required to provide the Non-Key Employee with both the full and separate minimum benefit and the full and separate minimum contribution. Therefore, if the Employer maintains such a defined benefit and defined contribution plan, the top-heavy minimum benefits shall be provided as follows:

(i) If a Non-Key Employee is a participant in any such Top Heavy defined contribution plan, the minimum benefit described in Section 2.03(a) of this Part III above shall not be provided to each such Non-Key Employee who receives at least the full Top Heavy minimum contribution provided in such defined contribution plan for Non-Key Employee participants.

(ii) If a Non-Key Employee is not a Participant in any such Top Heavy defined contribution plan, the minimum and extra minimum benefits, if applicable, described in Section 2.03(a) of this Part III shall be provided to each such Non-Key Employee meeting the requirements of Section 2.03(a) of this Part III above.

Notwithstanding any provision herein to the contrary, no minimum benefit will be required (or the minimum benefit will be reduced, as the case may be) for a Participant under this Plan for any Plan Year if the Employer maintains another qualified defined benefit plan under which a minimum benefit is being accrued in whole or in part for the Participant in accordance with Code Section 416(c).

(c) The minimum accrued benefit described in this Section (to the extent required to be nonforfeitable under Code Section 416(b)) may not be forfeited under Code Sections 411(a)(3)(B) or 411(a)(3)(D).

ARTICLE III

MINIMUM DISTRIBUTION REQUIREMENTS

3.01 General Rules.

(a) Effective date. The provisions of this Article will apply with respect to distributions under the Plan made for calendar years beginning on or after January 1, 2006. With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2002 and prior to the effective date of the application of the Treasury Regulations under Code Section 401(a)(9) that were finalized on June 15, 2004, the Plan used the 1987 proposed regulations.

(b) Requirements of Treasury Regulations incorporated. All distributions required under this Article of this Part III shall be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and the regulations thereunder.

(c) Precedence. Subject to the joint and survivor annuity requirements of the Plan, the requirements of this Article of this Part III will take precedence over any inconsistent provisions of the Plan.

(d) TEFRA Section 242(b)(2) elections.

(i) Notwithstanding the other provisions of this Article and the Plan, other than the spouse's right of consent afforded under the Plan, distributions may be made on behalf of any Participant, including a five percent (5%) owner, who has made a designation in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("**TEFRA**") and in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Plan is one which would not have disqualified such plan under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the plan is being distributed or, if the Participant is deceased, by a beneficiary of such Participant.

(C) Such designation was in writing, was signed by the Participant or beneficiary, and was made before January 1, 1984.

(D) The Participant had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Participant or the beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the beneficiaries of the Participant listed in order of priority.

(ii) A distribution upon death will not be covered by the transitional rule of this Section 3.01(d) of this Part III unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

(iii) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in (i)(A) and (i)(E) of Section 3.01(d) of this Part III.

(iv) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code Section 401(a)(9) and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code Section 401(a)(9) and the regulations thereunder, but for the TEFRA Section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(v) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Treasury Regulation Section 1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

(e) Limits on distribution periods. To the extent otherwise permitted under the terms of the Plan, as of the first Distribution Calendar Year, distributions to a

Participant, if not made in a single sum, may only be made over one of the following periods:

(i) The life of the Participant;

(ii) The joint lives of the Participant and a Designated Beneficiary;

(iii) A period certain not extending beyond the Life Expectancy of the Participant; or

(iv) A period certain not extending beyond the joint life and last survivor expectancy of the Participant and a Designated Beneficiary.

3.02 Time and Manner of Distribution.

(a) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(b) Death of Participant before distributions begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) Life Expectancy rule, spouse is beneficiary. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then, except as provided in Section 3.01(d) of this Part III, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½ , if later.

(ii) Life Expectancy rule, spouse is not beneficiary. If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then, except as provided in Section 3.01(d) of this Part III, distributions to the Designated Beneficiary will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died.

(iii) No Designated Beneficiary, 5-year rule. If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(iv) Surviving spouse dies before distributions begin. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, Section 3.02(b) of this Part III, other than Section

3.02(b)(i) of this Part III, will apply as if the surviving spouse were the Participant.

For purposes of Section 3.02(b) of this Part III, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 3.02(b)(iv) of this Part III applies, the date distributions are required to begin to the surviving spouse under Section 3.02(a) of this Part III). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 3.02(b)(i) of this Part III), the date distributions are considered to begin is the date distributions actually commence.

(c) Form of distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, distributions will be made in accordance with Sections 3.03, 3.04 and 3.05 of this Part III as of the first Distribution Calendar Year. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the regulations thereunder. Any part of the Participant's interest which is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and the regulations thereunder applicable to individual accounts.

3.03 Determination of Amount to be Distributed Each Year.

(a) General annuity requirements. A Participant who is required to begin payments as a result of attaining his or her Required Beginning Date and whose interest has not been distributed in the form of an annuity purchased from an insurance company or in a single sum before such date may receive such payments in the form of annuity payments under the Plan. Payments under such annuity must satisfy the following requirements:

(i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 3.04 or 3.05 of this Part III;

(iii) Once payments have begun over a period certain, the period certain will not be changed, even if the period certain is shorter than the maximum period permitted, unless otherwise elected in Section 3.01(d) of this Part III;

(iv) Payments will either be non-increasing or increase only to the extent permitted by one of more of the following conditions:

(A) By an annual percentage increase that does not exceed the annual percentage increase in an Eligible Cost-of-Living Index for a 12-month period ending in the year during which the increase occurs or the prior year;

(B) By a percentage increase that occurs at specified times (*e.g.*, at specified ages) and does not exceed the cumulative total of annual percentage increases in an Eligible Cost-of-Living Index since the annuity starting date, or if later, the date of the most recent percentage increase. In cases providing such a cumulative increase, an actuarial increase may not be provided to reflect the fact that increases were not provided in the interim years;

(C) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 3.04 of this Part III dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p);

(D) To allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant's death;

(E) To pay increased benefits that result from a Plan amendment or other increase in the Participant's accrued benefit under the Plan;

(F) By a constant percentage, applied not less frequently than annually, at a rate that is less than 5 percent per year;

(G) To provide a final payment upon the death of the Participant that does not exceed the excess of the actuarial present value of the Participant's accrued benefit (within the meaning of Code Section 411(a)(7)) calculated as of the annuity starting date using the applicable interest rate and the applicable mortality table under Code Section 417(e) (or, if greater, the total amount of employee contributions) over the total of payments before the death of the Participant; or

(H) As a result of dividend or other payments that result from Actuarial Gains, provided:

(1) Actuarial Gain is measured not less frequently than annually;

(2) The resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured);

(3) The Actuarial Gain taken into account is limited to actuarial gain from investment experience;

(4) The assumed interest rate used to calculate such Actuarial Gains is not less than 3 percent; and

(5) The annuity payments are not also being increased by a constant percentage as described in Section 3.03(a)(iv)(F)

(b) Amount required to be distributed by Required Beginning Date.

(i) In the case of a Participant whose interest in the Plan is being distributed as an annuity pursuant to Section 3.03(a) of this Part III, the amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Sections 3.02(b)(i) or 3.02(b)(ii) of this Part III) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, *e.g.,* bi-monthly, monthly, semiannually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

(ii) In the case of a single sum distribution of a Participant's entire accrued benefit during a Distribution Calendar Year, the amount that is the required minimum distribution for the Distribution Calendar Year (and thus not eligible for rollover under Code Section 402(c)) is determined under this Section 3.03(b)(ii) of this Part III. The portion of the single sum distribution that is a required minimum distribution is determined by treating the single sum distribution as a distribution from an individual account Plan and treating the amount of the single sum distribution as the Participant's account balance as of the end of the relevant valuation calendar year. If the single sum distribution is being made in the calendar year containing the Required Beginning Date and the required minimum distribution for the Participant's first Distribution Calendar Year has not been distributed, the portion of the single sum distribution that represents the required minimum distribution for the Participant's first and second Distribution Calendar Years is not eligible for rollover.

(c) Additional accruals after first Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues. Notwithstanding the preceding, the Plan will not fail to satisfy the requirements of this Section 3.03(c) of this Part III and Code Section 401(a)(9) merely because there is an administrative delay in the commencement of the distribution of the additional benefits accrued in a calendar year, provided that the actual payment of such amount commences as soon as practicable. However, payment must commence no later than the end of the first calendar year following the calendar year in which the additional benefit accrues, and the total amount paid during such first calendar year must be no less than the total amount that was required to be paid during that year under this Section 3.03(c) of this Part III.

(d) Death after distributions begin. If a Participant dies after distribution of the Participant's interest begins in the form of an annuity meeting the requirements of this Article, then the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

3.04 Requirements for Annuity Distributions That Commence During Participant's Lifetime.

(a) Joint life annuities where the beneficiary is the Participant's spouse. If distributions commence under a distribution option that is in the form of a joint and survivor annuity for the joint lives of the Participant and the Participant's spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless, under the distribution option, the periodic annuity payment payable to the survivor does not at any time on and after the Participant's Required Beginning Date exceed the annuity payable to the Participant. In the case of an annuity that provides for increasing payments, the requirement of this Section 3.04(a) of this Part III will not be violated merely because benefit payments to the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and the Participant's spouse and a period certain annuity, the preceding requirements will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

(b) Joint life annuities where the beneficiary is not the Participant's spouse. If distributions commence under a distribution option that is in the form of a joint and survivor annuity for the joint lives of the Participant and a beneficiary other than the Participant's spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless under the distribution option, the annuity payments to be made on and after the Participant's Required Beginning Date will satisfy the conditions of this Section 3.04(b) of this Part III. The periodic annuity payment payable to the survivor must not at any time on and after the Participant's Required Beginning Date exceed the applicable percentage of the annuity payment payable to the Participant using the table set forth in Q&A-2(c)(2) of Section 1.401(a)(9)-6 of the Treasury Regulations. The applicable percentage is based on the adjusted Participant/beneficiary age difference. The adjusted Participant/beneficiary age difference is determined by first calculating the excess of the age of the Participant over the age of the beneficiary based on their ages on their birthdays in a calendar year. If the Participant is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the Participant is younger than age 70 on the Participant's birthday in the calendar year that contains the annuity starting date. In the case of an annuity that provides for increasing payments, the requirement of this Section 3.04(b) of this Part III will not be violated merely because benefit payments to the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary and a period certain annuity, the preceding requirements will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

(c) Period certain annuities. Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 3.04(c) of this Part III, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

3.05 Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin.

(a) Participant survived by Designated Beneficiary. Except as provided in Section 3.01(d) of this Part III, if the Participant dies before the date distribution of his or her interest begins and there is a Designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 3.02(b)(i) or Section 3.02(b)(ii) of this Part III, over the life of the Designated Beneficiary or over a period certain not exceeding:

(i) Unless the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(ii) If the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of surviving spouse before distributions to surviving spouse begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 3.05 of this Part III will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 3.02(b)(i) of this Part III.

3.06 Definitions.

(a) Actuarial Gain. "**Actuarial Gain**" means the difference between an amount determined using the actuarial assumptions (*i.e.*, investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial Gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the Actuarial Gain is determined.

(b) Designated Beneficiary. "**Designated Beneficiary**" means the individual who is designated as the beneficiary under the Plan and is the Designated Beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4, Q&A-1, of the Treasury Regulations.

(c) Distribution Calendar Year. "**Distribution Calendar Year**" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 3.02(b) of this Part III.

(d) Eligible Cost-of-Living Index. An "**Eligible Cost-of-Living Index**" means an index described below:

(i) A consumer price index that is based on prices of all items (or all items excluding food and energy) and issued by the Bureau of Labor Statistics, including an index for a specific population (such as urban consumers or urban wage earners and clerical workers) and an index for a geographic area or areas (such as a given metropolitan area or state); or

(ii) A percentage adjustment based on a cost-of-living index described in Section 3.06(d)(i) of this Part III above, or a fixed percentage, if less. In any year when the cost-of-living index is lower than the fixed percentage,

the fixed percentage may be treated as an increase in an Eligible Cost-of-Living Index, provided it does not exceed the sum of:

(A) The cost-of-living index for that year, and

(B) The accumulated excess of the annual cost-of-living index from each prior year over the fixed annual percentage used in that year (reduced by any amount previously utilized under this Section 3.06(d)(ii) of this Part III).

(e) Life Expectancy. "**Life Expectancy**" means the life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(f) Required Beginning Date. Except as otherwise provided in the Plan, the "**Required Beginning Date**" means the April 1st of the calendar year following the later of the calendar year in which the Participant attains age 70 ½ , or the calendar year in which the Participant retires, except that benefit distributions to a "5-percent owner" must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½. Once distributions have begun to a "5-percent owner" under this Article III, they must continue to be distributed, even if the Participant ceases to be a "5-percent owner" in a subsequent Plan Year.

"**5-percent owner**" means a Participant who is a 5-percent owner as defined in Code Section 416 at any time during the Plan Year ending with or within the calendar year in which such owner attains age 70 ½. Once required minimum distributions have begun to a 5-percent owner, they must continue to be distributed, even if the Participant ceases to be a 5-percent owner in a subsequent year.

ARTICLE IV

LIMITATIONS ON BENEFITS

The limitations of Sections 4.01 through 4.05 of this Part III shall be subject to those of Section 4.06 of this Part III, which shall apply in Limitation Years beginning on or after July 1, 2007, except as otherwise provided therein.

4.01 General Limitations. Section 4.01 of this Part III applies regardless of whether any Participant is or has ever been a participant in another qualified plan maintained by the Employer. If any Participant is or has ever been a participant in another qualified plan, a welfare benefit fund (as defined in Code Section 419(e)), an individual medical account (as defined in Code Section 415(1)(2)), or a simplified employee pension (as defined in Code Section 408(k)) maintained by the Employer which provides an Annual Addition, Section 4.02 of this Part III is also applicable to that Participant's benefits.

(a) The Annual Benefit otherwise payable to a Participant at any time will not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the

Maximum Permissible Benefit, the benefit must be limited (or the rate of accrual reduced) so that the Annual Benefit does not exceed the Maximum Permissible Benefit.

(b) If a Participant has made voluntary employee contributions, or mandatory employee contributions as defined in Code Section 411(c)(2)(C) under the terms of this Plan, the amount of such contributions is treated as an Annual Addition to a qualified defined contribution plan, for purposes of Sections 4.01(a) and 4.01(b) of this Part III.

4.02 Additional General Limitations. Section 4.02 of this Part III applies if any Participant is also a participant, or has ever participated, in another plan maintained by the Employer, including a qualified plan, a welfare benefit fund maintained by the Employer (as defined in Code Section 419(e)) under which amounts attributable to post-retirement medical benefits are allocated to separate accounts of Key Employees (as defined in Code Section 419(A)(d)(3)), an individual medical account, or a simplified employee pension which provides an Annual Addition.

(a) If a Participant is, or has ever been, a participant covered under more than one defined benefit plan maintained by the Employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. If a Participant is or has ever been a participant in more than one defined benefit plan maintained by an Employer, the rate of accrual in this Plan will be reduced so that the total Annual Benefits payable at any time under such plans will not exceed the Maximum Permissible Benefit.

(b) For Limitation Years beginning before January 1, 2000, if the Employer maintains, or ever maintained, one or more qualified defined contribution plans covering any Participant in this Plan, a welfare benefit fund (as defined in Code Section 419(e)), an individual medical account (as defined in Code Section 415(1)(2)), or a simplified employee pension(as defined in Code Section 408(k)), the sum of the Participant's Defined Contribution Fraction and Defined Benefit Fraction (the "**Combined Limit**") will not exceed 1.0 in any Limitation Year. In the event that a Participant's Combined Limit would otherwise be exceeded for a Limitation Year, the Participant's rate of accrual under this Plan will be reduced, to the extent necessary, such that such accrual plus the Annual Additions credited to any such Participant's account for the Limitation Year under the defined contribution plan, welfare benefit fund, individual medical account or simplified employee pension will not exceed the Combined Limit.

4.03 Limitation Year beginning after December 31, 1986. In the case of an individual who was a participant in one or more defined benefit plans of the Employer as of the first day of the first Limitation Year beginning after December 31, 1986, the application of the limitations of this Article shall not cause the Maximum Permissible Benefit for such individual under all such defined benefit plans to be less than the individual's current Accrued Benefit. The preceding sentence applies only if all such defined benefit plans

met the requirements of Code Section 415 for all Limitation Years beginning before January 1, 1987.

4.04 Limitation Year beginning after December 31, 1994. In the case of an individual who was a participant in one or more defined benefit plans of the Employer as of the first day of the first Limitation Year beginning after December 31, 1994, the application of the limitations of this Article shall not cause the Maximum Permissible Amount for such individual under all such defined benefit plans to be less than the individual's Retirement Protection Act of 1994 ("**RPA `94**") old law benefit. The preceding sentence applies only if all such defined benefit plans met the requirements of Code Section 415 on December 7, 1994.

4.05 Definitions. For the purposes of this Article, the following words and phrases shall have the meanings set forth in this Section 4.05 of this Part III, unless a different meaning is clearly required by the context.

(a) Annual Additions. "**Annual Additions**" means the sum of the following amounts credited to a Participant's account for the Limitation Year:

(i) Employer contributions;

(ii) Employee contributions;

(iii) Allocations under a simplified employee pension;

(iv) Forfeitures; and

(v) Amounts allocated after March 31, 1984, to an individual medical account that is part of a pension or annuity plan maintained by the Employer are treated as Annual Additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer, are treated as Annual Additions to a defined contribution plan.

(b) Annual Benefit. "**Annual Benefit**" means a retirement benefit under the Plan which is payable annually in the form of a straight life annuity. A benefit which is payable in a form other than a straight life annuity must be adjusted to an actuarially equivalent straight life annuity before applying the limitations of this Article. In the case of a "**GATT Benefit**" (which for this purpose is any benefit unless it is paid in the form of a non-decreasing annuity payable over a period not less than the life of the Participant) or a "**Non-GATT Benefit**" (which for this purpose is any benefit other than a GATT Benefit), the actuarial equivalent straight life annuity commencing as of the benefit commencement date of such GATT Benefit or Non-GATT Benefit is the greater of (i) the equivalent annual life annuity determined by using the interest rate and mortality table in Section 2.02 in Part I of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part I of the Plan), or Section 2.02 in Part II of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part II of the Plan); and (ii) the equivalent annual life annuity determined by using the combination of (A) a 5% interest rate in the case of a Non-GATT Benefit or the Code Section 417 Interest Rate in the case of a GATT Benefit; and (B) the Code Section 417 Mortality Table. The portion of the actuarial equivalent straight life annuity attributable to the GATT Benefit is the "**GATT Percentage**," and the portion of the actuarial equivalent straight life annuity attributable to the Non-GATT Benefit is the "**Non-GATT Percentage**." The Annual Benefit does not include any benefits attributable to Employee contributions or rollover contributions, or the assets transferred from a qualified plan that was not maintained by the Employer. No actuarial adjustment to the benefit is required for (i) the value of a Qualified Joint and Survivor Annuity, (ii) the value of benefits that are not directly related to retirement benefits (such as the qualified disability benefit, pre-retirement death benefits, and post-retirement medical benefits), and (iii) the value of post-retirement cost-of-living increases made in accordance with Code Section 415(d) and Treasury Regulation Section 1.415(c)(2)(iii).

(c) Defined Benefit Dollar Limitation. The "**Defined Benefit Dollar Limitation**" is $90,000. Effective on January 1 of each year, the $90,000 limitation above will be automatically adjusted by multiplying such limit by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Code Section 415(d) in such manner as the Secretary shall prescribe. The new limitation will apply to Limitation Years ending within the calendar year of the date of the adjustment.

Notwithstanding the foregoing, effective for Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation is $160,000, as adjusted effective January 1 of each year under Code Section 415(d) in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under Code Section 415(d) will apply to Limitation Years ending with or within the calendar year for which the adjustment applies.

(d) Defined Benefit Fraction. "**Defined Benefit Fraction**" means a fraction, the numerator of which is the sum of the Participant's Projected Annual Benefits under all the defined benefit plans (whether or not terminated) maintained by the Employer, and the denominator of which is the lesser of 125 percent of the dollar limitation determined for the Limitation Year under Code Section 415(b)(1)(A) and Code Section 415(d) or 140 percent of the Highest Average Compensation, including any adjustments under Code Section 415(b)(5), both in accordance with Section 4.05(h) of this Part III below.

Notwithstanding the above, if the Participant was a participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined benefit plans maintained by the Employer which were in existence on May 6, 1986, the denominator of this fraction will not be less than 125 percent of the sum of the annual benefits under such plans which the Participant had accrued as of the close of the last Limitation Year beginning before January 1, 1987, disregarding any changes in the terms and conditions of the Plan after May 5, 1986. The preceding sentence applies only if the defined benefit plans individually and in the aggregate satisfied the requirements of Code Section 415 for all Limitation Years beginning before January 1, 1987.

Notwithstanding the foregoing, for Limitation Years beginning before January 1, 2000, for any Top Heavy Plan Year, 100 percent shall be substituted for 125 percent unless an extra minimum benefit or contribution is credited pursuant to Section 2.03(b) of Part III of the Plan. However, for any such Plan Year in which this Plan is a super top heavy plan, 100 percent shall be substituted for 125 percent in any event.

(e) Defined Contribution Fraction. "**Defined Contribution Fraction**" means a fraction, the numerator of which is the sum of the Annual Additions to the Participant's account under all the defined contribution plans (whether or not terminated) maintained by the Employer for the current and all prior Limitation Years (including the Annual Additions attributable to the Participant's nondeductible employee contributions to this and all other defined benefit plans (whether or not terminated) maintained by the Employer), and the Annual Additions attributable to all welfare benefit funds (as defined in Code Section 419(e)), individual medical accounts (as defined in Code Section 415(1)(2)), or simplified employee pensions (as defined in Code Section 408(k)), and the denominator of which is the sum of the maximum aggregate amounts for the current and all prior Limitation Years of service with the Employer (regardless of whether a defined contribution plan was maintained by the Employer).

The maximum aggregate amount in any Limitation Year is the lesser of (i) 125 percent of the dollar limitation under Code Section 415(c)(1)(A) after adjustment under Section 415(d), or (ii) 35 percent of the Participant's Compensation for such year.

If the Employee was a participant as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined contribution plans maintained by the Employer which were in existence on May 6, 1986, the numerator of this fraction will be adjusted if the sum of this fraction and the defined benefit fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (i) the excess of the sum of the fractions over 1.0 times (ii) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is calculated using the fractions as they would be computed as of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the plans made after May 6, 1986, but using the Code Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987.

The annual addition for any Limitation Year beginning before January 1, 1987 shall not be recomputed to treat all employee contributions as Annual Additions.

Notwithstanding the foregoing, for Limitation Years beginning before January 1, 2000, for any Top Heavy Plan Year, 100 percent shall be substituted for 125 percent unless an extra minimum allocation is made pursuant to Section 2.03(b) of Part III of the Plan. However, for any such Plan Year in which this Plan is a super top heavy plan, 100 percent shall be substituted for 125 percent in any event.

(f) Employer. "**Employer**" means the employer that adopt this Plan and all members of a controlled group of corporations (as defined in Code Section 414(b) as modified by Code Section 415(h)), all trades or businesses under common control (as defined in Code Section 414(c) as modified by Code Section 415(h)), or all members of an affiliated service group (as defined in Code Section 414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to regulations under Code Section 414(o).

(g) Highest Average Compensation. "**Highest Average Compensation**" means the average Compensation for the three consecutive years of service with the Employer that produces the highest average. A "**year of service**" with the Employer is the 12-consecutive month period defined in Section 2.44 of Part I of the Plan.

In the case of a Participant who has separated from service, the Participant's Highest Average Compensation will be automatically adjusted by multiplying such compensation by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Code Section 415(d) in such manner as the Secretary shall prescribe. The adjusted compensation amount will apply to Limitation Years ending within the calendar year of the date of the adjustment.

(h) Maximum Permissible Benefit. "**Maximum Permissible Benefit**" means

(i) The lesser of the Defined Benefit Dollar Limitation or 100 percent of the Participant's Highest Average Compensation.

(ii) If the Participant has less than ten years of participation in the Plan, the Defined Benefit Dollar Limitation is reduced by one-tenth for each year of participation (or part thereof) less than ten.

(iii) If the Participant has less than ten years of service with the Employer, the Compensation limitation is reduced by one-tenth for each Year of Service (or part thereof) less than ten. The adjustments of this Section 4.05(h)(iii) of this Part III shall be applied in the denominator of the Defined Benefit Fraction based upon Years of Service. For purposes of computing the Defined Benefit Fraction only, Years of Service shall include future years of service occurring before the Participant's Normal Retirement Age. Such future years of service shall include the year that contains the date the Participant reaches Normal Retirement Age, only if it can be reasonably anticipated that the Participant will receive a Year of Service for such year, or the year in which the Participant terminates employment, if earlier.

(iv) If the Annual Benefit of the Participant commences before the Participant's Social Security Retirement Age, but on or after Age 62, the Defined Benefit Dollar Limitation as reduced above, if necessary, shall be determined as follows:

(A) If a Participant's Social Security Retirement Age is 65, the Dollar Limitation for benefits commencing on or after Age 62 is determined by reducing the Defined Benefit Dollar Limitation by 5/9 of one percent for each month by which benefits commence before the month in which the Participant attains Age 65.

(B) If a Participant's Social Security Retirement Age is greater than 65, the Dollar Limitation for benefits commencing on or after Age 62 is determined by reducing the Defined Benefit Dollar Limitation by 5/9 of one percent for each of the first 36 months and 5/12 of one percent for each of the additional months (up to 24 months) by which benefits commence before the month of the Participant's Social Security Retirement Age.

(v) If the Annual Benefit of a Participant commences prior to Age 62, the Defined Benefit Dollar Limitation shall be the actuarial equivalent of an Annual Benefit beginning at Age 62, as determined above, reduced for each month by which benefits commence before the month in which the Participant attains Age 62. The reduced dollar limitation is the sum of the Non-GATT Limitation and the GATT Limitation. For purposes of the immediately preceding sentence, the "**Non-GATT Limitation**" is the product of the Non-GATT Percentage and the lesser of the equivalent early retirement dollar amount computed as described in Section 6.02 of Part I of the Plan or in Section 5.02 of Part II of the Plan and the amount computed using an interest rate of 5% and the Code Section 417 Mortality Table in Section 2.02 in Part I of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part I of the Plan) or Section 2.02 in Part II of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part II of the Plan), as appropriate; and the "**GATT Limitation**" is the product of the GATT Percentage (as described in Section 4.05(b) of Part III of the Plan) and the lesser of the equivalent early retirement dollar amount computed as described in Section 6.02 of Part I of the Plan or in Section 5.02 of Part II of the Plan and the amount computed using the Code Section 417 Interest Rate and the Code Section 417 Mortality Table (as described in Section 2.02 in Part I of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part I of the Plan)) or Section 2.02 in Part II of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part II of the Plan). Any decrease in the Defined Benefit Dollar Limitation determined in accordance with Section 4.05(h)(v) of this Part III shall not reflect a mortality decrement to the extent that benefits will not be forfeited upon the death of the Participant.

(vi) If the Annual Benefit of a Participant commences after the Participant's Social Security Retirement Age, the Defined Benefit Dollar Limitation as reduced in Section 4.05(h)(ii) of this Part III above, if necessary, shall be adjusted so that it is the actuarial equivalent of an annual benefit of such Dollar Limitation beginning at the Participant's Social Security Retirement Age. The increased dollar limitation is the lesser of the equivalent dollar amount computed using the interest rate and mortality table used for actuarial equivalence set forth in Part I of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part I of the Plan) or Section 2.02 in Part II of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part II of the Plan) and the amount computed using an interest rate of 5 percent and the Code Section 417 Mortality Table as described in Part I of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part I of the Plan) or in Section 2.02 in Part II of the Plan (the definition of the term "Actuarial Equivalent" for the purposes of Part II of the Plan).

(i) Projected Annual Benefit. "**Projected Annual Benefit**" means the Annual Benefit, as defined in Section 4.05(b) of this Part III, to which the Participant would be entitled under the terms of the Plan assuming:

(i) the Participant will continue employment until Normal Retirement Age under the Plan (or current Age, if later); and

(ii) the Participant's Compensation for the current Limitation Year and all other relevant factors used to determine benefits under the Plan will remain constant for all future Limitation Years.

(j) RPA '94 Old Law Benefit. "**RPA '94 Old Law Benefit**" means the Participant's Accrued Benefit under the terms of the plan as of December 31, 1996, (the "**RPA '94 freeze date**"), for the annuity starting date and optional form and taking into account the limitations of Code Section 415, as in effect on December 7, 1994, including the participation requirements under Code Section 415(b)(5). In determining the amount of a Participant's RPA '94 Old Law Benefit, the following shall be disregarded;

(i) any Plan amendment increasing benefits adopted after the RPA '94 freeze date; and

(ii) any cost of living adjustments that become effective after such date.

A Participant's RPA '94 Old Law Benefit is not increased after the RPA '94 freeze date, but if the limitations of Code Section 415, as in effect on December 7, 1994, are less than the limitations that were applied to determine the Participant's RPA `94 Old Law Benefit on the RPA '94 freeze date, then the Participant's RPA '94 Old Law Benefit will be reduced in accordance with such reduced limitation. If, at any date after the RPA '94 freeze date, the Participant's total plan benefit, before the application of Code Section 415, is less than the Participant's RPA '94 Old Law Benefit, the RPA '94 Old Law Benefit will be reduced to the Participant's total plan benefit.

(k) Social Security Retirement Age. "**Social Security Retirement Age**" means age 65 in the case of a Participant attaining Age 62 before January 1, 2000 (*i.e.*, born before January 1, 1938), Age 66 for a Participant attaining age 62 after December 31, 1999, and before January 1, 2017 (*i.e.*, born after December 31, 1937, but before January 1, 1955), and Age 67 for a participant attaining Age 62 after December 31, 2016 (*i.e.*, born after December 31, 1954).

(l) TRA '86 Accrued Benefit. "**TRA '86 Accrued Benefit**" means a Participant's Accrued Benefit under the Plan, determined as if the Participant had separated from service as of the close of the last Limitation Year beginning before January 1, 1987, when expressed as an annual benefit within the meaning of Code Section

415(b)(2). In determining the amount of a Participant's TRA '86 Accrued Benefit, the following shall be disregarded:

(i) any change in the terms and conditions of the Plan after May 5, 1986; and

(ii) any cost of living adjustments occurring after May 5, 1986.

(m) Year of Participation. "**Year of Participation**" means the Participant shall be credited with a year of participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (i) The Participant is credited with at least the number of Hours of Service for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (ii) the Participant is included as a Participant under the eligibility provisions of the plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a year of participation credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period.

4.06 Final Section 415 Regulations Effective Date. The limitations of this Section shall apply in Limitation Years beginning on or after July 1, 2007, except as otherwise provided herein.

(a) Grandfather Provision. The application of the provisions of this Section shall not cause the maximum permissible benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Section 1.415(a)-1(g)(4) of the Treasury Regulations.

(b) Incorporation by Reference. Notwithstanding anything contained in the Plan to the contrary, the limitations, adjustments, and other requirements prescribed in the Plan shall comply with the provisions of Code Section 415 and the final regulations promulgated thereunder, the terms of which are specifically incorporated herein by reference as of the first Limitation Year beginning on or after July 1, 2007, except where an earlier effective date is otherwise provided in the final regulations or in this Section. However, where the final regulations permit the Plan to specify an alternative option to a default option set forth in the regulations, and the alternative option was available under statutory provisions, regulations, and other published guidance relating to Code Section 415 as in effect prior to April 5, 2007, and the Plan provisions in effect as of April 5, 2007 incorporated the alternative option, said alternative option shall remain in effect as a plan provision for Limitation Years beginning on or after July 1, 2007.

(c) High Three-Year Average Compensation. For purposes of the Plan's provisions reflecting Code Section 415(b)(3) (*i.e.*, limiting the annual benefit payable to no more than 100% of the Participant's average annual compensation), a Participant's average compensation shall be the average compensation for the three consecutive years of service, during which the Employee had the greatest aggregate compensation from the Employer, except that a Participant's compensation for a year of service shall not include compensation in excess of the limitation under Code Section 401(a)(17) that is in effect for the calendar year in which such year of service begins. If the Participant has less than three consecutive years of service, compensation shall be averaged over the Participant's longest consecutive period of service, including fractions of years, but not less than one year. In the case of a Participant who is rehired by the Employer after a severance of employment, the Participant's high three-year average compensation shall be calculated by excluding all years for which the Participant performs no services for and receives no compensation from the Employer (the "**break period**"), and by treating the years immediately preceding and following the break period as consecutive.

(d) Adjustment to dollar limit after date of severance. In the case of a Participant who has had a severance from employment with the Employer, the Defined Benefit Dollar Limitation applicable to the Participant in any Limitation Year beginning after the date of severance shall be automatically adjusted under Code Section 415(d).

(e) Compensation paid after severance from employment. For Limitation Years beginning on or after July 1, 2007 compensation for a Limitation Year, within the meaning of Code Section 415(c)(3), shall also include the following types of compensation paid by the later of 2½ months after a Participant's severance from employment with the employer maintaining the plan or the end of the Limitation Year that includes the date of the Participant's severance from employment with the employer maintaining the plan. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation is not considered compensation within the meaning of Code Section 415(c)(3), even if payment is made within the time period specified above.

(i) Regular pay after severance from employment. Compensation shall include regular pay after severance of employment if:

(A) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

(B) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the employer.

(ii) Leave cashouts and deferred compensation. Leave cashouts and deferred compensation shall be included in compensation, if those amounts would have been included in the definition of compensation if they were paid prior to the Participant's severance from employment with the Employer maintaining the Plan, and the amounts are either:

(A) Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued; or

(B) Received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the if the Participant had continued in employment with the employer and only to the extent that the payment is includible in the Participant's gross income.

(iii) Salary continuation payments for military service Participants. Compensation does not include payments to an individual who does not currently perform services for the employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service. Notwithstanding the foregoing, for Plan Years beginning after December 31, 2008, a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as compensation, for purposes of Code Section 415(c)(3) and Treasury Regulation Section 1.415(c)-2, as provided Section 11.02 of Part III of the Plan.

(iv) Salary continuation payments for disabled Participants. Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code Section 22(e)(3)) if the Participant is not a highly compensated employee (as defined in Code Section 414(q)) immediately before becoming disabled, or to all Participants if the Plan provides for the continuation of compensation on behalf of all Participants who are permanently and totally disabled for a fixed or determinable period.

(f) Administrative delay. Compensation for a Limitation Year shall not include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situation Participants, and no compensation is included in more than one Limitation Year.

(g) Option to apply compensation provisions early. The rules in Section 4.06(f) of this Part III shall apply for Limitation Years beginning on or after July 1, 2007.

ARTICLE V

PRE-TERMINATION BENEFIT RESTRICTIONS

5.01 In General. In the event of Plan termination, the benefit of any Highly Compensated Employee is limited to a benefit that is nondiscriminatory under Code Section 401(a)(4).

Benefits distributed to any of the 25 most Highly Compensated Employees shall be restricted such that the annual payments shall be no greater than an amount equal to the payment that would be made on behalf of the Employee under a single life annuity that is the Actuarial Equivalent of the sum of the Employee's Accrued Benefit and the Employee's other benefits under the Plan.

5.02 Exceptions. Section 5.01 of this Part III shall not apply if: (i) after payment of the benefit to an Employee described in the preceding Section, the value of Plan assets equals or exceeds 110% of the value of current liabilities, as defined in Code Section 412(1)(7); or (ii) the value of the benefits for an Employee described above is less than 1% of the value of current liabilities.

5.03 Included Benefits. For purposes of this Article, benefits include any periodic income, any withdrawal values payable to a living Employee, and any death benefits not provided for by insurance on the Employee's life.

ARTICLE VI

BENEFIT RESTRICTIONS

6.01 Effective Date and Application of Section.

(a) Effective Date. The provisions of this Section 6.01 of this Part III apply to Plan Years beginning after December 31, 2007.

(b) Notwithstanding anything in this Section to the contrary, the provisions of Code Section 436 and the regulations thereunder are incorporated herein by reference.

(c) For Plans that have a valuation date other than the first day of the Plan Year, the provisions of Code Section 436 and this Article will be applied in accordance with the regulations under Code Section 436.

6.02 Funding-Based Limitation on Shutdown Benefits and Other Unpredictable Contingent Event Benefits.

(a) In general. If a Participant is entitled to an "unpredictable contingent event benefit" payable with respect to any event occurring during any Plan Year, then such benefit may not be provided if the "adjusted funding target attainment percentage" for such Plan Year (i) is less than sixty percent (60%) or, (ii) would be less than sixty percent (60%) percent taking into account such occurrence.

(b) Exemption. Section 6.02(a) of this Part III shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Employer of a contribution (in addition to any minimum required contribution under Code Section 430) equal to:

(i) in the case of Section 6.02(a)(i) of this Part III above, the amount of the increase in the funding target of the Plan (under Code Section 430) for the Plan Year attributable to the occurrence referred to in Section 6.02(a) of this Part III, and

(ii) in the case of Section 6.02(a)(ii) of this Part III above, the amount sufficient to result in an "adjusted funding target attainment percentage" of sixty percent (60%).

(c) Unpredictable contingent event benefit. For purposes of this subsection, the term "**unpredictable contingent event benefit**" means any benefit payable solely by reason of:

(i) a plant shutdown (or similar event, as determined by the Secretary of the Treasury), or

(ii) an event other than the attainment of any age, performance of any service, receipt or derivation of any compensation, or occurrence of death or disability.

6.03 Limitations on Plan Amendments Increasing Liability for Benefits.

(a) In general. No amendment which has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable may take effect during any Plan Year if the "adjusted funding target attainment percentage" for such Plan Year is:

(i) less than eighty percent (80%), or

(ii) would be less than eighty percent (80%) taking into account such amendment.

(b) Exemption. Section 6.03(a) of this Part III above shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year (or if later, the effective date of the amendment), upon payment by the Employer of a contribution (in addition to any minimum required contribution under Code Section 430) equal to -

(i) in the case of Section 6.03(a)(i) of this Part III above, the amount of the increase in the funding target of the Plan (under Code Section 430) for the Plan Year attributable to the amendment, and

(ii) in the case of Section 6.03(a)(ii) of this Part III above, the amount sufficient to result in an "adjusted funding target attainment percentage" of eighty percent (80%).

(c) Exception for certain benefit increases. Section 6.03(a) of this Part III shall not apply to any amendment which provides for an increase in benefits under a formula which is not based on a Participant's compensation, but only if the rate of such increase is not in excess of the contemporaneous rate of increase in average wages of Participants covered by the amendment.

6.04 Limitations on Accelerated Benefit Distributions.

(a) Funding percentage less than sixty percent (60%). If the Plan's "adjusted funding target attainment percentage" for a Plan Year is less than sixty percent (60%), then the Plan may not pay any "prohibited payment" after the valuation date for the Plan Year.

(b) Bankruptcy. During any period in which the Employer is a debtor in a case under title 11, United States Code, or similar Federal or State law, the Plan may not pay any "prohibited payment." The preceding sentence shall not apply on or after the date on which the enrolled actuary of the Plan certifies that the "adjusted funding target attainment percentage" of the Plan is not less than one hundred percent (100%).

(c) Limited payment if percentage at least sixty percent (60%) but less than eighty percent (80%) percent.

(i) In general. If the Plan's "adjusted funding target attainment percentage" for a Plan Year is sixty percent (60%) or greater but less than eighty percent (80%), then the Plan may not pay any "prohibited payment" after the valuation date for the Plan Year to the extent the amount of the payment exceeds the lesser of:

(A) fifty (50) percent of the amount of the payment which could be made without regard to this subsection, or

(B) the present value (determined under guidance prescribed by the Pension Benefit Guaranty Corporation, using the interest and mortality assumptions under Code Section 417(e)) of the maximum guarantee with respect to the participant under ERISA Section 4022.

(ii) One-time application.

(A) In general. Only 1 "prohibited payment" meeting the requirements of Section 6.04(c)(i) of this Part III may be made with respect to any Participant during any period of consecutive Plan Years to which the limitations under Section 6.04(a) or Section 6.04(b) or this Section 6.04(c)(ii)(A) of this Part III applies.

(B) Treatment of beneficiaries. For purposes of this subparagraph, a Participant and any Beneficiary (including an alternate payee, as defined in Code Section 414(p)(8)) shall be treated as one Participant. If the Accrued Benefit of a Participant is allocated to such an alternate payee and one or more other persons, the amount under Section 6.04(c)(i) of this Part III shall be allocated among such persons in the same mariner as the Accrued Benefit is allocated unless the qualified domestic relations order (as defined in Code Section 414(p)(1)(A)) provides otherwise.

(d) Exception. Section 6.04 of this Part III shall not apply for any Plan Year if the terms of the Plan (as in effect for the period beginning on September 1, 2005, and ending with such Plan Year) provide for no benefit accruals with respect to any Participant during such period.

(e) "Prohibited payment." For purpose of Section 6.04 of this Part III, the term "**prohibited payment**" means:

(i) any payment, in excess of the monthly amount paid under a single life annuity (plus any Social Security supplements described in the last sentence of Code Section 411(a)(9)), to a Participant or Beneficiary whose Annuity Starting Date occurs during any period in which a limitation under Section 6.04(a) or Section 6.04(b) of this Part III is in effect,

(ii) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits, and

(iii) any other payment specified by the Secretary by regulations under Code Section 436.

Such term shall not include the payment of a benefit which under Code Section 411(a)(11) may be immediately distributed without the consent of the Participant.

6.05 Limitation on Benefit Accruals for Plans With Severe Funding Shortfalls.

(a) In general. If the Plan's "adjusted funding target attainment percentage" for a Plan Year is less than sixty percent (60%), benefit accruals under the Plan shall cease as of the valuation date for the Plan Year.

(b) Exemption. Section 6.05(a) of this Part III shall cease to apply with respect to any Plan Year, effective as of the first day of the Plan Year, upon payment by the Employer of a contribution (in addition to any minimum required contribution under Code Section 430) equal to the amount sufficient to result in an "adjusted funding target attainment percentage" of sixty percent (60%).

(c) Temporary modification of limitation. In the case of the first Plan Year beginning during the period beginning on October 1, 2008, and ending on September 30, 2009, the provisions of Section 6.05(a) of this Part III above shall be applied by substituting the Plan's "adjusted funding target attainment percentage" for the preceding Plan Year for such percentage for such Plan Year, but only if the "adjusted funding target attainment percentage" for the preceding year is greater.

6.06 Rules Relating to Contributions Required to Avoid Benefit Limitations.

(a) Security may be provided.

(i) In general. For purposes of this section, the "adjusted funding target attainment percentage" shall be determined by treating as an asset of the Plan any security provided by the Employer in a form meeting the requirements of Section 6.06(a)(ii) of this Part III.

(ii) Form of security. The security required under Section 6.06(a)(i) of this Part III shall consist of:

(A) a bond issued by a corporate surety company that is an acceptable surety for purposes of ERISA Section 412;

(B) cash, or United States obligations which mature in three (3) years or less, held in escrow by a bank or similar financial institution; or

(C) such other form of security as is satisfactory to the Secretary and the parties involved.

(iii) Enforcement. Any security provided under Section 6.06(a)(i) of this Part III may be perfected and enforced at any time after the earlier of:

(A) the date on which the Plan terminates;

(B) if there is a failure to make a payment of the minimum required contribution for any Plan Year beginning after the security is

provided, the due date for the payment under Code Section 430(j); or

(C) if the "adjusted funding target attainment percentage" is less than sixty percent (60%) for a consecutive period of 7 years, the valuation date for the last year in the period.

(iv) Release of security. The security shall be released (and any amounts thereunder shall be refunded together with any interest accrued thereon) at such time as the Secretary may prescribe in regulations under Code Section 436, including regulations for partial releases of the security by reason of increases in the "adjusted funding target attainment percentage."

(b) Prefunding balance or funding standard carryover balance may not be used. No prefunding balance under Code Section 430(f) or funding standard carryover balance may be used under Sections 6.02, 6.03, or 6.05 of this Part III to satisfy any payment an Employer may make under any such subsection to avoid or terminate the application of any limitation under such subsection.

(c) Deemed reduction of funding balances:

(i) In general. In any case in which a benefit limitation under Sections 6.02, 6.03, 6.04, or 6.05 of this Part III would (but for this Section 6.06(c) of this Part III and determined without regard to Sections 6.02(b), 6.03(b), or 6.05(b) of this Part III) apply to such Plan for the Plan Year, the Employer shall be treated for purposes of this title as having made an election under Code Section 430(f) to reduce the prefunding balance or funding standard carryover balance by such amount as is necessary for such benefit limitation to not apply to the Plan for such Plan Year.

(ii) Exception for insufficient funding balances. Section 6.06(a)(i) of this Part III shall not apply with respect to a benefit limitation for any Plan Year if the application of Section 6.06(a)(i) of this Part III would not result in the benefit limitation not applying for such Plan Year.

6.07 Presumed Underfunding for Purposes of Benefit Limitations.

(a) Presumption of continued underfunding. In any case in which a benefit limitation under Sections 6.02, 6.03, 6.04, or 6.05 of this Part III has been applied to a Plan with respect to the Plan Year preceding the current Plan Year, the "adjusted funding target attainment percentage" of the Plan for the current Plan Year shall be presumed to be equal to the "adjusted funding target attainment percentage" of the Plan for the preceding Plan Year until the enrolled actuary of the Plan certifies the actual "adjusted funding target attainment percentage" of the Plan for the current Plan Year.

(b) Presumption of underfunding after 10th month. In any case in which no certification of the "adjusted funding target attainment percentage" for the current Plan Year is made with respect to the Plan before the first day of the 10th month of such year, for purposes of Sections 6.02, 6.03, 6.04, and 6.05 of this Part III; such first day shall be deemed, for purposes of such subsection, to be the valuation date of the Plan for the current Plan Year and the Plan's "adjusted funding target attainment percentage" shall be conclusively presumed to be less than sixty percent (60%) as of such first day.

(c) Presumption of underfunding after 4th month for nearly underfunded plans. In any case in which:

(i) a benefit limitation under Sections 6.02, 6.03, 6.04, or 6.05 of this Part III did not apply to a Plan with respect to the Plan Year preceding the current Plan Year, but the "adjusted funding target attainment percentage" of the Plan for such preceding Plan Year was not more than ten (10) percentage points greater than the percentage which would have caused such subsection to apply to the Plan with respect to such preceding Plan Year, and

(ii) as of the first day of the 4th month of the current Plan Year, the enrolled actuary of the Plan has not certified the actual "adjusted funding target attainment percentage" of the Plan for the current Plan Year, until the enrolled actuary so certifies, such first day shall be deemed, for purposes of such subsection, to be the valuation date of the Plan for the current Plan Year and the "adjusted funding target attainment percentage" of the Plan as of such first day shall, for purposes of such subsection, be presumed to be equal to ten (10) percentage points less than the "adjusted funding target attainment percentage" of the Plan for such preceding Plan Year.

6.08 Treatment of Plan as of Close of Prohibited or Cessation Period. The following provisions apply for purposes of applying this Article.

(a) Operation of Plan after period. Payments will resume effective as of the day following the close of the period for which any limitation of payment of benefits under Section 6.04 of this Part III applies. If a limitation on benefit accruals under Section 6.05 of this Part III applies to the Plan as of a "Section 436 measurement date," but that limit no longer applies to the Plan as of a later "Section 436 measurement date," then that limitation shall not apply to benefit accruals that are based on service on or after that later "Section 436 measurement date," except to the extent that the Plan does then not provide for such benefit accruals or provides that benefit accruals will not resume when the limitation ceases to apply. A "**Section 436 measurement date**" is the date that is used to determine when the limitations of Code Sections 436(d) and 436(e) apply or cease to apply.

(b) Treatment of affected benefits. Nothing in this Section 6.08 of this Part III shall be construed as affecting the Plan's treatment of benefits which would have been paid or accrued but for this Article.

6.09 Definitions.

(a) The term "**funding target attainment percentage**" has the same meaning given such term by Code Section 430(d)(2), except as otherwise provided herein. However, in the case of Plan Years beginning in 2008, the "funding target attainment percentage" for the preceding Plan Year may be determined using such methods of estimation as the Secretary may provide.

(b) The term "**adjusted funding target attainment percentage**" means the "funding target attainment percentage" which is determined under paragraph (a) by increasing each of the amounts under subparagraphs (A) and (B) of Code Section 430(d)(2) by the aggregate amount of purchases of annuities for employees other than highly compensated employees (as defined in Code Section 414(q)) which were made by the Plan during the preceding two (2) Plan Years.

(c) Application to plans which are fully funded without regard to reductions for funding balances.

(i) In general. In the case of a Plan for any Plan Year, if the "funding target attainment percentage" is one hundred percent (100%) or more (determined without regard to this paragraph and without regard to the reduction in the value of assets under Code Section 430(l)(4)(A)), the "funding target attainment percentage" for purposes of Sections 6.09(a) and (b) of this Part III shall be determined without regard to such reduction.

(ii) Transition rule. Section 6.09(c)(i) of this Part III shall be applied to Plan Years beginning after 2007 and before 2011 by substituting for "one hundred percent (100%)" the applicable percentage determined in accordance with the following table:

In the case of a Plan Year beginning in calendar year:	The applicable percentage is:
2008	92%
2009	94%
2010	96%

(iii) Section 6.09(c)(ii) of this Part III shall not apply with respect to any Plan Year after 2008 unless the "funding target attainment percentage" (determined without regard to Section 6.09(c)(iii) of this Part III) of the Plan for each preceding Plan Year after 2007 was not less than the applicable percentage with respect to such preceding Plan Year determined under Section 6.09(c)(ii) of this Part III.

ARTICLE VII

PLAN FIDUCIARY RESPONSIBILITIES

7.01 Plan Fiduciaries. The Plan Fiduciaries shall be:

(a) the Trustee(s) of the Plan;

(b) the Plan Administrator; and

(c) such other person or persons as may be designated by the Plan Administrator as a fiduciary in accordance with the provisions of this Article.

7.02 General Fiduciary Duties. Each Plan Fiduciary shall discharge his or her or her duties solely in the interest of the Participants and their Beneficiaries and act:

(a) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, if the Fiduciary has the responsibility to invest plan assets; and

(d) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions only Title I of ERISA.

Each Plan Fiduciary shall perform the duties specifically assigned to him or her. No Plan Fiduciary shall have any responsibility for the performance or non-performance of any duties not specifically allocated to him or her.

7.03 Duties of the Trustee(s). The specific responsibilities and duties of the Trustee(s) are set forth in the Trust Indenture among the Plan Sponsor, the Plan Administrator, and the Trustee(s). In general, the Trustee(s) shall:

(a) invest Plan assets, subject to directions from the Plan Administrator or from any duly appointed investment manager;

(b) maintain adequate records of receipts, disbursements, and other transactions involving the Plan; and

(c) prepare such reports, statements, tax returns and other forms as may be required under the Trust Indenture or applicable laws and regulations.

7.04 Powers and Duties of the Plan Administrator. The "**Plan Administrator**" is the Benefits Committee. The Plan Administrator shall have the power, discretionary authority, and duty to interpret the provisions of the Plan and to make all decisions and take all actions that shall be necessary or proper in order to carry out the provisions of the Plan. Without limiting the generality of the foregoing, the Plan Administrator shall:

(a) monitor compliance with the provisions of ERISA and other applicable laws with respect to the Plan;

(b) establish an investment policy and funding method consistent with objectives of the Plan and with the requirements of applicable laws and regulations;

(c) invest Plan assets except to the extent that the Plan Administrator has delegated such investment duties to an investment manager;

(d) evaluate from time to time investment policy and the performance of any investment manager or investment advisor appointed by it;

(e) be solely responsible to, and shall, interpret and construe the Plan and resolve any ambiguities therein, with any such interpretations or constrictions to be conclusively binding and final, to the extent permitted by applicable law, upon all persons interested or claiming under the Plan;

(f) determine, in its sole discretion, all questions concerning the eligibility of any person to participate in the Plan, the right to and the amount of any benefit payable under the Plan to or on behalf of an individual and the date on which any individual ceases to be a Participant, with any such determination to be conclusively binding and final, to the extent permitted by applicable law, upon all persons interested or claiming an interest in the Plan;

(g) establish guidelines as required for the orderly and uniform administration of the Plan;

(h) exercise overall control of the operation and administration of the Plan in matters not allocated to some other Fiduciary by the terms of this Plan.

(i) administer the Plan on a day-to-day basis in accordance with the provisions of this Plan and all other pertinent documents;

(j) retain and maintain Plan records, including Participant census data, participation dates, compensation records, and such other records necessary or desirable for proper Plan administration;

(k) prepare and arrange for delivery to Participants of such summaries, descriptions, announcements and reports as are required to be given to participants under applicable laws and regulations;

(l) file with the U.S. Department of Labor, the Internal Revenue Service and other regulatory agencies on a timely basis all required reports, forms and other documents;

(m) prepare and furnish to the Trustee(s) sufficient records and data to enable the Trustee(s) to properly perform its obligations under the Trust Indenture; and

(n) to take appropriate actions required to correct any errors made in determining the eligibility of any employee for benefits under the Plan or the amount of benefits payable under the Plan, including as part of correcting any error made in computing the benefits of any Participant or Beneficiary, making equitable adjustments (an increase or decrease) in the amount of any future benefits payable under the Plan and including the recovery of any overpayment of benefits paid from the Plan as provided in Treasury Regulation Section 1.401(a)-13(c)(2)(iii).

The Plan Administrator may appoint or employ such advisers or assistants as the Plan Administrator deems necessary and may delegate to any one or more of its members any responsibility it may have under the Plan or designate any other person or persons to carry out any responsibility it may have under the Plan.

Notwithstanding any provisions elsewhere to the contrary, the Plan Administrator shall have total discretion to fulfill the above responsibilities as the Plan Administrator sees fit on a uniform and consistent basis and as the Plan Administrator believes a prudent person acting in a like capacity and familiar with such matters would do.

7.05 Designation of Fiduciaries. The Plan Administrator shall have the authority to appoint and remove Trustee(s) in accordance with the Trust Indenture. The Plan Administrator may appoint and remove an investment manager and delegate to said investment manager power to manage, acquire or dispose of any assets of the Plan.

While there is an investment manager, the Plan Administrator shall have no obligation under this Plan with regard to the performance or non-performance of the duties delegated to the investment manager.

The Plan Administrator shall appoint all other Fiduciaries of this Plan. In making its appointment or delegation of authority, the Plan Administrator may designate all of the responsibilities to one person or it may allocate the responsibilities, on a continuing basis or on an ad hoc basis, to one or more individuals either jointly or severally. No individual named a Fiduciary shall have any responsibility for the performance or non-performance of any responsibilities or duties not allocated to him or her.

The appointing authority of a Fiduciary shall periodically, but not less frequently than annually, review the performance of each Fiduciary appointed in order to carry out the general fiduciary duties specified in Section 7.02 of this Part III and, where appropriate, in its sole discretion, take or recommend remedial action.

7.06 Delegation of Duties by a Fiduciary. Except as provided in this Plan or in the appointment as a Fiduciary, no Fiduciary may delegate his or her or her fiduciary responsibilities. If authorized by the appointing authority, a Fiduciary may appoint such agents as may be deemed necessary and delegate to such agents any non-fiduciary powers or duties, whether ministerial or discretionary. No Fiduciary or agent of a Fiduciary who is a full-time employee of the Employer will receive any compensation from the Plan for his or her or her services, but the Employer or the Plan shall pay all expenses that such employee reasonably incurs in the discharge of his or her duties.

ARTICLE VIII

BENEFITS COMMITTEE

8.01 Appointment of Benefits Committee. The Benefits Committee (the "**Benefits Committee**") shall consist of three or more members appointed from time to time by the President of the Employer (the "**President**"), who shall also designate one of the members as chairperson. Each member of the Benefits Committee and its chairperson shall serve at the pleasure of the appointing authority.

8.02 Benefits Committee to Act by Majority Vote. The Benefits Committee shall act by majority vote of all members. All actions, determinations, interpretations and decisions of the Benefits Committee with respect to any matter within its jurisdiction will be conclusive and binding on all persons. Any person may rely conclusively upon any action if certified by the Benefits Committee.

Notwithstanding the above, a member of the Benefits Committee who is also a Participant shall not vote or act upon any matter relating solely or primarily to himself or herself.

8.03 Records and Reports of the Benefits Committee. The Benefits Committee shall keep a record of all of its proceedings and acts, and shall keep such books of account, records and other data as may be necessary for the proper administration of the Plan and file or deliver to Participants and their Beneficiaries whatever reports are required by any regulatory authority.

8.04 Costs and Expenses of Administration. Notwithstanding any provisions of the Plan to the contrary, all clerical, legal and other expenses of the Plan and the Trust, including Trustee's fees, shall be paid by the Plan, except to the extent the Employer elects to pay such amounts; provided, however, that if the Employer pays such amounts, it shall be reimbursed by the Trust for such amounts unless the Employer elects not to be so reimbursed.

8.05 Indemnification of the Plan Administrator and Assistants. The Employer shall indemnify and defend, to the extent permitted under the By-Laws of the Employer, any Employee or former Employee (i) who serves or has served as a member of the Benefits Committee, (ii) who has been appointed to assist the Benefits Committee in administering the Plan, or (iii) to whom the Benefits Committee has delegated any of its duties or responsibilities against any liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission to act is in good faith and without gross negligence; provided that such Employee or former Employee is not otherwise indemnified or saved harmless under any liability insurance or other indemnification arrangement.

ARTICLE IX

CLAIMS PROCEDURE

9.01 Claims Fiduciary. The Plan Administrator will act as "**Claims Fiduciary**," except to the extent that the Plan Administrator has delegated the function to some other person or persons, committee or entity.

Notwithstanding anything in the Plan to the contrary, the Claims Fiduciary shall have total and complete discretion to fulfill its fiduciary responsibilities as it sees fit on a uniform and consistent basis and as it believes a prudent person acting in a like capacity and familiar with such matters would do.

9.02 Claims for Benefits. Claims for benefits or to enforce or clarify rights under the Plan, under any provision of law, whether statutory or not, may be filed with the Plan Administrator using forms supplied by the Employer. For the purpose of this procedure, "**claim**" means a request for a Plan benefit or to enforce or clarify rights under the Plan, under any provision of law, whether statutory or not, by a Participant or a Beneficiary of a Participant. If the basis of the claim includes documentation not a part of the records of the Plan or of the Employer, all such documentation must be included with the claim.

9.03 Duty to Keep Plan Administrator Informed of Current Address. Each Participant and Beneficiary must file with the Plan Administrator from time to time his or her post office address and each change thereof. Any communication, statement or notice addressed to a Participant or Beneficiary at his or her last post office address filed with the Plan Administrator, or if no address is filed with the Plan Administrator, then at his or her last post office address as shown on the Employer's records, will be binding on the Participant and Beneficiary for all purposes of the Plan. Neither the Plan Administrator nor the Employer shall be required to search for or locate a Participant or Beneficiary.

9.04 Failure to Claim Benefits. If the Plan Administrator notifies a Participant or Beneficiary by registered or certified mail at his or her last known address that he or she is entitled to a distribution and also notifies him or her of the provision of this Section, and the Participant or Beneficiary fails to claim his or her benefits under the Plan, the Plan Administrator shall make reasonable efforts to locate such Participant or Beneficiary. If the Participant or Beneficiary fails to claim his or her benefits under the Plan or fails to make his or her or her current address known to the Plan Administrator within three years after such notification, the Plan Administrator, at the end of such three-year period, shall direct that benefits which would have been payable to such Participant or Beneficiary shall be forfeited. In the event that the Participant or Beneficiary is subsequently located, the benefits which were forfeited shall be reinstated, and such reinstatement shall be taken into account in determining the Employer contribution for the Plan Year of the reinstatement.

9.05 Notice of Denial of Claim. If a claim is wholly or partially denied, the Plan Administrator shall notify the claimant of the denial of the claim within a reasonable period of time. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain (A) the specific reason or reasons for denial of the claim, (B) a specific reference to the pertinent Plan provisions upon which the denial is based, (C) a description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation why such material or information is necessary, and (D) an explanation of the Plan's claim review procedure. Unless special circumstances require an extension of time for processing the claim, the Plan Administrator shall notify the claimant of the claim denial no later than 90 days after the Plan Administrator's receipt of the claim. If such an extension is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render the final decision, which date will not be later than 180 days after the Plan Administrator's receipt of the claim.

9.06 Request for Review of Denial of Claim. Within 120 days of the receipt by the claimant of the written notice of the denial of the claim, or such later time as shall be deemed reasonable in the sole discretion of the Plan Administrator, taking into account the nature of the benefit subject to the claim and any other attendant circumstances, or if the claim has not been granted within a reasonable period of time, the claimant may file a written request with the Plan Administrator to conduct a full and fair review of the denial of the claimant's claim for benefits. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review pertinent documents and may submit issues and comments in writing.

9.07 Decision on Review of Denial of Claim. The Plan Administrator shall deliver to the claimant a written decision on the claim promptly, but not later than 60 days, after the receipt of the claimant's request for review, except that if there are special circumstances which require an extension of time for processing, the aforesaid 60-day period may be extended to 120 days. Such decision shall (i) be written in a manner calculated to be understood by the claimant, (ii) include specific reasons for the decision, and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based.

9.08 Disability Claims. Notwithstanding anything in this Article IX of Part III of the Plan to the contrary, when a claim under this Article is made in connection with a benefit payable under Section 6.05 of Part I (as a result of a qualifying Participant's being Totally Disabled under Part I) or is made in connection with a benefit payable under Section 5.04 of Part II (as a result of a qualifying Participant's being Totally Disabled under Part II), solely for purposes of processing such a claim, (i) all references in Sections 9.05 and 9.07 of this Part III to "90 days" and "60 days" are deemed to have been replaced with "45 days", (ii) the reference to "180 days" in Section 9.05 of this Part III is deemed to have been replaced with "75 days", (iii) the reference to "120 days" in Section 9.07 of this Part III is deemed to have been replaced with "90 days", (iv) a second, maximum 30 day extension of time will be allowed only under Section 9.05 of this Part III in the case of a claim within this Section, but only if the other requirements for an extension of time to respond described in Section 9.05 of this Part III are satisfied with respect to this second extension, and (v) the claimant will be allowed at least 45 days within which to provide any needed additional information sought in connection with any extension under Sections 9.05 and 9.08 of this Part III.

9.09 Limitations Periods for Filing Claims and Legal Actions. To be considered timely filed under the Plan's claims procedures and notwithstanding anything in this Part III to the contrary, a claim for benefits filed after 2015 must be filed with the appropriate Claims Fiduciary under Sections 9.02 or 9.08 of this Part III before the first (1st) anniversary of the date on which claimant knew or reasonably should have known of the principal facts upon which the claim is based. Notwithstanding anything in this Part III to the contrary, a legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether statutory or not, may not be brought after 2015 by any claimant on any matter pertaining to this Plan unless the legal action is initiated in the proper forum before the earlier of (i) the expiration of thirty (30) completed calendar months after the date on which the claimant knew or reasonably should have known of the principal facts on which the claim is based, or (ii) the expiration of six (6) completed calendar months after the claimant has exhausted the applicable claims procedures under this Plan. For the purpose of applying this Section, knowledge of all facts that the Participant knew or reasonably should have known will be imputed to every claimant who is, or who purports to be, a Beneficiary of the Participant or otherwise purports to derive an entitlement to a Plan benefit or a Plan right by reference to the Participant.

Exhaustion of the Plan's claims procedures is mandatory for every claim and dispute of whatever nature or from whatever source and arising under this Plan. As to such claims and disputes, no claimant shall be permitted to commence any legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether or not statutory, until the applicable claims procedures set forth in the Plan have been exhausted in their entirety.

In any legal action described in this Section, all explicit and implicit determinations by the Plan Administrator, any Claims Fiduciary and all other persons determining or reviewing claims in such legal action (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law. Any interpretation, determination or other action of such persons shall be subject to change only if it was arbitrary or capricious or a more serious abuse of discretion. Any external review of a final decision or action by such persons reviewing a claim under this Part III shall be based only on such evidence presented to or considered by such persons at the time they made the decision or decisions that are the subject of review.

ARTICLE X

AMENDMENT AND TERMINATION

10.01 Amendment of Plan. The right is reserved to the Employer to amend the Plan at any time and from time to time and all parties or any person claiming any interest hereunder shall be bound thereby; except no person having an already vested interest in the Plan shall be deprived of any interest already existing nor have such interest adversely affected. No such amendment shall have the effect of vesting in the Employer any right, title or interest to any assets of the Plan. The decision of the Employer shall be binding upon the Participants and all other persons and parties interested as to whether or not any amendment does deprive a Participant or any other person or adversely affects such interest. No amendment to the Plan (including a change in the actuarial basis for determining optional or early retirement benefits) shall decrease a Participant's Accrued Benefit or eliminate an optional form of distribution. Notwithstanding the preceding sentence, a Participant's Accrued Benefit may be reduced to the extent permitted under Code Section 412(c)(8). For purposes of this paragraph, a Plan amendment which has the effect of (i) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (ii) eliminating an optional form of benefit with respect to benefits attributable to service before the amendment shall be treated as reducing accrued benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. In general, a retirement-type subsidy is a subsidy that continues after retirement, but does not include a qualified disability benefit, a medical benefit, or a social security supplement that does not continue after retirement age. Furthermore, no amendment to the Plan shall have the effect of decreasing a Participant's vested interest determined without regard to such amendment as of the later of the date such amendment is adopted, or becomes effective. Participants shall be notified of any Plan amendments.

In the case of any merger, consolidation with or transfer of assets or liabilities by the Employer to another Plan, each Participant in the Plan on the date of the transaction shall have a benefit in the surviving Plan (determined as if such Plan were terminated immediately after the transaction) at least equal to the benefit to which he or she would have been entitled to receive immediately prior to the transaction if the Plan had been terminated. However, this provision shall not be construed to be a termination or discontinuance of the Plan or to be a guarantee of a specific level of benefits from this Plan.

Notwithstanding the foregoing, a transfer of amounts from this Plan or its related trust to a nonqualified foreign trust as described in Revenue Ruling 2008-40 shall be treated as a distribution from the Plan.

10.02 Employer May Discontinue Plan. The Employer reserves the right at any time to reduce its annual payments, to partially terminate its Plan or to terminate its Plan in its entirety.

In the event of the liquidation of the Employer or the bona fide sale of the controlling interest thereof, the Employer or its successors or assigns shall not be obligated to continue the Plan.

Upon termination of the Employer's Plan or upon a partial termination of the Plan, each affected Participant shall have a 100% vested and non-forfeitable right to his or her Accrued Benefit to the extent then funded.

In the event of termination or partial termination of the Employer's Plan, the assets of the Plan then available to provide benefits shall be applied in accordance with ERISA Section 4044 and regulations promulgated thereunder, in accordance with the following order of priority; provided, however, that no benefits being provided to former Participants or their Beneficiaries by the Insurer shall be canceled.

(a) First, to provide that portion of each affected Participant's Accrued Benefit which is derived from any mandatory Employee contributions.

(b) Second, to provide, in the case of retirement income benefits of each affected Participant or Beneficiary:

(i) Annuity benefits which were in pay status for at least the three-year period ending on the date of Plan termination; and

(ii) Annuity benefits which would have been in pay status during the three-year period ending on the date of Plan termination, had a Participant eligible to retire at the beginning of such three-year period retired on the date of Plan termination.

The level of benefits allocated to this priority class shall be determined on the basis of the Plan's provisions which were in effect at any time during the five-year period ending on the date of Plan termination under which the annuity benefits would be the least. Additionally, the level of such benefits is limited to the lowest level which was, or could have been, in pay status during the three-year period ending on the date of Plan termination (but, in the case of a benefit which would have been in pay status, the amount of the benefit, but not the entitlement to the benefit, shall be determined using the age, service and other relevant factors for computing the benefit under the Plan with respect to the Participant as of the date of Plan termination).

(c) Third, to provide all other benefits guaranteed to affected Participants under Title IV of ERISA and regulations promulgated thereunder (determined as if the insurance limits provided under the Act for benefits payable to one person with respect to more than one Participant or from more than one terminated Plan and the insurance limits on benefits payable to a substantial owner all were not applicable).

(d) Fourth, to provide all other non-forfeitable benefits accrued by affected Participants under the Plan.

(e) Fifth, to provide all other benefits accrued by affected Participants under the Plan.

(f) Any residual assets of the Plan remaining after distribution in accordance with this Article shall be distributed to the Employer provided that all liabilities of the Plan to Participants and their Beneficiaries have been satisfied.

Notwithstanding anything in this Section to the contrary, in the event of a partial termination of the Plan, this Section shall be applicable only to those Participants and their Beneficiaries affected by the partial termination.

Notwithstanding anything in the Plan to the contrary, the following special rules will apply to adjust Account Balances after the effective date of a termination of the Plan under this Section and Treasury Regulation Section 1.411(b)(5)-1(e)(2)(iv)(E) (the "**termination date**"):

(x) The interest crediting rate used to credit interest to Account Balances under Section 4.03 of Part I of the Plan for all periods ending after the termination date will be the arithmetic average of the actual rate used to add interest credits to Account Balances for each of the five interest crediting periods that ended within the 60 month period ending on the termination date.

(y) Whether an Account Balance has been converted to an Actuarial Equivalent annuity after the termination date will be determined by applying the arithmetic average of the Code Section 417 Applicable Interest Rates (or its successor) actually used during the 60 months ending on the termination date and the Code Section 417 Mortality Table (or its successor) specified for such conversions in Section 2.02 of Part I of the Plan, as appropriate, on the termination date. If tabular factors have been substituted for the Code Section 417 Applicable Interest Rate and the Code Section 417 Mortality Table for these annuity conversions prior to the termination date, the average of the tabular factors used during the 60 months ending on the Plan's termination date will be substituted and used to calculate conversions of Account Balances to an annuity after the termination date. If neither of the preceding two options in Section 10.02(y) of this Part III applies, the actuarial assumptions to be used to convert an Account Balance to an annuity after the termination date will be determined using guidance issued under Code Section 411(b)(5) and the regulations thereunder.

10.03 Distribution of Benefits Upon Plan Termination. Subject to Article IV of Part III and upon approval of the Pension Benefit Guaranty Corporation ("**PBGC**"), when required, upon a termination or partial termination of the Plan, benefits shall be distributed to affected Participants in any manner which the Plan Administrator deems to be in the best interests of the Participants which is acceptable under applicable PBGC and Internal Revenue Code statutes and regulations. Any such distribution may include a lump sum payment, deferment of the distribution or the distribution of an annuity contract without life insurance, immediate or deferred, which by its terms may not be sold, assigned discounted or pledged as collateral for a loan or as security for the performance of an obligation or for any other purpose to any party other than the issuer thereof. Spousal consent shall be required for distributions made on account of Plan termination. In no event shall the payment of benefits be deferred beyond the Participant's Normal Retirement Date.

10.04 Return of Employer Contributions Under Special Circumstances.

Notwithstanding any provisions of this Plan to the contrary:

(a) Any monies or other Plan assets attributable to any contributions made by the Employer to the Plan because of a mistake of fact must be returned to the Employer within one year after the date of contribution.

(b) Any monies or other Plan assets attributable to any contribution made by the Employer which is conditional on the deductibility of such contribution must be refunded to the Employer, to the extent the deduction is disallowed, within one year after the date of such disallowance.

ARTICLE XI

MISCELLANEOUS

11.01 Protection of Employee Interest. No Participant or Beneficiary shall have the right to assign, pledge, alienate or convey any right, benefit or payment to which he or she shall be entitled in accordance with the provisions of the Plan, and any such attempted assignment, pledge, alienation or conveyance shall be null and void and of no effect. To the extent permitted by law, none of the benefits, payments, proceeds or rights herein created and provided for shall in any way be subject to any debts, contracts or engagements of any Participant or Beneficiary, as herein before described, nor to any suits, actions or other judicial process to levy upon or attach the same for the payment thereof; provided, however, that this provision does not preclude the Plan Administrator from complying with the terms of a Qualified Domestic Relations Order.

11.02 USERRA Compliance. Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with the rules and requirements of the Uniformed Services

Employment and Reemployment Rights Act of 1994 ("**USERRA**") and Code Section 414(u).

(a) Differential Wage Payments. For Plan Years beginning after December 31, 2008, (i) an individual receiving a differential wage payment (as defined by Code Section 3401(h)(2)), shall be treated as an employee of the employer making the payment, (ii) the differential wage payment shall be treated as compensation, the differential wage payment shall be treated as compensation, for purposes of Code Section 415(c)(3) and Treasury Regulation Section 1.415(c)-2 (*e.g.*, for purposes of Code Section 415, top-heavy provisions of Code Section 416, determination of highly compensated employees under Code Section 414(q), and applying the 5% gateway requirement under the Code Section 401(a)(4) regulations), and (iii) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment. Section 11.02(a)(iii) of this Part III shall apply only if all employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

(b) Death Benefits Under USERRA. Effective for deaths occurring on or after January 1, 2007, in the case of a Participant who dies while performing qualified military service as defined in Code Section 414(u), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USSERRA immediately prior to the Participant's death.

11.03 Meaning of Words Used in Plan. Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply. Wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Titles used herein are for general information only, and this Plan is not to be construed by reference thereto.

11.04 Plan Does Not Create or Modify Employment Rights. The Plan shall not be construed as creating or modifying any contract of employment between the Employer and any Participant. All Employees shall be subject to discharge to the same extent that they would have been if the Plan had never been adopted.

11.05 Massachusetts Law Controls. This Plan shall be governed by the laws of the Commonwealth of Massachusetts to the extent that they are not pre-empted by the laws of the United States of America.

11.06 Payments to come from Plan Assets. All benefits and amounts payable under the Plan shall be paid or provided for solely from the assets of the Plan, and neither the Employer nor the Plan Administrator assumes any liability or responsibility therefor.

11.07 Receipt and Release for Payments. Any payment to any Participant, his or her legal representative, Beneficiary, or to any guardian, custodian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Employer and the Insurer, any of whom may require such Participant, legal representative, Beneficiary, guardian, custodian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Employer or Insurer.

11.08 Mandatory Withholding on Eligible Rollover Distributions. Except as provided in Code Section 3405 and in regulations promulgated thereunder, the Employer is required to withhold 20% on any portion of an eligible rollover distribution not paid directly to an eligible retirement plan.

11.09 Payment under Qualified Domestic Relations Orders. Notwithstanding any provisions of the Plan to the contrary, if there is entered any Qualified Domestic Relations Order that affects the payment of benefits hereunder, such benefits shall be paid in accordance with the applicable requirements of such Order, provided that such Order (i) does not require the Plan to provide any type or form of benefits, or any option that is not otherwise provided hereunder, (ii) does not require the Plan to provide increased benefits, and (iii) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a Qualified Domestic Relations Order.

The Plan Administrator shall establish reasonable procedures to determine whether an order or other decree is a Qualified Domestic Relations Order and to administer distributions under such orders.

To the extent required or permitted by any such Order, at any time on or after the date the Plan Administrator has determined that the Order is a Qualified Domestic Relations Order, the alternate payee shall have the right to request the Plan Administrator to commence distribution of benefits under the Plan (including any single sum cash-out that would be available if the Participant were the payee and entitled to a benefit payment on account of termination from service) regardless of whether the Participant is otherwise entitled to a distribution at such time under the Plan.

11.10 Electronic Communications. Effective for Plan Years beginning on or after January 1, 2007, any electronic communications made by the Plan to Participants in regards to eligible rollover distribution tax notices, Participant consents to distributions, and tax

withholding notices shall comply with the requirements contained in Treasury Regulation Section 1.401(a)-21, in addition to all otherwise applicable requirements relating to the specific communication.

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EXECUTED this 17th day of December, 2015.

The Hanover Insurance Company

By: /s/ Elena Patronas
Name: Elena Patronas
Title: Vice President

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

FIRST AMENDMENT

This First Amendment is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS, the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**"); and

WHEREAS, the Plan consists of the following three component parts, each of which is set forth in the same document: (i) Part I, which provides a cash balance and pension benefit which were formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan", and then "The Hanover Insurance Group Cash Balance Pension Plan", (ii) Part II, which provides a pension benefit which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan", and (iii) Part III, which contains Plan terms applicable to each of Part I and Part II; and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS, the Company desires to amend the Plan to require the purchase of a group annuity contract from an insurance company in order to transfer the benefit liabilities and obligations to pay the benefits of certain retirees listed in Appendix A to the Plan, as added by this Amendment, to the insurance company; and

NOW, THEREFORE, the Plan is amended, effective as provided below, as follows:

Part I is amended as follows:

1. Effective August 9, 2016, existing Section 6.06 of Part 1 of the Plan is amended to delete the second paragraph of existing Section 6.06 and to substitute the following as the new second paragraph of Section 6.06:

"Except as otherwise provided in Sections 6.07 and 6.11, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of Part I of the Plan."

2. Effective August 9, 2016 for only the Designated Retirees (as defined in new Section 6.11 of Part I), the following new Section 6.11 of Part I of the Plan is added to Part I of the Plan immediately after existing Section 6.10, as follows:

"6.11 Purchase of Annuity Contract. On or before December 31, 2016 (or as soon as practicable thereafter) and notwithstanding anything in the Plan to the contrary,

the Plan shall purchase one or more annuity contracts as provided in this Section (the "**Annuity Purchase**").

(a) Designated Retirees. The annuity contract or contracts purchased under this Section and Section 5.09 of Part II (the "**Annuity Contract**") shall pay the pension being paid under the Plan to a "Designated Retiree." For purposes of only this Section 6.11, a "**Designated Retiree**" is a Plan participant, Beneficiary, or alternate payee (duly qualified under Section 11.09 of Part III and listed as such on Appendix A to this Amendment) (for this Section and Section 5.09 of Part II, an "**Alternate Payee**") who is listed on Appendix A to this Amendment and who satisfied the following conditions as of the Annuity Contract's purchase date: (i) the individual's entire benefit under the Plan was calculated and was being paid exclusively under Part I of the Plan or a combination of Parts I and II of the Plan; (ii) the annuity starting date (or annuity starting dates) for the individual's entire pension benefit under the Plan (whether paid to the Participant or to his Beneficiary, survivor, or Alternate Payee) occurred before June 1, 2016; and (iii) as of the date of the Annuity Purchase under this Section, the individual's entire pension benefit under the Plan was being paid (whether to a Participant or to his Beneficiary, survivor, or Alternate Payee) in the form of an annuity or as the term certain portion of a certain and continuous annuity under Section 6.06(c) or Section 6.06(d). For purposes of clauses (i) through (iii) above, any benefit earned under the Plan by the Designated Retiree for which the Plan had no liability immediately before the Annuity Purchase is disregarded, and any benefit is disregarded for which, under circumstances specified under the terms of the Plan, annuity payments to a Designated Retiree may cease and a new benefit payment form may be selected by a Participant. The Plan Administrator may, on behalf of the sponsor of the Plan, make *de minimis* changes to the list of Designated Retirees in Appendix A for administrative purposes, but the final list of Designated Retirees shall be the list of individuals, designated as "Annuitants" and "Contingent Annuitants" (or by the Annuity Contract's equivalent designations) and identified by identification number and birthdate, that was included as an exhibit to an Annuity Contract purchased under this Section.

(b) Required Contract Content. The Annuity Contract shall fully guarantee and pay each Designated Retiree's pension benefit (without regard to whether it is being paid to the Participant or his Beneficiary, survivor or Alternate Payee) in the same form that was in effect immediately before the Annuity Purchase under the Plan, including, but not limited to, any named Beneficiary or contingent annuitant designation and any survivor benefit feature, and under any qualified domestic relations order. The Annuity Contract shall provide that the benefits payable under the Annuity Contract are legally enforceable by the sole choice of the individual against the insurance company issuing the Annuity Contract.

(c) Annuity Provider Selection. The Benefits Committee shall cause the Plan to enter into an Annuity Purchase and, acting as a Named Fiduciary, shall select the annuity provider (or providers) and determine the terms of the Annuity Contract to be purchased. A certificate under the Annuity Contract shall be issued to each Designated Retiree on, or as soon as practicable after, the date of the Annuity Purchase, except where delivery is impracticable, for example, because an individual cannot, using reasonable efforts, be located.

(d) Post-Purchase Obligation. After the Annuity Purchase and notwithstanding in the Plan anything to the contrary, the Plan shall have no further obligation to make any payment with respect to any Designated Retiree or to any survivor, alternate payee, beneficiary, or other person claiming by or through a Designated Retiree.

(e) Amendments to this Section. Notwithstanding anything to the contrary in the Plan, (i) only an act of the Employer's Board of Directors can amend this Section, and (ii) only an amendment in writing can amend this Section."

Part II is amended as follows:

1. Effective August 9, 2016, existing Section 5.05 of Part II of the Plan is amended to delete the second paragraph of existing Section 5.05 and to substitute the following as the new second paragraph of Section 5.05:

"Except as otherwise provided in Sections 5.06 and 5.09, the requirements of this Section shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of Part II of the Plan."

2. Effective August 9, 2016 for only the Designated Part II Retirees (as defined in new Section 5.09 of Part II), the following new Section 5.09 of Part II of the Plan is added to Part II of the Plan immediately after existing Section 5.08, as follows:

"5.09 Purchase of Annuity Contract. On or before December 31, 2016 (or as soon as practicable thereafter) and notwithstanding anything in the Plan to the contrary, the Plan shall purchase one or more annuity contracts as provided in this Section (the "**Annuity Purchase**").

(a) Designated Part II Retirees. The annuity contract or contracts purchased under this Section and Section 6.11 of Part I (the "**Annuity Contract**") shall pay the pension being paid under the Plan to a Designated Part II Retiree. For purposes of only this Section 5.09, a "**Designated Part II Retiree**" is a Plan participant, Beneficiary, or alternate payee (duly qualified under Section 11.09 of Part III and listed as such on Appendix A to this Amendment) (for this Section and Section 6.11 of Part I, an "**Alternate Payee**") who is listed on Appendix A to this Amendment and who satisfied the following conditions as of the Annuity Contract's purchase date: (i) the individual's entire benefit under the Plan was calculated and was being paid exclusively under Part II of the Plan; (ii) the annuity starting date (or annuity starting dates) for the individual's entire pension benefit under the Plan (whether paid to the Participant or to his Beneficiary, survivor, or Alternate Payee) occurred before June 1, 2016; and (iii) as of the date of the Annuity Purchase under this Section, the individual's entire pension benefit under the Plan was being paid (whether to a Participant or to his Beneficiary, survivor, or Alternate Payee) in the form of an annuity or as the term certain portion of a certain and continuous annuity under Section 5.05(c) or Section 5.05(d). For purposes of clauses (i) through (iii) above, any benefit earned under the Plan by the Designated Part II Retiree for which the Plan had no liability immediately before the Annuity Purchase is disregarded, and any benefit is disregarded for which, under circumstances specified under the terms of the Plan, annuity payments to a Designated Part II Retiree may cease and a new benefit payment form may be selected by a Participant. The Plan Administrator may, on behalf of the sponsor of the Plan, make *de minimis* changes to the list of Designated Part II Retirees in Appendix A for administrative purposes, but the final list of Designated Part II Retirees shall be the list of individuals, designated as "Annuitants" and "Contingent Annuitants" (or by the Annuity Contract's equivalent designations) and identified by identification number and birthdate, that was included as an exhibit to an Annuity Contract purchased under this Section.

(b) Required Contract Content. The Annuity Contract shall fully guarantee and pay each Designated Part II Retiree's pension benefit (without regard to whether it is being paid to the Participant or his Beneficiary, survivor or Alternate Payee), in the same form that was in effect immediately before the Annuity Purchase under the Plan, including, but not limited to, any named Beneficiary or contingent annuitant designation and any survivor benefit feature, and under any qualified domestic relations order. The Annuity Contract shall provide that the benefits payable under the Annuity Contract are legally enforceable by the sole choice of the individual against the insurance company issuing the Annuity Contract.

(c) Annuity Provider Selection. The Benefits Committee shall cause the Plan to enter into an Annuity Purchase and, acting as a Named Fiduciary, shall select the annuity provider (or providers) and determine the terms of the Annuity Contract to be purchased. A certificate under the Annuity Contract shall be issued to each Designated Part II Retiree on, or as soon as practicable after, the date of the Annuity Purchase, except where delivery is impracticable, for example, because an individual cannot, using reasonable efforts, be located.

(d) Post-Purchase Obligation. After the Annuity Purchase and notwithstanding anything in the Plan to the contrary, the Plan shall have no further obligation to make any payment with respect to any Designated Part II Retiree or to any survivor, alternate payee, beneficiary, or other person claiming by or through a Designated Part II Retiree.

(e) Amendments to this Section. Notwithstanding anything to the contrary in the Plan, (i) only an act of the Employer's Board of Directors can amend this Section, and (ii) only an amendment in writing can amend this Section."

This First Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment, and except as amended by this Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment has been executed this 10th day of August, 2016.

THE HANOVER INSURANCE COMPANY

/s/ Elena N. Patronas

Authorized Representative

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

SECOND AMENDMENT

This Second Amendment is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS, the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**"); and

WHEREAS, the Plan consists of the following three component parts, each of which is set forth in the same document: (i) Part I, which provides a cash balance and pension benefit which were formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan", and then "The Hanover Insurance Group Cash Balance Pension Plan", (ii) Part II, which provides a pension benefit which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan", and (iii) Part III, which contains Plan terms applicable to each of Part I and Part II; and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016, and such restatement has been amended one time; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS, the Plan has been filed with the Internal Revenue Service seeking a favorable determination letter; and

WHEREAS, the Company desires to amend the Plan to make changes in the Plan requested by the IRS in order to obtain its favorable determination letter; and

NOW, THEREFORE, the Plan is amended, effective as provided below, as follows:

Part III is amended as follows:

1. Effective January 1, 2008, Section 6.01 of Part III of the Plan is amended to add the following at the end of existing Section 6.01as new Section 6.01(d):

> "(d) In the event the Plan becomes subject to a limitation described in this Article, ERISA section 101(j) should be consulted to determine whether there are applicable rules, if any, requiring the Plan Administrator to provide a written notice to participants and the beneficiaries about the limitation and any deadline for providing such a notice.

This Second Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment, and except as amended by this Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this Second Amendment has been executed this 26th day of July, 2017.

THE HANOVER INSURANCE COMPANY
/s/ Elena N. Patronas
Authorized Representative

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

THIRD AMENDMENT

This Third Amendment is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS, the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**"); and

WHEREAS, the Plan consists of the following three component parts, each of which is set forth in the same document: (i) Part I, which provides a cash balance and pension benefit which were formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan", and then "The Hanover Insurance Group Cash Balance Pension Plan", (ii) Part II, which provides a pension benefit which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan", and (iii) Part III, which contains Plan terms applicable to each of Part I and Part II; and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016, and such restatement has been amended two times; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS, the Company desires to amend the Plan to clarify the application of the Plan's "Rule of 95" to Separation Participants (as defined below) during the remainder of 2017 and 2018.

NOW, THEREFORE, the Plan is amended, effective as provided below, as follows:

Part I is amended as follows:

1. Effective July 1, 2017 and for only the Separation Participants, the fourth paragraph of Section 6.02 of Part I (which defines the Plan's "Rule of 95") is amended to add the following as a new sentence at the end of the fourth paragraph of Section 6.02 of Part I:

> "Notwithstanding anything to the contrary in the preceding portions of this "Provided, however…" paragraph and solely during the period beginning on August 1, 2017 and ending on December 31, 2018 (the "**Separation Period**"), a Participant (x) who involuntarily terminated employment with the Company during the Separation Period (his "**Separation Date**") as a result of a Company-initiated action (other than circumstances where Participant was terminated "for cause"), (y) who received salary continuation payments during the Separation Period, pursuant to a duly executed and enforceable Separation Agreement entered into by the Participant and the Company during the Separation Period (his "**Separation Agreement**"), and (z) who satisfied the requirements of the Plan's "Rule of 95" (other than the requirement to be at least age 62) on or before his Separation Date (a "**Separation Participant**") shall, only for purposes of the Plan's Rule of 95, be deemed to have been "actively employed" through the earlier of his last salary continuation payment date or December 31, 2018 and shall be allowed to consider time elapsed through the earlier of his last salary continuation payment date or December 31, 2018 towards qualifying for the age 62 requirement for the Plan's Rule of 95."

2. Effective January 1, 2019, the sentence added to the fourth paragraph of Section 6.02 of Part I by this Amendment is deleted.

This Third Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment, and except as amended by this Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this Third Amendment has been executed this 26th day of July, 2017.

THE HANOVER INSURANCE COMPANY
/s/ Elena N. Patronas
Authorized Representative

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

FOURTH AMENDMENT

This Fourth Amendment is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS, the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**"); and

WHEREAS, the Plan consists of the following three component parts, each of which is set forth in the same document: (i) Part I, which provides a cash balance and pension benefit which were formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan", and then "The Hanover Insurance Group Cash Balance Pension Plan", (ii) Part II, which provides a pension benefit which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan", and (iii) Part III, which contains Plan terms applicable to each of Part I and Part II; and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016, and such restatement has been amended three times; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS, the Company wants to refine and clarify certain elements of Part I's "Rule of 95" applicable to value grandfathered benefits for eligible early retirees.

NOW, THEREFORE, the Plan is amended, effective as provided below, as follows:

Part I is amended as follows:

Effective January 1, 2017, existing Section 6.02 of Part I of the Plan is amended to delete the period at the end of the third paragraph of Section 6.02 of Part I (beginning "Provided, however,…, and containing the defined term "**Rule of 95**") and substituting the following in its place:

> "; and provided further that *(a)* qualifying for the Rule of 95 will not depend on how quickly the Rule of 95 eligible Participant began to receive payment of his Grandfathered Benefit after his date of determination under this paragraph, *(b)* effective September 1, 2017, and for purposes of a Participant on a paid FMLA leave of absence or on paid short term disability leave adding qualifying Years of Credited Service for his Grandfathered Benefit, adding qualifying Years of Credited Service towards reaching a total of 95 in order to qualify for the Rule of 95, and reaching age 62 in order to qualify for the Rule of 95, the date of determination of his Rule of 95 eligibility will not be earlier than his date of termination of service (for purposes of Articles VI or VIII of Part I) as determined from the books and records of Company (which shall be conclusive and binding for this purpose) (his "**Rule of 95 Date**"), *(c)* effective September 1, 2017 and for purposes of a Participant on an unpaid leave of absence (including, without limitation, a leave of absence due to long term disability) adding qualifying Years of Credited Service towards reaching a total of 95 in order to qualify for the Rule of 95, and reaching age 62 in order to qualify for the Rule of 95, the date of determination of his Rule of 95 eligibility will not be earlier than his Rule of 95 Date, and *(d)* effective September 1, 2017, when a Participant is on an unpaid leave of absence, no more than thirty (30) months from the date of disability (while on a leave of absence due to a long

term disability), and no more than the greater of six (6) months from the first day of any other unpaid leave or the minimum number of months required for such a leave by applicable law, will be considered for any Rule of 95 purpose."

This Fourth Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment, and except as amended by this Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this Fourth Amendment has been executed this 26th day of September, 2017.

THE HANOVER INSURANCE COMPANY

/s/ Elena N. Patronas
Authorized Representative

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

FIFTH AMENDMENT

This Fifth Amendment (the "**Amendment**") is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS, the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**"); and

WHEREAS, the Plan consists of the following three component parts, each of which is set forth in the same document: (i) Part I, which provides a cash balance and pension benefit which were formerly provided under a plan known as "The Allmerica Financial Cash Balance Pension Plan", and then "The Hanover Insurance Group Cash Balance Pension Plan", (ii) Part II, which provides a pension benefit which was formerly provided under a plan known as "The Allmerica Financial Agents' Pension Plan", and (iii) Part III, which contains Plan terms applicable to each of Part I and Part II; and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016, and such restatement has been amended four times; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS, the Company desires to amend the Plan to add provisions providing exclusively for the payment of benefits under Part III of the Plan pursuant to the terms of the Class Action Settlement Agreement between Class Representatives, Jennifer A. Durand and James A. Fisher, and Defendants, The Hanover Insurance Group, Inc. and The Allmerica Financial Cash Balance Pension Plan, executed December 11, 2018 and approved by the United States District Court for the Western District of Kentucky by Order dated March 25, 2019, in Case No. 3:07-cv-130-HBB (the "**Settlement Agreement**").

NOW, THEREFORE, the Plan is amended, effective as provided below, as follows:

Part III is amended as follows:

1. Effective May 1, 2019 and for only the Class Members (i) who were listed in the Revised Spreadsheet that was a part of the Settlement Agreement and was filed with the Court on June 6, 2019 (or their Successors), and (ii) who were approved as Class Members when the Settlement Agreement became final by its terms (which it did on April 24, 2019), Part III of the Plan is amended to add the attached "Appendix A to Part III" of the Plan as a new Appendix A at the end of Part III of the Plan ("**Appendix A to Part III**").

2. Capitalized terms used in this Amendment but not otherwise defined in this Amendment shall have the meaning set forth in Appendix A to Part III.

3. Effective on the Expiration Date, the Appendix A to Part III added at the end of Part III of the Plan by this Amendment is deleted.

This Amendment shall supersede the provisions of the Plan only to the extent those provisions are inconsistent with the provisions of this Amendment, and except as amended by this Amendment, the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed this 27th day of September 2019.

THE HANOVER INSURANCE COMPANY

_/s/ Elena N. Patronas
Authorized Representative

APPENDIX A TO PART III OF
THE HANOVER INSURANCE GROUP CASH BALANCE PENSION PLAN

ARTICLE XII
BENEFIT PAYMENTS UNDER COURT-APPROVED SETTLEMENT AGREEMENT

Section 12.1 Effective Date. This Article XII is effective from May 1, 2019 (the "**Effective Date**") through the Expiration Date. The provisions of this Article XII apply solely for purposes of the payment or other disposition of Settlement Benefits under the Plan and shall govern the payment of Settlement Benefits. In determining the amount, form of payment, time of payment, and person entitled to payment of Settlement Benefits, no provisions of the Plan, other than the provisions of this Article XII of Part III of the Plan and provisions of the Plan specifically referenced in this Article XII, shall apply.

Section 12.2 Special Definitions. Notwithstanding anything in the Plan to the contrary, the following definitions apply solely for purposes of this Article XII. Where capitalized terms used in this Article XII are not specifically defined below, such terms shall have the meaning assigned to such terms under the provisions of this Plan other than this Article XII.

(a) "Actuarial Equivalent" means, solely for purposes of benefit conversions and payments under this Article XII, a benefit having the same value as the benefit or benefits otherwise payable under Article XII. The Actuarial Equivalent single life annuity settlement of a Class Member's Settlement Benefit shall be the single life annuity amount set forth in the Revised Spreadsheet with the Class Member's Settlement Benefit. Optional annuity settlements of the Actuarial Equivalent monthly single life annuity derived from a Settlement Benefit will be computed utilizing (i) the 2019 Code Section 417 Applicable Interest Rate and (ii) the 2019 Code Section 417 Mortality Table. For purposes of only this Article XII, the "**2019 Code Section 417 Mortality Table**" means the applicable mortality table prescribed by the Secretary of the Treasury pursuant to section 417(e)(3) of the Code in effect for the Plan for calendar year 2019, and the "**2019 Code Section 417 Applicable Interest Rate**" means the following three tiers of interest rates, all as determined as of November 2018:

(1) Tier 1 (0-5 Years): 3.43%;
(2) Tier 2 (5-20 Years): 4.46%; and
(3) Tier 3 (20+ Years): 4.88%.

(b) "Appendix" and "Appendix A" mean Appendix A to Part III of the Plan.

(c) "Article" and "Article XII" mean this Article XII of Part III of the Plan, as added to the Plan in Appendix A.

(d) "Beneficiary" means an individual who received a lump sum distribution from the Plan during the Class Period as a beneficiary of a former Plan participant and who is identified on the Revised Spreadsheet. There were no Beneficiaries identified on the Revised Spreadsheet.

(e) "Cash Balance Account" means the account established or maintained under Part I of the Plan for a Participant (i) who was an Employee on June 14, 2019, (ii) who was a Mixed Benefit Participant whose Settlement Benefit had not been distributed or commenced by December 31, 2019, (iii) whose Settlement Benefit exceeded $5,000, who was under age 65 on August 31, 2019 and who affirmatively elected to defer payment of his or her Settlement Benefit (or was deemed by the Plan, in its sole discretion, to have elected to defer payment of his or her Settlement Benefit), (iv) whose Settlement Benefit exceeded $5,000, who was age 65 or older and whose Settlement Benefit had not been distributed

or commenced by December 31, 2019, or (v) who was not described in Sections 12.2(e)(i)-(iv), whose Settlement Benefit had not been distributed or commenced by December 31, 2019 and who was not a Missing Payee. Cash Balance Account also means the account established or maintained under Part I of the Plan for a Missing Payee described in Section 12.10(b).

Any new Cash Balance Account required by this Section 12.2(e) or Section 12.5 will be established no later than December 31, 2019, and any new Cash Balance Account required by Section 12.10(b) will be established by, or if necessary as soon as administratively practicable after, December 31, 2019. Cash Balance Accounts created after 2019 shall be retroactively effective as of December 31, 2019. An amount equal to the unpaid Settlement Benefit of a Participant (or a Spouse Successor or Designated Beneficiary) described in this Section 12.2(e) will be credited to his or her Cash Balance Account no later than December 31, 2019 as provided in Section 12.5, or no later than, or if necessary as soon as administratively practicable after, December 31, 2019 as provided in Section 12.10(b), whichever applies. The amount credited to the Cash Balance Account will be deemed to be the payment of the Settlement Benefit owed to a Participant described in this Section 12.2(e) (as provided in Section 14(B)(2) of the Settlement Agreement) or to a Spouse Successor or Designated Beneficiary described in this Section 12.2(e). Any transfer made pursuant to this Section 12.2(e), Section 12.5, or Section 12.10(b) will be credited with interest as provided in Part I of the Plan, beginning no earlier than the effective date as of which the Settlement Benefit is credited to the Cash Balance Account. The amount of the interest will be the same interest rate applicable under Section 4.03(a) of Part I for each involved Plan Year or portion of a Plan Year.

(f) "Child" and "Children" mean a biological child or a legally adopted child of a Participant. If more than one child would qualify to be a Child, then all such Children shall share the Settlement Benefit equally on a per capita basis.

(g) "Class Member" means a Participant, Beneficiary or Estate entitled to a Settlement Benefit because it is identified on the Revised Spreadsheet and because it is otherwise entitled to a benefit payment under this Article. It does not include an alternate payee identified in a Qualified Domestic Relations Order.

(h) "Class Period" means the period between March 1, 1997 and December 31, 2003.

(i) "Designated Beneficiary" means the surviving Spouse of a Participant, when the Participant successfully elected (affirmatively or through a default election) an available survivor annuity form of payment for his or her Settlement Benefit and then died in 2019 after making that election but before payment had begun. A Designated Beneficiary includes a surviving Spouse who consented to the election of a Qualified Joint and 50% Survivor Annuity payment form for the Participant's Settlement Benefit or whose default form of payment was a Qualified Joint and 100% Survivor Annuity.

For the avoidance of doubt, a Successor who is a Spouse cannot be a Designated Beneficiary, and a Designated Beneficiary cannot be any type of nonspousal beneficiary. A Child cannot be a Designated Beneficiary.

(j) "Estate" means a deceased former Plan participant's estate that is identified as an estate on the Revised Spreadsheet. A Settlement Benefit payable to an Estate is a death benefit. Any payment of a Settlement Benefit to an Estate will be made to the executor, administrator or personal representative appointed by a court of appropriate jurisdiction to act with respect to the Estate in a probate administration of the Estate. Notwithstanding the preceding provisions of this Section 12.2(j), if no appointment or determination made by a court of appropriate jurisdiction (as described in the preceding

sentence) was brought to the Committee by December 31, 2019 or if the Estate was a Missing Payee on December 31, 2019, the Plan does not owe a Settlement Benefit to the Estate, and as provided in Section 11(E) of the Settlement Agreement and Section 12.4, any such amount will be forfeited to the Plan as an unclaimed benefit no later than December 31, 2019.

(k) "Exhibit 1" means Exhibit 1 attached to this Appendix, which contains a list of Successors and the lump sum value of the Settlement Benefit that is payable to each listed Successor. Each individual on Exhibit 1 is a Successor and is identified on Exhibit 1 by an identification number. The name of each Successor can be determined by the list maintained in the Plan's records that designates each Successor both by the Successor's identification number on Exhibit 1 and by the Successor's name. Exhibit 1 may be updated, as determined in the sole discretion of the Committee and without the necessity of a Plan amendment, as often as is necessary or appropriate after the Effective Date to reflect completed payments of Settlement Benefits, forfeitures of Settlement Benefits or other changes.

(l) "Expiration Date" means the day as of which the last unforfeited Settlement Benefit has been paid as provided in this Article XII, has been transferred within the Plan and credited to a Cash Balance Account as provided in this Article XII, or has been begun in an annuity form of payment allowed under this Article XII.

(m) "Lump Sum" means a payment in the form of a single sum equal to the Class Member's Settlement Benefit.

(n) "Mixed Benefit Participant" means a Participant who was owed a Settlement Benefit under this Article and another benefit or benefits separately payable under Parts I or II of the Plan.

(o) "Missing Payee" is defined in Section 12.10.

(p) "Normal Form" means, for a Participant who was not married on the payment commencement date, the Participant's Single Life Annuity set forth in the Revised Spreadsheet with the Participant's Settlement Benefit. Normal Form means, for a Participant who was married on the payment commencement date, a Qualified Joint and 100% Survivor Annuity that is the Actuarial Equivalent of the Single Life Annuity.

(q) "Participant" means for purposes of this Article XII, an individual who is a current or former Employee, who received a lump sum distribution from the Plan during the Class Period as a Plan participant, and who is identified on the Revised Spreadsheet. Participant includes a Mixed Benefit Participant where the context requires.

(r) "Qualified Joint and 50% Survivor Annuity" means payment in equal monthly installments to a Participant for his or her lifetime, and, if his or her Spouse survives, with monthly payments continuing to the Spouse until the Spouse's death, and with the amount of each monthly payment to the Spouse being 50% of the amount of each monthly payment to the Participant. This is intended to be similar to the optional form of payment with a 50% survivor benefit payable to the contingent annuitant described in Section 6.06(b) of Part I of the Plan and will be the qualified optional survivor annuity where necessary for these Settlement Benefits.

(s) "Qualified Joint and 100% Survivor Annuity" means payment in equal monthly installments to a Participant for his or her lifetime, and, if his or her Spouse survives, with monthly payments continuing to the Spouse until the Spouse's death, with the amount of each monthly payment to the Spouse being 100% of the amount of each monthly payment to the Participant. This is intended to be

similar to the Qualified Joint and Survivor Annuity form of benefit described in Sections 2.40, 6.06(a) and 6.07(a) of Part I of the Plan.

(t) "Revised Spreadsheet" means the Revised Spreadsheet, as defined in Section 11(C) of that certain Class Action Settlement Agreement between Class Representatives Jennifer A. Durand and James A. Fisher, and Defendants, The Hanover Insurance Group, Inc. and the Allmerica Financial Cash Balance Pension Plan, executed December 11, 2018, and approved by the court on March 25, 2019 (the "**Settlement Agreement**"), which was filed with the court on June 6, 2019 pursuant to Section 11(D) of the Settlement Agreement. The Class Members, their Settlement Benefits and their associated Single Life Annuities in the Revised Spreadsheet are incorporated into this Article XII by this reference. The name of each Class Member can be determined by the list maintained in the Plan's records that designates each Class Member both by the Class Member's identification number on the Revised Spreadsheet and by the Class Member's name. The Plan's version of the Revised Spreadsheet may be updated, as determined in the sole discretion of the Committee and without the necessity of a Plan amendment, as often as is necessary or appropriate after the Effective Date to reflect completed payments of Settlement Benefits, forfeitures of Settlement Benefits or other changes.

(u) "Rollover IRA" is defined in Section 12.9.

(v) "Settlement Benefit" means the immediate Lump Sum dollar amount set forth opposite the Class Member's identification number on the Revised Spreadsheet. The Settlement Benefit is not a Cash Balance Benefit, as defined in Part I of the Plan, and payment of a Settlement Benefit in any form under this Article XII shall not be considered as a payment of a benefit from a Cash Balance Account for any purpose.

The "**Accrued Benefit**" for a Participant's Settlement Benefit under this Article XII is a Single Life Annuity commencing at 65 (or the current date, if later than age 65) which is the Actuarial Equivalent of the Settlement Benefit, and it is not the Accrued Benefit defined in Section 2.01 of Part I of the Plan. The payment commencement date of a Settlement Benefit to a Participant is a new annuity starting date, separate from any other annuity starting date for the Participant and regardless of the age of the Participant at the time the Participant received his or her lump sum distribution from the Plan during the Class Period.

(w) "Single Life Annuity" means payment to an individual in equal monthly installments until the individual's death.

(x) "Spouse" means the person (i) to whom a Participant (or former Participant) was legally married at the time of the Participant's payment commencement date under this Article, or, if applicable, at the time of the Participant's death, and (ii) who survived the deceased until the Spouse's payment commencement date.

(y) "Successor" means the surviving Spouse of a Participant, when the Participant died before December 31, 2019 and before the Participant's payment commencement date for his or her Settlement Benefit (a "**deceased Participant**"); provided, however, if the deceased Participant was not survived by a Spouse, or if the deceased Participant was survived by a Spouse but the Spouse was not living at the Spouse's payment commencement date for the Settlement Benefit, then Successor means the Child or Children of the deceased Participant. In the event a Participant died in 2019 (i) after the Effective Date, (ii) after having made an authorized election to defer payment of his or her Settlement Benefit or to begin payment in the form of an annuity and (iii) before the first payment of his or her Settlement Benefit was made and if such Participant had no effective Designated Beneficiary, then Successor means the surviving Spouse of such deceased Participant, and if there was no such surviving

Spouse, then Successor means the Child or Children of such deceased Participant. An individual must have notified the Plan about qualifying to be a Successor on or before December 31, 2019 in order to qualify to be a Successor.

A Settlement Benefit payable to a Successor is a death benefit. For the avoidance of doubt, an individual cannot be both a Class Member and a Successor with respect to the same Settlement Benefit. If a deceased Participant had no qualifying Successor (or Designated Beneficiary) at December 31, 2019, or if a Child Successor was a Missing Payee on December 31, 2019, the Plan does not owe a Settlement Benefit to such Participant, Successor or Designated Beneficiary or to their heirs, and any such amount will be forfeited to the Plan at that time as an unclaimed benefit (as provided in Section 11(F) of the Settlement Agreement). If a Settlement Benefit is payable to a Successor who is a minor Child, the Plan shall pay the Settlement Benefit to such person or persons whom the Committee determines in its discretion would be entitled to receive such property on behalf of the minor Child if a determination had been made by a court of appropriate jurisdiction. For purposes of making a determination under the preceding sentence, the Committee may rely on an affidavit and any other documentation it deems advisable. The provisions of this Section 12.2(y) shall apply to a Settlement Benefit notwithstanding the provisions of any Qualified Domestic Relations Order qualified as such after the Effective Date, or Plan procedures for Qualified Domestic Relations Orders, to the contrary.

Section 12.3 Full Vesting of Settlement Benefit. Except as provided in Sections 12.2(j), 12.2(y) and 12.4, each Class Member is fully vested in the Class Member's Settlement Benefit.

Section 12.4 Payment of Settlement Benefit: Deceased Participant or Estate. If an unpaid Participant dies without having elected a survivor annuity form of payment under this Article, the Participant's Settlement Benefit will be a death benefit and will be paid to the Participant's Successor, if there is one. If the Participant made an authorized election under this Article to defer payment of his or her Settlement Benefit or to begin payment in an annuity form, and then, before payment began, died and was survived by a Designated Beneficiary, the Participant's Settlement Benefit will be a death benefit and will be paid as provided in Part I of the Plan or pursuant to the terms of the elected annuity, respectively. Notwithstanding anything in this Article, if a Class Member which was an Estate was closed on the date set under Section 12.2(j) and Section 11(E) of the Settlement Agreement or was a Missing Payee, no Settlement Benefit is payable to, or for the benefit of, the Estate Class Member or its assigns or successors, and any such amount will be forfeited to the Plan as an unclaimed benefit no later than December 31, 2019.

Section 12.5 Payment of Settlement Benefit: Mandatory Commencement Date. Payment of a Class Member's Settlement Benefit will be attempted, be commenced or be made (i) as soon as administratively practical after the date all required elections and consents have been completely and accurately completed and returned with all requested documentation, or (ii) if earlier, as soon as administratively practical after the Mandatory Payment Commencement Date defined in this Section 12.5, subject to the right under statute of a Participant under age 65 to defer payments until age 65. In no event, however, will a Mandatory Payment Commencement Date occur under this Section 12.5 earlier than 30 days after the required election and consent information has been provided to the Participant, or if applicable, Successor or Designated Beneficiary. All payments will be subject to the applicable election and consent requirements of Sections 12.7 and 12.8, except to the extent the commencement of payment is or becomes mandatory under this Section 12.5.

Notwithstanding anything in the foregoing provisions of this Section 12.5 to the contrary, payment of the Settlement Benefits described in the following subparagraphs of this Section 12.5 was attempted, commenced or made in the form provided in Section 12.6 on the date specified below, or if no date is specified or the applicable listed date was missed, will be attempted, be commenced or be paid on

or as of the date that occurs as soon as administratively practical after the expiration of the 30-day period described in this Section 12.5 (the "**Mandatory Payment Commencement Date**"):

(z) Payment of a Settlement Benefit of less than $200 to a Participant (other than a Mixed Benefit Participant): either on June 14, 2019 or July 12, 2019;

(aa) Payment (or rollover, as appropriate) of a Settlement Benefit of $200 through $5,000 to a Participant (other than a Mixed Benefit Participant): either on August 2, 2019 or on August 9, 2019;

(bb) Payment (or rollover, as appropriate) of a Settlement Benefit exceeding $5,000 to a Participant (other than a Mixed Benefit Participant) who, by August 31, 2019, had or would have attained the age of 65 years or older: on August 2, 2019, on August 9, 2019, on September 13, 2019, or on October 1, 2019;

(cc) Payment of any amount of Settlement Benefit to a Spouse Successor of a Participant who had (or would have) attained age 65 or older: on September 13, 2019;

(dd) Payment of any amount of Settlement Benefit to a Child Successor;

(ee) Payment of any amount of Settlement Benefit to an Estate: either on June 14, 2019 or on July 12, 2019;

(ff) Payment of a Settlement Benefit exceeding $5,000 to a Designated Beneficiary of a Participant who had (or would have) attained age 65 or older;

(gg) Payment (or rollover, as appropriate) of a Settlement Benefit of any size to a Mixed Benefit Participant who, by August 31, 2019, had or would have attained the age of 65 years or older: on August 2, 2019, on August 9, 2019, or on September 13, 2019; and

(hh) Payment of part or all of any amount of Settlement Benefit required under Article III of Part 3 of the Plan or under the portion of Section 6.06 of Part I of the Plan mandating the latest date for commencement of benefits.

Notwithstanding anything in the foregoing provisions of this Section 12.5 to the contrary, payment of a Settlement Benefit to a Participant who was an Employee on June 14, 2019 shall be made as provided in Sections 12.2(e) and 12.6. The payment commencement date of such an active Participant's Settlement Benefit after a transfer under Sections 12.2(e) and 12.6 shall be automatically postponed until the date determined under the applicable provisions of Part I of the Plan.

Payment of Settlement Benefits is subject to the provisions of Section 6.06 of Part I of the Plan mandating the latest date for commencement of benefits. Payment of Settlement Benefits that are subject to a Qualified Domestic Relations Order entered after December 31, 2019 will be subject to Section 11.09 of Part III of the Plan.

Section 12.6 Payment of Settlement Benefit: Form of Payment. The forms of payment of Settlement Benefits stated by type of Class Member or Successor are as follows:

(ii) Participant. Subject to Section 12.6(d), payment to a Participant of the Participant's Settlement Benefit will be in the Normal Form, unless the Participant elects payment in the form of a Lump Sum using the process required by the Plan, or if the Participant is married on the payment commencement date, in the form of a Lump Sum, in the form of a Single Life Annuity that is the

Actuarial Equivalent of the Participant's Settlement Benefit or in the form of a Qualified Joint and 50% Survivor Annuity that is the Actuarial Equivalent of the Participant's Settlement Benefit payable as a Single Life Annuity, if the requirements of Sections 12.7 and 12.8 are met. In the case of a Participant who was an Employee on June 14, 2019, his or her Settlement Benefit shall be paid as provided in Section 12.6(d). Notwithstanding the foregoing provisions of this Section 12.6(a), if the Settlement Benefit of a Participant (other than a Mixed Benefit Participant and other than a Participant described in Section 12.6(d)) is $5,000 or less, payment of such a Participant's Settlement Benefit will be in the form of a Lump Sum.

(jj) Estate. Payment of an Estate's Settlement Benefit will be in the form of a Lump Sum.

(kk) Successor who is a Spouse or Child of Participant or a Designated Beneficiary. A Settlement Benefit that is payable to a Successor who is the Spouse of a deceased Participant or to a Designated Beneficiary of a deceased Participant will be paid in the form of a Single Life Annuity that is the Actuarial Equivalent of the Settlement Benefit, unless such Successor or Designated Beneficiary elects payment in the form of a Lump Sum using the process required by the Plan; provided, however, that if the Settlement Benefit is $5,000 or less, then notwithstanding the preceding, payment of the Settlement Benefit will be in the form of a Lump Sum. A Settlement Benefit that is payable to a Successor who is a Child will be paid in the form of a Lump Sum.

(ll) Participant who is an Employee. Notwithstanding Section 12.6(a) and as provided in Sections 12.2(e) and 12.5, payment of a Participant's Settlement Benefit when the Participant was an Employee on June 14, 2019 will be in the form of a credit to a Cash Balance Account established or maintained for the benefit of the Participant under Part I of the Plan.

The forms of payment of Settlement Benefits grouped by Lump Sum amounts are as follows:

(mm) Less than $200: A Settlement Benefit less than $200 will be paid in the form of an immediate Lump Sum.

(nn) $200 through $1,000: A Settlement Benefit from $200 through $1,000 will be paid in the form of an immediate Lump Sum, but subject to an election of an immediate rollover under Section 12.9.

(oo) More than $1,000 through $5,000: A Settlement Benefit exceeding $1,000 through $5,000 will be paid in the form of an immediate rollover of the Lump Sum, but subject to an immediate Lump Sum payment election under this Section 12.6.

(pp) More than $5,000: A Settlement Benefit exceeding $5,000 and payable to a Participant will be paid in the form of an immediate Single Life Annuity or an immediate Qualified Joint and 100% Survivor Annuity, depending on marital status, but subject to a different election as provided in Sections 12.7 and 12.8. Notwithstanding anything in the Plan to the contrary, annuities that have commenced under this Section 12.6 shall be governed for the term of the annuity by the terms of this Appendix without regard to the Expiration Date.

(qq) Any size Settlement Benefit for a Mixed Benefit Participant: A Settlement Benefit payable to a Mixed Benefit Participant will be paid in the form of an immediate Single Life Annuity or an immediate Qualified Joint and 100% Survivor Annuity, depending on marital status, but subject to a different election as provided in Sections 12.7 and 12.8, applied in this category as if in each case the Settlement Benefit alone exceeded $5,000.

Section 12.7 Payment of Settlement Benefit: Consent of Recipient. This Section 12.7 applies to a Participant, to a Mixed Benefit Participant and to the Spouse of a Participant or former Plan participant if the Spouse is entitled to the Settlement Benefit (each of whom is referred to in this Section as the "**Recipient**"). Unless the commencement of payment of the Settlement Benefit to the Recipient was mandatory under Section 12.5, the Recipient must consent to payment of the Settlement Benefit. The consent shall be made in writing in the form provided in the benefit election information given to the Recipient within the 180-day period ending on the payment commencement date. The Recipient will be advised of the right to defer payment of the Settlement Benefit, if applicable, and then may make an election to defer payment in the form provided in the benefit election information. Failure to give a consent required by this Section 12.7 or by Section 12.8 will result in the Settlement Benefit being paid in its Normal Form, beginning as of the date the Participant reached (or would have reached) age 65.

Section 12.8 Waiver of Qualified Joint and 100% Survivor Annuity. Payment of a married Participant's Settlement Benefit if the Lump Sum amount of the Settlement Benefit exceeds $5,000 and payment of the Settlement Benefit of a married Mixed Benefit Participant will be in the form of a Qualified Joint and 100% Survivor Annuity, unless the Participant chooses a different form of payment and the Participant's Spouse consents to such choice in a qualified election as provided in this Section 12.8 using the form provided for the Participant. No less than 30 days and no more than 180 days prior to the payment commencement date, the Participant will be given a written explanation of: (a) the terms and conditions of the Qualified Joint and 100% Survivor Annuity; (b) the Participant's right to make and the effect of an election to waive the Qualified Joint and 100% Survivor Annuity; (c) the rights of the Participant's Spouse; and (d) the right of the Participant to make, and the effect of and time period for, a revocation of a previous election to waive the Qualified Joint and 100% Survivor Annuity. The payment commencement date for payment in a form other than a Qualified Joint and 100% Survivor Annuity may be less than 30 days after receipt of the written explanation described above: (k) only after the Participant has been advised that the Participant has at least 30 days to consider whether to waive the Qualified Joint and 100% Survivor Annuity and elect (with the consent of the Spouse) a form of payment other than the Qualified Joint and 100% Survivor Annuity; (l) only if payment to the Participant does not commence prior to the expiration of seven (7) days after the Participant is provided the written explanation; and (m) only if the Participant may revoke his or her election until payment commences. A Participant's waiver of the Qualified Joint and 100% Survivor Annuity will not be effective unless: (w) the Participant's Spouse consents in writing to the Participant's election; (x) the Spouse is advised that the Spouse's consent is irrevocable unless the Participant changes the election; (y) the Spouse's consent acknowledges the effect of the election; and (z) the Spouse's consent is witnessed by a notary public.

Section 12.9 Payment of Settlement Benefit: Direct and Automatic Rollovers.

(rr) Right to Elect a Rollover. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Article other than this Section 12.9(a), a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the Distributee in a direct rollover; provided, however, that if the Actuarial Equivalent of a Distributee's vested Settlement Benefit did not exceed $200, the Distributee will not be allowed the eligible rollover election described in this sentence. If the Actuarial Equivalent of a Participant's Settlement Benefit exceeded $1,000 and did not exceed $5,000 and the Participant did not elect a distribution or a rollover, the Plan shall automatically distribute the Participant's Settlement Benefit, in a direct rollover, to an eligible individual retirement plan (a "**Rollover IRA**") for the benefit of such Participant and pursuant to a written agreement with the Rollover IRA provider that provided (i) the amount rolled over to the Rollover IRA shall be invested in a manner designed to preserve principal and provide a reasonable rate of return and liquidity; (ii) all fees and expenses attendant to a Rollover IRA shall not exceed the fees and expenses charged by the Rollover IRA provider for comparable IRAs

established for reasons other than receipt of a rollover distribution; and (iii) the Participant on whose behalf the automatic rollover is made under this Section shall have the right to enforce the terms of the written agreement establishing the Rollover IRA, with regard to his or her rolled over funds, against the Rollover IRA provider. All fees and expenses attendant to the Rollover IRA shall be allocated to the Rollover IRA.

(ss) Definitions for Section 12.9.

(i) Eligible rollover distribution: An "eligible rollover distribution" is any distribution of all or any portion of the Settlement Benefit of the Distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's surviving Spouse; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than $200 during a year.

(ii) Eligible retirement plan: An "eligible retirement plan" is an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), a Roth IRA as pursuant to in Code section 408A(e), an annuity contract described in Code section 403(b), an annuity plan described in Code section 403(a), a qualified plan described in Code section 401(a) that accepts the Distributee's eligible rollover distribution, or an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. However, in the case of an eligible rollover distribution to the surviving Spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(iii) Distributee: A "Distributee" includes a Participant who is a former Employee and a former Plan participant. In addition, a Participant's or former Plan participant's surviving Spouse is a Distributee with regard to the interest of the surviving Spouse.

(iv) Direct rollover: A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the Distributee.

Section 12.10 Payment of Settlement Benefit: Missing Payees. If all or any portion of a Settlement Benefit is not paid because after exercising reasonable diligence (without regard to the search requirements of Section 9.04 of Part III of the Plan) the Committee or its delegee has been unable to identify or locate the proper person to receive such Settlement Benefit (the "**Missing Payee**"), such Settlement Benefit will be paid, transferred or rolled over as provided in this Section 12.10 on or before the earlier of December 31, 2019 (or as soon thereafter as is administratively practicable, effective as of December 31, 2019), or the date the proper payee has been located. To the maximum extent practicable, a determination regarding whether an intended payee is missing under this Section 12.10 will be made before December 31, 2019 using procedures established by the Plan for applying this Section 12.10. To the extent a rollover cannot be timely completed under Section 12.10(a) after the exercise of reasonable diligence, such Settlement Benefit will be transferred first as provided in Section 12.10(b), to the extent

applicable, then as provided in Section 12.2(e), no later than the date described in the first sentence of Section 12.10.

(tt) Rollover of Missing Payee's Settlement Benefit. When reasonable attempts to pay the Settlement Benefit directly to, or for the benefit of, a Missing Payee have failed, the Plan shall rollover the unpaid portion of the Lump Sum to a Rollover IRA in the name of the Missing Payee, except as otherwise provided in Section 12.10(b) or as expressly prohibited by applicable law.

(uu) Transfer of Missing Payee Settlement Benefit to Part I of the Plan. Notwithstanding anything in Section 12.10(a) to the contrary, when reasonable attempts to pay the Settlement Benefit directly to, or for the benefit of, a Missing Payee described in one of the following, mutually exclusive categories have failed:

(i) Settlement Benefit is any amount, and the Missing Payee is a Mixed Benefit Participant. If the Missing Payee is a Mixed Benefit Participant, transfer the unpaid portion of the Lump Sum Settlement Benefit to Part I of the Plan as a credit to a Cash Balance Account established or maintained for the benefit of the Missing Payee as provided in Section 12.2(e).

(ii) Settlement Benefit is more than $5,000, and the Missing Payee is a Participant. If the Settlement Benefit of the Missing Payee who is a Participant exceeds $5,000, transfer the unpaid portion of the Lump Sum to Part I of the Plan as a credit to a Cash Balance Account established or maintained for the benefit of the Missing Payee as provided in Section 12.2(e).

(iii) Settlement Benefit is more than $5,000, and the Missing Payee is a Spouse Successor or Designated Beneficiary. If the Settlement Benefit of a missing Spouse Successor or of a missing Designated Beneficiary exceeds $5,000, transfer the unpaid portion of the Lump Sum to Part I of the Plan to be a death benefit payable under Article VII of Part I of the Plan.

Notwithstanding anything to the contrary in this Article XII but subject to Section 12.6(y), transfers to Part I of the Plan under this Section 12.10(b) will be governed by the applicable terms of Part I of the Plan after the transfer. For the avoidance of doubt, transfers under this Section 12.10(b) represent changes solely to the Plan's notional accounting, and no assets or liabilities will be transferred to or from the Plan in connection with transfers under this Section 12.10(b).

THE HANOVER INSURANCE GROUP
CASH BALANCE PENSION PLAN

SIXTH AMENDMENT

This Sixth Amendment (the "**Amendment**") is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS the Company sponsors The Hanover Insurance Group Cash Balance Pension Plan (the "**Plan**");

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2016, and such amendment and restatement subsequently has been amended five times;

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 10.01 of Part III of the Plan; and

WHEREAS the Company desires to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows effective as stated below.

1. Section 3.01(b) ("Requirements of Treasury Regulations incorporated") of Article III ("Minimum Distribution Requirements") of the Plan is amended to add the following sentence to the end of Section 3.01(b) effective January 1, 2020:

> For all periods commencing on and after January 1, 2020, references in this Article III of Part III of the Plan to Code Section 401(a)(9) and Treasury Regulations thereunder shall mean said Code Section and Regulations as applicable without taking into account the extended distribution commencement dates permitted under the SECURE Act and the SECURE 2.0 Act for Participants and for the surviving spouses of Participants who die prior to commencement of benefit payments.

2. The following Section 9.10 is added to Article IX ("Claims Procedure") of the Plan:

> 9.10 Class Action Forum. Any putative class action lawsuit brought in whole or in part under ERISA Section 502 and relating to the Plan, the lawfulness of any Plan provision, the administration of the Plan, or actions taken or not taken by Plan fiduciaries or administrators must be filed in the United States District Court in the District of Massachusetts. If any such action is filed in a jurisdiction other than the United States District Court in the District of Massachusetts, or if any non-class action filed in such a jurisdiction is subsequently amended or altered to include class action allegations, then all parties to such action that are related to the Plan (such as the Plan, the Employer, the Plan Administrator, the Trustee and any other any Plan Fiduciary) shall take all necessary steps to have the action removed to, transferred to, or re-filed in the United States District Court in the District of Massachusetts. Such steps may include, but are not limited to (a) a joint motion to transfer the action, or (b) a joint motion to dismiss the action without prejudice to its re-filing in the United States District Court in the District of Massachusetts, with any applicable time limits or statutes of limitations applied as if the suit or class action

allegation had originally been filed or asserted in the United States District Court in the District of Massachusetts at the same time as it was filed in a jurisdiction other than the United States District Court in the District of Massachusetts. This forum selection provision is waived if no party invokes it within 120 days of the filing of a putative class action or the assertion of class action allegations. In no event shall the provisions of this Section 9.10 be deemed to negate the obligation of a claimant to exhaust the Plan's claims procedures described in this Article IX prior to filing a Claim in any court and in no event shall the provisions of this Section 9.10 be deemed to negate the application of the Limitations Period under Section 9.09 of this Article IX.

IN WITNESS WHEREOF, this Amendment has been executed this 2nd day of December, 2025.

THE HANOVER INSURANCE COMPANY

_/s/ Elena N. Patronas
Authorized Representative

Exhibit 10.3

THE HANOVER INSURANCE GROUP RETIREMENT SAVINGS PLAN

Amended and restated generally effective January 1, 2025

THE HANOVER INSURANCE GROUP
RETIREMENT SAVINGS PLAN

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THE HANOVER INSURANCE GROUP
RETIREMENT SAVINGS PLAN

ARTICLE I

NAME, PURPOSE AND EFFECTIVE DATE OF PLAN AND RESTATED PLAN

1.01 Name of Plan. The name of the Plan is The Hanover Insurance Group Retirement Savings Plan. Prior to January 1, 2005, the Plan was known as "The Allmerica Financial Employees' 401(k) Matched Savings Plan". Effective January 1, 2005, the Plan became known as "The Allmerica Financial Retirement Savings Plan". Effective December 1, 2005, the Plan became known as "The Hanover Insurance Group Retirement Savings Plan".

1.02 Purpose. This Plan has been established for the exclusive benefit of the Plan Participants and their Beneficiaries and as far as possible shall be administered in a manner consistent with this intent and consistent with the requirements of Code Section 401.

Subject to Section 15.04 and 18.05, under no circumstances shall any contributions made to the Plan be used for, or diverted to, purposes other than for the exclusive benefit of Plan Participants or the Beneficiaries.

1.03 Plan and Plan Restatement Effective Date. The original effective date of this Plan was November 22, 1961. The effective date of this amended and restated Plan is January 1, 2025 (except for those provisions of the Plan which have an alternative effective date). This restatement is intended, among other purposes, to update the Plan for changes required or permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act 1.0"), the Coronavirus Aid, Relief, and Economic Security Act of 2020 and the Setting Every Community Up for Retirement Enhancement Act of 2022 (SECURE Act 2.0"), and guidance issued thereunder.

Except to the extent otherwise specifically provided herein, the provisions of the amended and restated Plan as set forth herein shall apply to a Participant who is employed by the Employer on or after January 1, 2025. The rights and benefits of any Participant whose employment with the Employer terminated prior to January 1, 2025, shall be determined in accordance with the provisions of the Plan as in effect from time to time to January 1, 2025, provided, however, that if the Account balance of any such Participant has not been completely distributed before January 1, 2025, then such Account balance shall be invested, accounted for and distributed in accordance with the provisions of the Plan as set forth in this document except as otherwise required by applicable law or as otherwise specifically provided herein.

ARTICLE II

DEFINITIONS

The terms defined in this Article shall have the meanings stated herein unless the context clearly indicates otherwise.

2.01 "Accrued Benefit" shall mean the sum of the balances in a Participant's 401(k) Account, Roth Elective Deferral Account, Match Contribution Account, Non-Elective Employer Contribution Account, Regular Account, Rollover Account, Tax Deductible Contribution Account and Voluntary Contribution Account.

2.02 "Account" shall mean an account established and maintained pursuant to Section 8.01 for each Participant, when appropriate, to account for the Participant's Accrued Benefit.

2.03 (a) "Affiliate" shall mean any corporation affiliated with the Employer through the action of such corporation's board of directors and the Employer's Board of Directors.

(b) "Affiliate" shall also mean any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder.

2.04 "Affirmative Election" shall mean an election by an Eligible Participant to (a) make Salary Reduction Contributions to the Plan at the whole percentage of his or her Compensation or at the separate whole percentages of his or her salary and other Compensation specified in his or her Salary Reduction Agreement, or (b) not to make Salary Reduction Contributions to the Plan.

2.05 "Age" shall mean the age of a person at his or her last birthday.

2.06 "Annuity Starting Date" shall mean the first day of the first period for which the Plan pays an amount as an annuity. In the case of a payment not in an annuity form, Annuity Starting Date shall mean the first day of the first period for which the benefit form is paid.

2.07 "Automatic Contributions" shall mean the Pre-tax Elective Deferrals that result from the operation of Section 5.05(c).

2.08 "Automatic Contribution Arrangement" shall mean the arrangement set forth in Section 5.05 pursuant to which, in the absence of an Affirmative Election, an Employee, who is eligible to participate in the Plan is treated as having elected to direct the Employer to reduce his or her Compensation in order that the Employer may make Pre-tax Elective Deferrals to the Plan on behalf of the Participant equal to a uniform percentage of Compensation.

2.09 "Beneficiary" shall mean the person, trust, organization, or estate designated to receive Plan benefits payable on or after the death of a Participant.

2.10 "Catch-up Contributions" shall mean Salary Reduction Contributions made to the Plan that are in excess of an otherwise applicable Plan limit and that are made by Participants who are Age 50 or over by the end of their taxable years. An "otherwise applicable Plan limit" is a limit in the Plan that applies to Salary Reduction Contributions without regard to Catch-up Contributions, such as the limits on Annual Additions, the dollar limitation on Salary Reduction Contributions under Code Section 402(g) (not counting Catch-up Contributions). Catch-up Contributions for a Participant for a taxable year may not exceed the dollar limit on Catch-up Contributions under Code Section 414(v)(2)(B)(i) for the taxable year, as adjusted for increases in the cost of living in accordance with Code Section 414(v)(2)(C), including, in the case of Participants who would attain age 60 but would not attain age 64 before the close of the taxable year, the increased limit of the greater of $10,000 or 150% of the normal dollar limit in effect for such taxable year.

Catch-up Contributions are not subject to the limits on Annual Additions, are not counted in the ADP test and are not counted in determining the minimum top-heavy allocation under Code Section 416 (but Catch-up Contributions made in prior years are counted in determining whether the Plan is top-heavy).

2.11 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time. Reference to any section or subsection to the Code, includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces any such section or subsection, and also includes reference to any regulation issued pursuant to or with respect to such section or subsection.

2.12 "Compensation" shall mean:

(a) For purposes of Articles IX and X, for purposes of determining a Participant's Salary Reduction Contributions pursuant to Section 3.01(b), 5.04, and 5.05, and for purposes of determining an Employee's Match Contribution under Section 4.02 and Non-Elective Employer Contribution pursuant to Section 4.03, Compensation shall mean the total wages or salary, overtime, bonuses, and any other taxable remuneration paid to an Employee by the Employer during the Plan Year, while the Employee is a Participant, as reported on the Participant's W-2 for the Plan Year. Provided, however, that Compensation for this purpose shall be determined without reduction for (i) any Salary Reduction Contributions contributed to the Plan on the Participant's behalf for the Plan Year and (ii) any other amount which is contributed or deferred by the Employer at the election of a Participant which is not includible in the gross income of the Participant by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b).

Notwithstanding the above, for purposes of determining a Participant's Salary Reduction Contributions pursuant to Section 3.01(b), 5.04, and 5.05 and for purposes of determining an Eligible Employee's Match Contribution under Section 4.02 and Non-Elective Employer Contribution pursuant to Section 4.03, Compensation shall not include:

(i) incentive compensation paid to Participants pursuant to the Employer's Executive Long Term Performance Unit Plan or pursuant to any similar or successor cash or equity long-term incentive compensation plan;

(ii) Employer contributions to a deferred compensation plan or arrangement (other than (A) Salary Reduction Contributions contributed to the Plan on the Participant's behalf for the Plan Year; and (B) any other amount which is contributed or deferred by the Employer at the election of a Participant which is not includible in the gross income of the Participant by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h), or 403(b)) either for the year of deferral or for the year included in the Participant's gross income;

(iii) any income which is received by or on behalf of a Participant in connection with the grant, receipt, settlement, exercise, lapse of risk of forfeiture or restriction on transferability, or disposition of any stock option, stock award, stock grant, stock appreciation right or similar right or award granted under any plan, now or hereafter in effect, of the Employer or any successor to the Employer, the Employer's parent, any such successor's parent, any subsidiaries or affiliates of the Employer, or any stock or securities underlying any such option, award, grant or right;

(iv) severance payments paid in a lump sum, provided that for Plan Years beginning on and after January 1, 2008 such excluded severance payments shall not include any payment of regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, if the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer and if the payment is made by the later of 2½ months after the Participant's severance from employment or by the end of the Plan Year in which the Participant's severance from employment occurs;

(v) Code Section 79 imputed income, long term disability, and workers' compensation benefit payments;

(vi) taxable moving expense allowances or taxable tuition, or other educational reimbursements;

(vii) for Plan Years commencing after December 31, 1998, compensation paid in the form of commissions;

(viii) non-cash taxable benefits provided to executives, including the taxable value of Employer-paid club memberships, chauffeur services and Employer-provided automobiles; and

(ix) other taxable amounts received, other than cash compensation, for services rendered.

(b) For purposes of Section 4.04 (Minimum Employer Contributions for Top Heavy Plans) and for purposes of Article VII (Limitations on Allocations), the term "Compensation" means a Participant's wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treasury Regulation Section 1.62-2(c)), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by an Employee becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized for the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) Other amounts which received special tax benefits.

Notwithstanding the foregoing, Compensation for purposes of the Plan shall also include Employee elective deferrals under Code Section 402(g)(3), Roth Elective Deferrals and any amounts contributed or deferred by the Employer at the election of the Employee and not includible in the gross income of the Employee, by reason of Code Sections 125, 132(f)(4), 402(e)(3), 402(h), and 403(b).

Additionally, amounts under Code Section 125 include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he has other health coverage (deemed Code Section 125 compensation). Such an amount will be treated as an amount under Code Section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

For purposes of applying the limitations of Article VII, Compensation for a Limitation Year is the Compensation actually paid or includible in gross income during such Year.

(c) Notwithstanding (a) and (b) above, the annual Compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed $350,000, as adjusted for increases in the cost of living in accordance with Code Section 401(a)(17)(B) for Plan Years beginning after December 31, 2025.

The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined beginning in such calendar year.

If Compensation is being determined for a Plan Year that contains fewer than 12 calendar months, then the annual Compensation limit is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

For purposes of applying the limitations of Article VII with respect to Limitation Years the following provisions shall be applicable.

(i) Compensation paid after severance from employment. Compensation actually paid or includible in gross income during a Limitation Year shall be adjusted, as set forth herein, for the following types of compensation paid after a Participant's severance from employment with the Employer (or any Affiliate). However, amounts described in Paragraphs (A) and (B) below shall only be included in Compensation for such Limitation Year to the extent such amounts are paid by the later of 2½ months after severance from employment or by the end of the Limitation Year that includes the date of such severance from employment. Any other payment of compensation paid after severance of employment that is not described in the following types of compensation shall not be considered Compensation for such Limitation Year, even if payment is made within the time period specified above.

(A) Regular Pay. Compensation shall include regular pay after severance of employment if: (1) The payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and (2) The payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer.

(B) Leave Cashouts And Deferred Compensation. Leave cashouts shall be included in Compensation if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. In addition, deferred compensation shall be included in Compensation if the compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's severance from employment, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

(C) Salary Continuation Payments for Military Service Participants. Compensation shall not include payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

(D) Salary Continuation Payments for Disabled Participants. Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code Section 22(e)(3)).

(ii) Compensation for a Limitation Year but not paid during the Limitation Year. Compensation for a Limitation Year shall not include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates.

(iii) Inclusion of Certain Nonqualified Deferred Compensation Amounts. Compensation for a Limitation Year shall include amounts that are includible in the gross income of a Participant under the rules of Code Section 409A or because the amounts are constructively received by the Participant.

(d) Notwithstanding paragraphs (a), (b) and (c) above,

(i) USERRA. For purposes of Employee and Employer make-up contributions, Compensation during the period of military service shall be deemed to be the Compensation the Employee would have received during such period if the Employee were not in qualified military service, based on the rate of pay the Employee would have received from the Employer but for the absence due to military leave. If the Compensation the Employee would have received during the leave is not reasonably certain, Compensation will be equal to the Employee's average Compensation from the Employer during the twelve (12) month period immediately preceding the military leave or, if shorter, the Employee's actual period of employment with the Employer.

(ii) Differential Wage Payments. An individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment. The differential wage payment shall be treated as Compensation for the purposes of Code Section 415(c)(3) and Treasury Regulation Section 1.415-(c)(2) (e.g., for the purposes of Code Section 415, top-heavy provisions of Code Section 416, determination of highly compensated employees under Code Section 414(q)). The Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment. The foregoing sentence shall apply only if all Employees of the Employer performing service in the uniformed services described in Code Section 3401(h)(2)(A) are entitled to receive differential wage payments (as defined in Code Section 3401(h)(2)) on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on the payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4), and (5)).

2.13 "Eligible Employee" shall mean an Employee who has satisfied the requirements to participate in this Plan as set forth in Section 3.01.

2.14 "Eligible Participant" shall mean an Eligible Employee subject to the Automatic Contribution Arrangement as provided for in Section 5.05(b).

2.15 "Employee" shall mean any person reported on the payroll records of the Employer as an Employee who is deemed by the Employer to be a common law Employee. However, the term Employee will not include any individual who is not reported on the payroll records of the Employer or an affiliated Employer as a common law Employee. If such person is later determined by the Employer or by a court or governmental agency to be or to have been an Employee, he or she will only be eligible for participation prospectively and may participate in the Plan as soon as reasonably practicable following such determination and after the satisfaction of all other eligibility requirements.

2.16 "Employer" shall mean The Hanover Insurance Company; provided that, prior to January 1, 2008, "Employer" shall mean First Allmerica Financial Life Insurance Company.

2.17 "Employment Commencement Date" shall mean the date on which an Employee first performs an Hour of Service or, in the case of an Employee who has a One Year Break in Service, the date on which he or she first performs an Hour of Service after such Break.

2.18 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.19 "Excess Elective Deferrals" shall mean those Salary Reduction Contributions of a Participant that either (a) are made during the Participant's taxable year and exceed the dollar limitation under Code Section 402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in Code Section 414(v)) for such year; or (b) are made during a calendar year and exceed the dollar limitation under Code Section 402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in Code Section 414(v)) for the Participant's taxable year beginning in such calendar year, counting only Salary Reduction Contributions made under this Plan and any other 401(k) qualified retirement plan, contract or arrangement maintained by the Employer. Excess Elective Deferrals shall be treated as Annual Additions under the Plan, unless such amounts are distributed no later than the first April 15 following the close of the Participant's taxable year.

2.20 "Fiduciary" shall mean any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets; (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so; or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan, including, but not limited to, the Trustee and the Plan Administrator.

2.21 "First Allmerica" shall mean First Allmerica Financial Life Insurance Company.

2.22 "Five Percent Owner" shall mean, in the case of a corporation, any person who owns (or is considered as owning within the meaning of Code Section 416(i)) more than five percent of the outstanding stock of the Employer or stock possessing more than five percent of the total combined voting power of all stock of the Employer. In the case of an Employer that is not a corporation, "Five Percent Owner" shall mean any person who owns or under applicable regulations is considered as owning more than five percent of the capital or profits interest in the Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Code Sections 414(b), (c), and (m) shall be treated as separate employers.

2.23 "Former Participant" shall mean a person on whose behalf an Account is maintained, who was an Eligible Employee but who is not entitled to accrue a benefit under this Plan because he or she has ceased to be eligible to participate in the Plan for any reason.

2.24 "401(k) Account" shall mean the account established and maintained for each Participant who has directed the Employer to make Pre-tax Elective Deferral Contributions to the Trust on his or her behalf or for whom the Employer has made 401(k) Employer Contributions to the Trust on his or her behalf, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.25 "401(k) Employer Contribution" shall mean a 401(k) contribution made by the Employer to the Trust for Plan Years prior to 1995 pursuant to Section 4.01 of the Plan as in effect prior to 1995.

2.26 "Highly Compensated Employee" shall mean any Employee who:

(a) was a Five Percent Owner at any time during the Plan Year or the preceding Plan Year; or

(b) for the preceding Plan Year:

(i) had Compensation from the Employer in excess of $160,000, as adjusted for increases in the cost of living in accordance with Code Section 414(q)(1) for Plan Years beginning after December 31, 2025; and

(ii) for such preceding Year was in the top-paid group of Employees for such preceding Year.

For purposes of this Section, the "top-paid group" for a Plan Year is the top 20% of Employees ranked on the basis of Compensation paid during such Year.

In addition to the foregoing, the term "Highly Compensated Employee" shall also mean any former Employee who separated from service prior to the Plan Year, performs no service for the Employer during the Plan Year, and was an actively employed Highly Compensated Employee in the separation year or any Plan Year ending on or after the date the Employee attained Age 55.

For purposes of this Section, Compensation means Compensation determined for purposes of Article VII (Limitations on Allocations).

The determination of who is a Highly Compensated Employee, including the determinations of the numbers and identity of Employees in the top-paid group and the Compensation that is considered will be made in accordance with Code Section 414(q) and the regulations thereunder.

2.27 "Hour of Service" shall mean:

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. For purposes of the Plan, an Employee who is exempt from the requirements of the Fair Labor Standards Act of 1938, as amended, shall be credited with 45 Hours of Service for each complete or partial week he or she would be credited with at least one Hour of Service under this Section.

(b) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. Notwithstanding the preceding sentence:

(i) No more than 1000 hours shall be credited to an Employee under this Subsection (b) on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period);

(ii) No hours shall be credited under this Subsection (b) for any payments made or due under a plan maintained solely for the purpose of complying with any applicable worker's compensation, unemployment compensation or disability insurance laws; and

(iii) No hours shall be credited under this Subsection (b) for a payment, which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Subsection (b) a payment shall be deemed to be made by or due from an Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly, through, among others, a trust fund or insurer, to which the Employer contributes or pays premiums.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service shall not be both credited under Subsections (a) or (b), as the case may be, and under this Subsection. No more than 501 Hours shall be credited under this Subsection for a period of time during which an Employee did not or would not have performed duties.

(d) Special rules for determining Hours of Service under Subsection (b) or (c) for reasons other than the performance of duties.

In the case of a payment which is made or due which results in the crediting of Hours of Service under Subsection (b) or in the case of an award or agreement for back pay, to the extent that such an award or agreement is made with respect to a period during which an Employee performs no duties, the number of Hours of Service to be credited shall be determined as follows:

(i) In the case of a payment made or due which is calculated on the basis of units of time (such as hours, days, weeks or months), the number of Hours of Service to be credited for "exempt" Employees described in Subsection (a) shall be determined as provided in such Subsection. For all other Employees, the Hours of Service to be credited shall be those regularly scheduled hours in such unit of time; provided, however, that when a non-exempt Employee does not have regularly scheduled hours, such Employee shall be credited with 8 Hours of Service for each workday for which he or she is entitled to be credited with Hours of Service under paragraph (b).

(ii) Except as provided in Paragraph (d)(iii), in the case of a payment made or due which is not calculated on the basis of units of time, the number of Hours of Service to be credited shall be equal to the amount of the payment divided by the Employee's most recent hourly rate of compensation (as determined below) before the period during which no duties are performed.

(A) The hourly rate of compensation of Employees paid on an hourly basis shall be the most recent hourly rate of such Employees.

(B) In the case of Employees whose compensation is determined on the basis of a fixed rate for specified periods of time (other than hours) such as days, weeks or months, the hourly rate of compensation shall be the Employee's most recent rate of compensation for a specified period of time (other than an hour), divided by the number of hours regularly scheduled for the performance of duties during such period of time. The rule described in Subsection (d)(i) shall also be applied under this paragraph to Employees without a regular work schedule.

(C) In the case of Employees whose compensation is not determined on the basis of a fixed rate for specified periods of time, the Employee's hourly rate of compensation shall be the lowest hourly rate of compensation paid to Employees in the same job classification as that of the Employee or, if no Employees in the same job classification have an hourly rate, the minimum wage as established from time to time under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(iii) Rule against double credit. An Employee shall not be credited on account of a period during which no duties are performed with more hours than such Employee would have been credited but for such absence.

(e) Crediting of Hours of Service to computation periods.

(i) Hours of Service described in Subsection (a) shall be credited to the Employee for the computation period in which the Hours of Service are paid.

(ii) Hours of Service described in Subsection (b) shall be credited as follows:

(A) Hours of Service credited to an Employee on account of a payment which is calculated on the basis of units of time (such as hours, days, weeks or months) shall be credited to the computation period or periods in which the period during which no duties are performed occurs, beginning with the first unit of time to which the payment relates; provided, however, that with respect to any such period overlapping computation periods, Hours of Service shall be credited to the period in which payment is made under rules similar to those under subsection (e)(i) above.

(B) Hours of Service credited to an Employee by reason of a payment which is not calculated on the basis of units of time shall be credited to the computation period in which the period during which no duties are performed occurs, or if the period during which no duties are performed extends beyond one computation period, such Hours of Service shall be allocated between not more than the first two computation periods in accordance with reasonable rules established by the Employer, which rules shall be consistently applied with respect to all Employees within the same job classification, reasonably defined.

(iii) Hours of Service described in Subsection (c) shall be credited to the computation period or periods to which the award or agreement for back pay pertains, rather than to the computation period in which the award, agreement or payment is made.

(f) For purposes of the Plan, Hours of Service shall also include Hours of Service determined in accordance with the rules set forth in this Section 2.27:

(i) with the Employer in a position in which he or she was not eligible to participate in this Plan; or

(ii) as a Career Agent or General Agent of First Allmerica; or

(iii) for periods prior to January 1, 1998, with Citizens, Hanover, or as an employee of a General Agent of First Allmerica; or

(iv) with Financial Profiles, Inc., or Advantage Insurance Network, Affiliates of First Allmerica, including periods of service completed prior to the date each became an Affiliate; or

(v) for periods prior to January 1, 2008 with First Allmerica; or

(vi) with an Affiliate.

(g) Rules for Maternity or Paternity Leaves of Absence. In addition to the foregoing rules, solely for purposes of determining whether a One Year Break in Service has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such Hours cannot be determined, 8 Hours of Service per day of such absence. Provided, however, that:

Hours shall not be credited under both this Paragraph (g) and one of the other Paragraphs of this Section 2.27;

(i) no more than 501 Hours shall be credited for each maternity or paternity absence; and

(ii) if a maternity or paternity leave extends beyond one Plan Year, the Hours shall be credited to the Plan Year in which the absence begins to the extent necessary to prevent a One Year Break in service, otherwise such Hours shall be credited to the following Plan Year.

For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (A) by reason of the pregnancy of the individual, (B) by reason of a birth of a child of the individual, (C) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (D) for purposes of caring for such child for a period beginning immediately following such birth or placement.

(h) Other Federal Law. Nothing in this Section shall be construed to alter, amend, modify, invalidate, impair or supersede any law of the United States or any rule or regulation issued under any such law.

2.28 "Key Employee" shall mean, for the purposes of determining whether the Plan is top-heavy, any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the determination date is an officer of the Employer having an annual Compensation greater than $230,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2025), a Five Percent Owner, or a 1-percent owner of the Employer having an annual Compensation of more than $150,000.

The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the regulations thereunder. For purposes of determining whether a Participant is a Key Employee, the Participant's Compensation means Compensation as defined for purposes of Article VII.

2.29 "Limitation Year" shall mean a calendar year. The Limitation Year may only be changed by a Plan amendment. If the Plan is terminated effective as of a date other than the last day of the Plan's Limitation Year, then the Plan shall be treated as if the Plan had been amended to change its Limitation Year and, in any such case, the Defined Contribution Dollar Limitation shall be prorated as prescribed by Treasury Regulation Section 1.415(j)-1(d)(3).

2.30 "Match Contribution" shall mean the contribution made by the Employer to the Trust pursuant to Section 4.02.

2.31 "Match Contribution Account" shall mean the account established for each Participant for whom the Employer has allocated Match Contributions to the Trust and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.32 "Non-Elective Employer Contributions" shall mean Employer contributions that are made by the Employer pursuant to Section 4.03.

2.33 "Non-Elective Employer Contribution Account" shall mean the account established for each Employee for whom the Employer has made a Non-Elective Employer Contribution to the Trust and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.34 "Non-Highly Compensated Employee" shall mean any Employee who is not a Highly Compensated Employee.

2.35 "Non-Key Employee" shall mean any Employee who is not a Key Employee.

2.36 "Normal Retirement Age" shall mean the date on which the Participant attains Age 65.

2.37 "One Year Break in Service" shall mean any vesting computation period during which an Employee does not complete more than 500 Hours of Service.

2.38 "Participant" shall mean an Eligible Employee and, where the context requires, a Former Participant.

2.39 "Plan Administrator" shall mean the Benefits Committee, which shall have fiduciary responsibility for the interpretation and administration of the Plan, as provided for in Article XIV. Members of the Benefits Committee shall be appointed as provided for in Section 15.01 hereof.

2.40 "Plan Year" shall mean a calendar year.

2.41 "Pre-tax Elective Deferral" shall mean a Salary Reduction Contribution that is not includible in the gross income of the Eligible Employee on whose behalf the contribution is made at the time that the deferral is made.

2.42 "Qualified Automatic Contribution Arrangement ("QACA")" shall mean a qualified automatic contribution arrangement that meets the requirements of Code Section 401(k)(13)(B). This Plan is intended to satisfy the requirements of Code Section 401(k)(13)(B) including but not limited to, the automatic enrollment and contribution provisions and the applicable notice requirements of Section 5.05 and the required Employer contributions of the Match Contribution made by the Employer to the Trust pursuant to Section 4.02.

2.43 "Qualified Default Investment Alternative" shall mean an investment alternative available to Participants and Beneficiaries that satisfies the requirements of ERISA Section 404(c)(5) and the regulations thereunder and shall be subject to the following rules:

(a) No Employer Securities. The Qualified Default Investment Alternative does not hold or permit the acquisition of Employer securities, except as permitted by Department of Labor Regulation Section 2550.404c-5(e)(1)(ii);

(b) Transfer Permitted. The Qualified Default Investment Alternative permits a Participant or Beneficiary to transfer, in whole or in part, his or her investment from the Qualified Default Investment Alternative to any other investment alternative available under the Plan, pursuant to the rules of Department of Labor Regulation Section 2550.404c-5(c)(5);

(c) Management. The Qualified Default Investment Alternative is:

(i) Managed by: (A) an investment manager, within the meaning of ERISA Section 3(38); (B) a Plan trustee that meets the requirements of ERISA Section 3(38)(A), (B) and (C); or (C) the Sponsor Employer who is a named fiduciary within the meaning of ERISA Section 402(a)(2);

(ii) An investment company registered under the Investment Company Act of 1940; or

(iii) An investment product or fund described in Department of Labor Regulation Section 2550.404c-5(e)(4)(iv) or (v); and

(d) Types of Permitted Investments. The Qualified Default Investment Alternative must be an investment product or fund described in Department of Labor Regulation Section 2550.404c-5(e)(4).

2.44 "Qualified Domestic Relations Order" shall mean any judgment, decree or order (including approval of a property settlement agreement) which:

(a) relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant;

(b) is made pursuant to a state domestic relations law (including a community property law);

(c) constitutes a "qualified domestic relations order" within the meaning of Code Section 414(p); and

(d) is entered on or after January 1, 1985.

Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order (QDRO) will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

2.45 "Qualified Early Retirement Age" shall mean the later of:

(a) Age 55; or

(b) the date on which the Participant begins participation.

2.46 "Qualified Joint and Survivor Annuity" shall mean an annuity for the life of the Participant, with a survivor annuity for the life of his or her spouse in an amount equal to 50% of the amount of the annuity payable during the joint lives of the Participant and his or her spouse, and which is the amount of benefit which can be purchased by the Participant's Accrued Benefit.

2.47 "Regular Account" shall mean the account established and maintained for each Participant for whom the Employer has allocated Regular Employer Contributions to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.48 "Regular Employer Contribution" shall mean a Regular Contribution made by the Employer to the Trust for years prior to 1995 pursuant to Section 4.01 as in effect prior to 1995.

2.49 "Rollover Account" shall mean the account established and maintained for each Participant who has made a Rollover Contribution to the Trust or whose accrued benefit from another qualified plan has been transferred to this Trust in accordance with Section 5.03 of the Plan, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.50 "Rollover Contribution" shall mean a contribution made to the Trust pursuant to Section 5.03.

2.51 "Roth Elective Deferral" shall mean a Salary Reduction Contribution that has been irrevocably designated as Roth Elective Deferral by the Participant in his or her Salary Reduction Agreement and that is includible in the Participant's gross income for tax purposes at the time the deferral is made pursuant to Code Section 402A and any applicable guidance or regulations issued thereunder. Roth Elective Deferrals may be treated as Catch-Up Contributions. Roth Elective Deferrals shall be maintained in a separate account for each Participant who has directed the Employer to make a Roth Elective Deferral to the Trust.

2.52 "Roth Elective Deferral Account" shall mean the separate account established and maintained for each Participant who has directed the Employer to make a Roth Elective Deferral to the Trust on his or her behalf to record the contribution and withdrawal of a Participant's Roth Elective Deferrals and other adjustments as required by the Plan. No contributions other than designated Roth Elective Deferrals and direct rollover contributions described in Code Section 402A(c)(3) may be allocated to a Roth Elective Deferral Account.

2.53 "Salary Reduction Agreement" shall mean an agreement between the Employer and an Eligible Employee as set forth in Sections 3.01(b), 5.04 and 5.05 pursuant to which the Eligible Employee authorizes the Employer to withhold the specified whole percentage of his or her Compensation or the specified separate whole percentages of his or her salary and other Compensation for deposit to the Plan on behalf of such Eligible Employee.

2.54 "Salary Reduction Contribution" shall mean the Pre-tax Elective Deferrals and or Roth Elective Deferrals made by the Employer to the Trust on behalf of an Eligible Employee pursuant to a Salary Reduction Agreement and in accordance with Section 5.04 and or an Automatic Contribution made by the Employer on behalf of an Eligible Participant pursuant to the Automatic Contribution Arrangement provisions of Section 5.05.

With respect to any Plan Year, the total amount of a Participant's Salary Reduction Contributions is the sum of all employer contributions made on behalf of such Participant pursuant to a deferral under any qualified cash or deferred arrangement as described in Code Section 401(k), any Simplified Employee Pension Plan with a cash or deferred arrangement as described in Code Section 408(k)(6), any SIMPLE IRA Plan described in Code Section 408(p), any plan as described under Code Section 501(c)(18), and any Employer contributions made on behalf of a Participant for the purchase of an annuity contract under Code Section 403(b) pursuant to a Salary Deferral Agreement.

Pre-tax Elective Deferrals or Roth Elective Deferrals shall not include any deferrals properly distributed as Excess Annual Additions.

2.55 "Spouse" or "spouse" means the individual person to whom a Participant is legally married for Federal tax purposes on the applicable date required by the context or as otherwise provided for in the Plan; provided, however, that from June 26, 2013 through September 15, 2013, any reference to those terms means the individual, if any, to whom the Participant is married in a marriage that is recognized under the laws of the state of the Participant's residence on that date.

2.56 "Suspense Account" shall mean the account established by the Trustee for maintaining contributions and forfeitures which have not yet been allocated to Participants.

2.57 "Tax Deductible Contribution Account" shall mean the account established and maintained for each Participant who has made a Tax Deductible Voluntary Contribution to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.58 "Tax Deductible Voluntary Contribution" shall mean a contribution made to the Trust for years before 1987 and pursuant to Section 5.02 as in effect prior to 1995.

2.59 "Top Heavy Plan" shall mean for any Plan Year that any of the following conditions exists:

(a) If the top heavy ratio (as defined in Article VI) for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(b) If this Plan is a part of a required aggregation group of plans (but not part of a permissive aggregation group) and the top heavy ratio for the group of plans exceeds 60 percent.

(c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

See Article VI for requirements and additional definitions applicable to Top Heavy Plans.

The Match Contribution provided for in Section 4.02 may also be used to satisfy the minimum contribution requirement for a Top-Heavy Plan, provided no other contribution is made to the Plan for that Plan Year. Further, notwithstanding anything in the Plan to the contrary, in any Plan Year in which Employer contributions to the Plan consist solely of the Match Contribution provided for in Section 4.02, then such Plan will not be treated as a Top Heavy Plan and will be exempt from the top heavy requirements of Code Section 416. Furthermore, if the Plan (but for the prior sentence) would be treated as a Top Heavy Plan because the Plan is a member of an aggregation group which is a top heavy group, then the contributions under the Plan may be taken into account in determining whether any other plan in the aggregation group meets the top heavy requirements of Code Section 416.

2.60 "Top Heavy Plan Year" shall mean that, for a particular Plan Year, the Plan is a Top Heavy Plan.

2.61 "Totally and Permanently Disabled" shall mean the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as evidenced by a written determination of the Social Security Administration that the Participant is disabled and entitled to benefits under the federal Social Security Act.

2.62 "Trustee" shall mean the bank or trust company or person or persons who shall be constituted the original trustee or trustees for the Plan and Trust created therefor, and also any and each successor trustee or trustees.

2.63 "Trust Fund" shall mean, include and consist of any payments made to the Trustee by the Employer under the Plan and Trust Indenture, or the investments thereof, together with all income and gains of every nature thereon which shall be added to the principal thereof by the Trustee, less all losses thereon and all payments therefrom.

2.64 "Trust Indenture" or "Trust" shall mean the Trust Indenture between the Employer and the Trustee in the form annexed hereto, and any and all amendments thereof or thereto.

2.65 "USERRA" shall mean the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended. Notwithstanding any provision of the Plan to the contrary, contributions, benefits, Plan loan repayment, suspensions and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

2.66 "Valuation Date" shall mean each day as of which the value of the Trust Fund shall be calculated. The Plan Administrator reserves the right to change the frequency of Valuation Dates; provided, however, that in no event shall Valuation Dates occur less frequently than once each calendar quarter.

2.67 "Voluntary After-Tax Contributions" shall mean a contribution made to the Trust for years prior to 1995 pursuant to Section 5.01 as in effect prior to 1995.

2.68 "Voluntary Contribution Account" shall mean the account established and maintained for each Participant who has made a Voluntary After-Tax Contribution to the Trust, and all earnings and appreciation thereon, less any withdrawals therefrom and any losses and expenses charged thereto.

2.69 "Year of Service" shall mean, for purposes of determining vesting under Article XIII, the twelve consecutive month period, commencing on the first day an Employee completes an Hour of Service and in which the Employee completes at least 1,000 Hours of Service. Thereafter, for purposes of determining vesting under Article XIII, the determination of a Year of Service will commence on the anniversary of the first day the Employee completed an Hour of Service and the twelve consecutive month period that follows, provided the Employee completes at least 1,000 Hours of Service during such period.

In computing a "Year of Service" for purposes of the Plan, each twelve-month period shall be considered as completed as of the close of business on the last working day, which occurs within such period, provided that the Employee had completed at least 1,000 Hours of Service during the period ending on such date.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u).

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.01 (a) In General. Employees who are employed by the Employer on January 1, 2025 and who were eligible to participate in this Plan on December 31, 2024 shall be Participants in this Plan on January 1, 2025.

An Employee shall be eligible to participate in this Plan upon completion of one Hour of Service, provided the Employee is then employed in an eligible class of Employees.

An Employee shall be eligible to receive Match Contributions upon completion of one Hour of Service, provided the Employee is then employed in an eligible class of Employees.

Notwithstanding the foregoing, the following Employees shall not be eligible to become or remain active Participants hereunder:

(i) All Employees holding a General Agent's Contract with the Employer or with an Affiliate;

(ii) All Employees holding a Career Agent's or Annuity Specialist's Contract with the Employer or with an Affiliate;

(iii) Leased Employees within the meaning of Code Sections 414(n) and (o);

(iv) A contractor's employee, i.e., a person working for a company providing goods or services (including temporary employee services) to the Employer or to an Affiliate whom the Employer does not regard to be its common law employee, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law Employee; or

(v) An independent contractor, i.e., a person who is classified by the Employer as an independent contractor, as evidenced by its failure to withhold taxes from his or her compensation, even if the individual is actually the Employer's common law Employee.

Special rules for certain persons who were employed by One Beacon Insurance Group, LTD. or any business entity affiliated with One Beacon Insurance Group, LTD. immediately before being employed by the Employer are stated in Appendix A attached hereto.

Special rules for certain persons who were employed by (A) Campania Holding Company, Inc. or its direct or indirect subsidiaries; (B) Benchmark Professional Insurance Services, Inc. or its direct or indirect subsidiaries; or (C) Insurance Company of the West or its direct or indirect subsidiaries, immediately before being employed by the Employer are stated in Appendix B attached hereto.

Special rules for certain persons who were employed by (A) Professionals Direct, Inc. or its direct or indirect subsidiaries; (B) Verlan Holdings, Inc. or its direct or indirect subsidiaries; or (C) AIX Holdings, Inc. or its direct or indirect subsidiaries, immediately before being employed by the Employer are stated in Appendix C attached hereto.

(b) Employee Participation. On or after the date an Employee first becomes eligible to participate in the Plan, the Employee may direct the Employer to reduce his or her Compensation in order that the Employer may make Salary Reduction Contributions to the Plan, including Catch-up Contributions, on the Employee's behalf in accordance with Section 5.04; provided that any Eligible Participant shall be subject to the automatic enrollment and contribution provisions of Section 5.05.

3.02 Classification Changes. In the event of a change in job classification, such that an Employee, although still in the employment of the Employer, no longer is an Eligible Employee, all contributions to be allocated on his or her behalf shall cease and any amount credited to the Employee's Accounts on the date the Employee shall become ineligible shall continue to vest, become payable or be forfeited, as the case may be, in the same manner and to the same extent as if the Employee had remained a Participant.

If a Participant's Salary Reduction Agreement is terminated because he or she is no longer a member of an eligible class of Employees, but the Participant has not terminated his or her employment, such Employee shall again be eligible to enter into a new Salary Reduction Agreement immediately upon his or her return to an eligible class of Employees. If such Participant terminates his or her employment with the Employer, he or she shall again be eligible to enter into a Salary Reduction Agreement immediately upon his or her recommencement of service as an Eligible Employee.

In the event an Employee who is not a member of the eligible class of Employees becomes a member of the eligible class, such Employee shall be eligible to participate immediately.

3.03 Participant Cooperation. Each eligible Employee who becomes a Participant hereunder thereby agrees to be bound by all of the terms and conditions of this Plan and Trust.

ARTICLE IV

EMPLOYER CONTRIBUTIONS AND FORFEITURES

4.01 Salary Reduction Contributions. The Employer shall make Salary Reduction Contributions to the Plan and Trust, including Catch-up Contributions described in Code Section 414(v), to the extent and in the manner specified in Sections 3.01(b), 5.04, and 5.05.

Salary Reduction Contributions, including Catch-up Contributions described in Code Section 414(v), shall be contributed as soon as practicable following the end of each pay period and allocated to a Participant's 401(k) Account and or Roth Elective Deferral Account, as applicable.

4.02 Match Contributions.

(a) For each pay period during a Plan Year that a Salary Reduction Contribution is made to the Plan on behalf of a Participant, the Employer shall make a Match Contribution to the Plan on behalf of the Participant equal to 100% of such Salary Reduction Contributions that do not exceed 6% of the Participant's Compensation for such pay period; provided that no such Match Contribution shall be made with respect to any part or all of any such Salary Reduction Contribution that, when added to other such Salary Reduction Contributions made to the Plan on behalf of the Participant during the Plan Year, would cause the applicable dollar amount under Code Section 402(g)(1)(B) to be exceeded for such Plan Year unless the Salary Reduction Contribution may be treated as a Catch-up Contribution that does not exceed the limitation under Code Section 402(g)(1)(C). All such Match Contributions shall be made to the Match Contribution Account established for the Participant as soon after each such pay period as practicable.

The Employer shall contribute Match Contributions to the Trust Fund as soon as practicable following the end of each pay period. Such Match Contributions shall be made in cash and shall be allocated to the Match Contribution Account of each Participant. Such Match Contributions shall be invested per the directions of Participants in accordance with the provisions of Article XVI.

Within 30 days following the end of each Plan Year or such longer period as permitted by law, if required, the Employer shall make a "true-up" Match Contribution to the Match Contribution Account of each Participant employed by the Employer during the Plan Year, such that the total amount of Match Contributions for each Participant for the Plan Year shall be equal to 100% of the Participant's Salary Reduction Contributions that do not exceed 6% of the Participant's Compensation for such Plan Year (and not merely 100% of the Participant's Salary Reduction Contributions that do not exceed 6% of the Participant's Compensation for each pay period during the Plan Year); provided that no such Match Contribution shall be made with respect to any part or all of any such Salary Reduction Contributions that would cause the applicable dollar amount under Code Section 402(g)(1)(B) to be exceeded for such Plan Year unless the Salary Reduction Contribution can be treated as a Catch-up Contribution that does not exceed the limitation under Code Section 402(g)(1)(C).

(b) The Match Contributions made pursuant to Section 4.02(a) shall be subject to the withdrawal restrictions set forth in Code Section 401(k)(2)(B) and Treasury Regulation Section 1.401(k)-1(d).

4.03 Non-Elective Employer Contributions.

(a) The Board of Directors of the Employer may, in its discretion, determine to make a Non-Elective Employer Contribution to the Plan on behalf of the Employer for each Eligible Employee who is employed by the Employer on the last day of such Plan Year in an amount equal to a uniform percentage of each such Employee's Compensation. Any such contribution shall be made in cash to the Non-Elective Employer Contribution Account established for each such Eligible Employee. The contribution shall be made in cash. Such contribution shall be made to the Non-Elective Employer Contribution Account to be established for each such Employee and shall be invested per the direction of the Participant in accordance with the provisions of Article XVI.

(b) Notwithstanding any other provision in the Plan to the contrary and subject to compliance with applicable Code discrimination laws, rules and regulations, each Participant who was an Employee on December 31, 2014, has been continuously employed from December 31, 2014 through March 2, 2015 and who earned Compensation during the Plan Year ended December 31, 2014, shall receive an Employer paid contribution of $500.00, whether or not such Employee has elected to make Salary Reduction Contributions to the Plan during such continuous period of employment. This Employer contribution shall be made in cash to the Non-Elective Employer Contribution Account established for any such eligible Participant on or as

soon after March 2, 2015 as is practicable and shall be invested per the direction of the Participant in accordance with the provisions of Article XVI.

(c) Notwithstanding any other provision in the Plan to the contrary and subject to compliance with applicable Code discrimination laws, rules and regulations, each Participant (other than members of the Executive Leadership Team) who was an Employee on December 31, 2016, has been continuously employed by the Employer from December 31, 2016 through March 15, 2017 and who earned Compensation during the Plan Year ended December 31, 2016, shall receive an Employer paid contribution of $500.00, whether or not such Participant has elected to make Salary Reduction Contributions to the Plan during such continuous period of employment. This Employer contribution shall be made in cash to the Non-Elective Employer Contribution Account established for any such eligible Participant on or as soon after March 15, 2017 as is practicable and shall be invested per the direction of the Participant in accordance with Section 16.02 of the Plan.

4.04 Minimum Employer Contribution for Top Heavy Plan Years.

(a) Minimum Allocation for Non-Key Employees. Notwithstanding anything in the Plan to the contrary except (b) through (e) below, for any Top Heavy Plan Year Employer Contributions allocated to the Accounts of each Non-Key Employee Participant shall be equal to at least three percent of such Non-Key Employee's Compensation (as defined for purposes of Article VII as limited by Code Section 401(a)(17)) for the Plan Year. However, should the Employer Contributions allocated to the Accounts of each Key Employee for such Top Heavy Plan Year be less than three percent of each Key Employee's Compensation, the Employer Contribution allocated to the Accounts of each Non-Key Employee shall be equal to the largest percentage allocated to Accounts of a Key Employee. The preceding sentence shall not apply if this Plan is required to be included in an aggregation group (as described in Code Section 416) if such plan enables a defined benefit plan required to be included in such group to meet the requirements of Code Section 401(a)(4) or 410. For purposes of determining the percentage of Employer Contributions allocated to the Accounts of Key Employees, Salary Reduction Contributions made on their behalf shall be counted and be considered to be Employer Contributions. However, in determining whether a minimum Employer Contribution has been made to a Non-Key Employee's Accounts, Salary Reduction Contributions made on his or her behalf shall be excluded and not considered. Effective January 1, 2024, for purposes of applying the above requirements, Employees not meeting the age or service requirements of Code Section 410(a)(1) (without regard to subparagraph (B) thereof) may be excluded from consideration.

(b) For purposes of the minimum allocations set forth above, the percentage allocated to the Accounts of any Key Employee shall be equal to the ratio of the sum of the Employer Contributions allocated on behalf of such Key Employee divided by the Employee's Compensation for the Plan Year (as defined for purposes of Article VII), not in excess of the applicable compensation dollar limitation imposed by Code Section 401(a)(17).

(c) For any Top Heavy Plan Year, the minimum allocations set forth above shall be allocated to the Accounts of all Non-Key Employees who are Participants and who are employed by the Employer on the last day of the Plan Year, including Non-Key Employee Participants who have failed to complete a Year of Service.

(d) Notwithstanding anything herein to the contrary, in any Plan Year in which a Non-Key Employee is a Participant in both this Plan and a defined benefit pension plan included in a Required or Permissive Group of Top Heavy Plans, the Employer shall not be required to provide a Non-Key Employee with both the full separate minimum defined benefit plan benefit and the full separate minimum defined Contribution plan allocation described in this Section. Therefore, if the Employer maintains such a defined benefit and defined contribution plan, the top-heavy minimum benefits shall be provided as follows:

(i) If a Non-Key Employee is a participant in such defined benefit plan but is not a Participant in this defined contribution plan, the minimum benefits provided for Non-Key Employees in the defined benefit plan shall be provided to the Employee if the defined benefit plan is a Top Heavy Plan and the minimum contributions described in this Section 4.04 shall not be provided.

(ii) If a Non-Key Employee is a participant in such defined benefit plan and is also a Participant in this defined contribution plan, the minimum benefits for Non-Key Employee participants in Top Heavy Plans provided in the defined benefit plan shall not be applicable to any such Non-Key Employee who receives contributions and forfeitures equal to 5% of his or her compensation in this Plan.

Notwithstanding anything herein to the contrary, no minimum contribution will be required under this Plan (or the minimum contribution under this Plan will be reduced, as the case may be) for any Plan Year if the Employer maintains another qualified defined contribution plan under which a minimum contribution is being made for such year for the Participant in accordance with Code Section 416.

(e) The minimum allocation required under this Section 4.04 (to the extent required to be nonforfeitable under Code Section 416(b)) may not be forfeited under Code Sections 411(a)(3)(B) or 411(a)(3)(D).

4.05 Contributions under USERRA. For Plan Years beginning on and after January 1, 2008, the Employer shall also make Match Contributions, Top-Heavy minimum contributions and any other Employer contribution for the benefit of Participants who are covered by USERRA. Match Contributions under USERRA shall be made in the Plan Year for which the Participant exercises his or her right to make-up elective deferrals contributions (Salary Reduction Contributions) for prior years. Top-Heavy minimum contributions and other Employer contributions for USERRA protected service shall be made during the Plan Year in which the individual returns to employment with the Employer. Employer contributions required under USERRA are not increased or decreased with respect to Plan investment earnings for the period to

which such contributions relate. The Employer's contribution for any Plan Year shall be subject to the limitations on allocations contained in Article VII.

4.06 Application of Forfeitures. Amounts forfeited during a Plan Year shall be used to reduce Match Contributions for that Plan Year and each succeeding Plan Year, if necessary.

4.07 Limitations upon Employer Contributions. In no event shall the Employer contribution for any Plan Year exceed the maximum allowable under Code Sections 404 and 415 or any similar or subsequent provision.

4.08 Payment of Contributions to Trustee. The Employer shall make payment of all contributions, including Participant contributions, which shall be remitted to the Employer by payroll deduction or otherwise, directly to the Trustee in accordance with this Article IV, but subject to Section 4.09.

4.09 Receipt of Contributions by Trustee. The Trustee shall accept and hold under the Trust such contributions of money, or other property approved by the Employer for acceptance by the Trustee, on behalf of the Employer and Participants as it may receive from time to time from the Employer. All such contributions shall be accompanied by written instructions from the Employer accounting for the manner in which they are to be credited and specifying the appropriate Participant Account to which they are to be allocated.

ARTICLE V

EMPLOYEE CONTRIBUTIONS AND ROLLOVER CONTRIBUTIONS

5.01 Voluntary After-Tax Contributions. For Plan Years beginning prior to January 1, 1995, a Participant could contribute Voluntary After-Tax Contributions to the Plan and Trust in each Plan Year during which he or she was a Plan Participant in amounts as determined under the Plan in effect prior to 1995.

The Plan shall separately account for: (a) pre-1987 Voluntary After-Tax Contributions; (b) investment income attributable to pre-1987 Voluntary After-Tax Contributions; and (c) post-1986 Voluntary After-Tax Contributions and income attributable to such contributions.

5.02 Tax Deductible Voluntary Contributions. The Plan Administrator will not accept Tax Deductible Voluntary Contributions made for years after 1986. Such contributions made for years prior to that date will be maintained in a separate account which will be nonforfeitable at all times, and which shall include gains and losses in accordance with Section 8.02.

5.03 Rollover Contributions. With the consent of the Plan Administrator, the Trustee may accept funds transferred from other pension, profit sharing or stock bonus plans qualified under Section 401(a) of the Internal Revenue Code or Rollover Contributions, provided that the plan from which such funds are transferred permits the transfer to be made.

In the event of a transfer or Rollover Contribution to this Plan, the Plan Administrator shall maintain a 100% vested and nonforfeitable account for the amount transferred and its share of the Trust Fund's accretions or losses, to be known as the Participant's Rollover Account. Transferred and Rollover Contributions shall be separately accounted for.

"Rollover Contribution" means any distribution from an eligible retirement plan, as defined in Section 13.13(b)(ii) that an Eligible Employee elects to contribute to the Plan, or have considered as contributed, in accordance with the provisions of this Section. An Eligible Employee who is or was entitled to receive a distribution that is eligible for rollover to a qualified plan under Code Section 408(d)(3) or an eligible rollover distribution, as defined in Code Section 402(c)(4) and Treasury Regulations issued thereunder, including an eligible rollover distribution received by the Eligible Employee as a surviving Spouse or as a Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, from an eligible retirement plan, may elect to contribute all or any portion of such distribution to the Trust directly from such eligible retirement plan (a "direct rollover") or within 60 days of receipt of such distribution to the Eligible Employee. Rollover Contributions shall only be made in the form of cash.

Notwithstanding the foregoing, the Plan shall not accept the following as Rollover Contributions: (a) any rollover of designated Roth contributions, except as provided in this Section (below); (b) any rollover of after-tax employee contributions, which are not designated Roth contributions, that are not made by a direct rollover; (c) any rollover from an individual retirement account or annuity described in Code Section 408(a) or (b) (including a Roth IRA under Code Section 408A) to the extent such amount would not otherwise be includible in the Employee's income; or (d) any rollover amounts that are not "designated Roth contributions", which are to be contributed to the Plan as "designated Roth contributions".

To the extent the Plan accepts Rollover Contributions of after-tax employee contributions, the Plan will separately account for such contributions, including separate accounting for the portion of the Rollover Contribution that is includible in gross income and the portion that is not includible in gross income.

An Employee who makes a contribution to the Plan described in this Section shall become a Plan Participant on the date the Trustee accepts the contribution. However, no Employer Contributions will be made on behalf of such Employee, nor will the Employee be eligible to direct the Employer to make Salary Reduction Contributions on his or her behalf, until the Employee satisfies the Plan eligibility requirements for such contributions set forth in Article III.

The Trustee shall not accept funds transferred from plans qualified under Code Section 401(a) unless the transferor plan is maintained by the Employer or by an Affiliate. Notwithstanding the foregoing the Trustee shall not accept funds transferred from any such plan, which would otherwise provide for a life annuity form of payment to the Participant.

The Plan shall accept a direct rollover from another Roth Elective Deferral Account under a retirement plan as described in Code Section 402A(e)(1) in accordance with such uniform administrative procedures as the Plan Administrator shall establish. Notwithstanding the foregoing sentence, an in-plan Roth rollover shall not be permitted under this Plan. Any rollover of "designated Roth contributions", as defined in Code Section 402A(c)(1), shall be subject to the requirements of Code Section 402(c). To the extent the Plan accepts Rollover Contributions of designated Roth contributions, the Plan will separately account for such contributions, including separate accounting for the portion of the Rollover Contribution that is includible in gross income and the portion that is not includible in gross income, if applicable. If the Plan accepts a direct rollover of designated Roth contributions, the Trustee and the Plan Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Eligible Employee's basis in the rolled over amounts and (ii) the date on which the Eligible Employee's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of designated Roth contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Eligible Employee's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Rollover Contribution.

5.04 Salary Reduction Contributions.

(a) An Eligible Employee or Eligible Participant may enter into a Salary Reduction Agreement with the Employer authorizing the Employer to withhold a portion of his or her Compensation in order to make Salary Reduction Contributions to the Plan, including Catch-up Contributions. The Salary Reduction Agreement shall be in such form as the Plan Administrator shall approve (including, if applicable by such means as telephonic communication or electronic media). Each Eligible Employee or Eligible Participant who enters into a Salary Reduction Agreement shall specify, in accordance with rules established by the Plan Administrator from time to time, a whole percentage of his or her Compensation or separate whole percentages of his or her salary and other Compensation to be withheld by the Employer and deposited to the Plan on his or her behalf. Each Salary Reduction Agreement shall become effective as soon after the Eligible Employee or Eligible Participant has entered into the Salary Reduction Agreement as is administratively feasible. Except for occasional, bona fide administrative considerations, Salary Reduction Contributions made pursuant to a Salary Reduction Agreement cannot precede the earlier of (i) the performance of services relating to the contribution and (ii) when the Compensation that is subject to the election would be currently available to the Participant in the absence of an election to defer.

Any such Salary Reduction Contribution shall be credited to the Participant's 401(k) Account or Roth Elective Deferral account, whichever is applicable. A Participant may terminate deferrals at any time. A Participant may elect at any time to change or discontinue his or her Salary Reduction Agreement upon notice in accordance with uniform and nondiscriminatory procedures as the Plan Administrator shall adopt and communicate to the Participants. Any such election will be effective as soon as practicable following the receipt of the notification by the Plan Administrator or its delegate in accordance with uniform and nondiscriminatory procedures established and communicated to the Participants. The Plan Administrator may amend or terminate said agreement on notice to the affected Participant, if required to maintain the qualified status of the Plan.

(b) Make-up Elective Deferrals under USERRA. A Participant who has the right to make-up elective deferrals (Salary Reduction Contributions) under USERRA shall be permitted to increase his or her elective deferral with respect to a make-up year without regard to any provision limiting contributions for such Plan Year. Make-up contributions shall be limited to the maximum amount permitted under the Plan and the statutory limitations applicable with respect to the make-up year. Employee-related make-up contributions must be made within the time period beginning on the date of reemployment and continuing for the lesser of five (5) years or three (3) times the period of military service.

5.05 Qualified Automatic Contribution Arrangement ("QACA").

(a) Effective Date of the QACA. Effective for Plan Years beginning on or after January 1, 2009, the provisions of this Section 5.05 shall apply to each Participant subject to the QACA and the Employer will provide the Match Contribution specified in Section 4.02. This Section 5.05 supersedes any State (or Commonwealth) law that would directly or indirectly prohibit or restrict the inclusion of an automatic contribution arrangement in the Plan, pursuant to ERISA Section 514(e)(1) and Department of Labor Regulation Section 2550.404c-5(f).

(b) Participants Subject to the QACA. The following Eligible Employees shall be Eligible Participants subject to the Automatic Contribution Arrangement:

(i) Each Employee who becomes eligible to participate in the Plan on and after January 1, 2009 and is eligible to make a Salary Reduction Contribution.

(ii) Each Employee who became eligible to participate in the Plan prior to January 1, 2009 and who is eligible to participate in the Plan on January 1, 2009, except any such Participant who had in effect a Salary Reduction Agreement on such date (regardless of the amount of the Salary Reduction Contribution affirmatively elected under the agreement).

(c) Automatic Contribution Arrangement.

(i) Automatic Contributions. Except as provided in Section 5.05(d), an Eligible Participant will be treated as having elected to direct the Employer to reduce his or her Compensation in order that the Employer may make Pre-tax Elective Deferrals to the Plan equal to the following uniform percentages of Compensation:

(A) Initial Period. An Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in an amount equal to 3% of his or her Compensation during the initial period. For this purpose, the initial period begins when the Employee is first subject to the Automatic Contributions default election under this Section 5.05(c)(i) and ends on the last day of the following Plan Year.

(B) Subsequent Plan Years. For the three Plan Years immediately following the initial period, an Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in the amounts equal to 4%, 5% and 6% respectively, of his or her Compensation. For all Plan Years thereafter, an Eligible Participant will be treated as having elected to have the Employer make Pre-tax Elective Deferrals to the Plan in the amounts equal to 6% of his or her Compensation.

(C) Treatment of Rehires. The default percentages of Compensation stated above for the purposes of the Automatic Contributions are based on the date the initial period begins, regardless of whether the Employee continues to be eligible to make Pre-tax Elective Deferrals under the Plan after that date. Thus, the applicable percentage is generally determined based on the number of years since an Automatic Contribution was first made on behalf of an Eligible Participant. However, if Automatic Contributions are not made on behalf of an Eligible Participant for an entire Plan Year (e.g., due to termination of employment), such Eligible Participant shall be treated as having a new initial period for determining the default percentage of Compensation stated above (if Automatic Contributions are to recommence with respect to the Eligible Participant), regardless of what minimum percentage would otherwise apply to that Eligible Participant.

(ii) Effective Date of Automatic Contributions. The effective date of the first Automatic Contribution provided for in paragraph (i) above, will be as soon after an Eligible Participant becomes subject to the QACA as is practicable, consistent with (A) applicable law, and (B) the objective of affording the Eligible Participant a reasonable period of time after receipt of the notice to make an Affirmative Election (and, an investment election). However, in no event will the Automatic Contribution be effective later than the earlier of (1) the pay date for the second payroll period that begins after the date the QACA safe harbor notice (described in Section 5.05(e)) is provided to the Eligible Participant, or (2) the first pay date that occurs at least 30 days after the QACA safe harbor notice is provided to the Eligible Participant.

(d) Rules Related to Automatic Contributions.

(i) Affirmative Election to Override Automatic Contributions. An Eligible Participant will have a reasonable period of time after receipt of the notice to make an Affirmative Election (and an investment election). The Automatic Contributions provided for in Section 5.05(c) shall cease with respect to an Eligible Participant as soon as administratively feasible after the Eligible Participant makes an Affirmative Election. An Eligible Participant's Affirmative Election will not expire, but will remain in force until changed by the Eligible Participant. An Eligible Participant need not execute a subsequent or new Affirmative Election in order to have the prior or old Affirmative Election apply to override the Automatic Contributions provided for in Section 5.05(c) in any subsequent Plan Year. Any subsequent change to an Eligible Participant's Affirmative Election will be made in accordance with Section 5.04 relating to a Participant's right to elect at any time to change or discontinue his or her Salary Reduction Agreement.

(ii) Applying Statutory Limits to Automatic Contributions. The Automatic Contributions provided for in Section 5.05(c) shall be limited each Plan Year so as not to exceed the limits of Code Sections 401(a)(17), 402(g)(1), or 415.

(e) Default Investment. If an Eligible Participant does not direct the investment of the assets in his or her Account, including the Automatic Contributions and Match Contributions related thereto, then such assets will be invested in a Qualified Default Investment Alternative as provided for in Section 16.03.

(f) Notice Requirements for QACA Safe Harbor. The notice requirement is satisfied if each Eligible Participant is given an annual notice of his or her rights and obligations under the Plan and the notice provided satisfies the content requirement and the timing requirement as follows:

(i) The notice shall be sufficiently accurate and comprehensive to inform the Eligible Participant of the Eligible Participant's rights and obligations under the Plan and written in a manner calculated to be understood by the average Eligible Participant. The notice shall accurately describe: (1) the Match Contribution formula stated in Section 4.02; (2) any other contributions under the Plan and the conditions under which such contributions are made; (3) the type and amount of Compensation that may be deferred under the Plan; (4) how to make cash or deferred elections, including any administrative requirements that apply to such elections; (5) the periods available under the Plan for making cash or deferred elections; (6) withdrawal and vesting provisions applicable to contributions under the Plan; and (7) information that makes it easy to obtain additional information about, the Plan; provided that the notice requirement with respect to the information described in items (2), (3), and (4) may be satisfied by cross-reference to the applicable sections of the Plan's summary plan description. In addition, the notice shall accurately describe: (1) the Automatic Contributions that will be made on behalf of the Eligible Participant in the absence of an Affirmative Election; (2) the Eligible Participant's right to elect not to have the Automatic Contributions made on his or her behalf (or to elect to have Salary Reduction Contributions made in a percentage of Compensation different than that which is provided for in Section

5.05(c), at the percentage of Compensation specified in his or her Salary Reduction Agreement); and (3) how contributions made under the Automatic Contribution Arrangement will be invested in the absence of any investment election by the Eligible Participant. After receipt of the notice described in this paragraph, any Eligible Participant to whom the Automatic Contribution Arrangement relates must have a reasonable period of time before the first Automatic Contribution is made to exercise the rights set forth within the notice including, but not limited to, executing an Affirmative Election to override the Automatic Contributions provided for in Section 5.05(c).

(ii) If the notice is provided to Eligible Participants within a reasonable period before the beginning of each Plan Year (or in the Plan Year an Employee becomes eligible, within a reasonable period before the Employee becomes eligible), the Plan shall satisfy the notice requirements. Notwithstanding the foregoing general rule, a notice shall be deemed to have been provided in timely manner if the notice is provided to each Employee who is eligible to participate in the Plan for the Plan Year at least thirty (30) days but no more than ninety (90) days before the beginning of the Plan Year. If an Employee does not receive the notice because he or she only becomes eligible to participate in the Plan after the ninetieth day before the beginning of the Plan Year, the requirement to give the notice will be satisfied if the notice is provided not more than ninety (90) days before the Employee becomes eligible to participate in the Plan, but in no event later than the date the Employee becomes eligible to participate in the Plan.

(iii) The Plan may provide the notice in writing or by electronic means. If provided electronically, the notice must be no less understandable than a written paper document and at the time of delivery of the electronic notice, the Employee is advised that he or she may request to receive the notice in writing at no additional charge.

ARTICLE VI

PROVISIONS APPLICABLE TO TOP HEAVY PLANS

6.01 In General. For any Top Heavy Plan Year, the Plan shall provide the minimum contribution for Non-Key Employees described in Section 4.04.

If the Plan is or becomes a Top Heavy Plan, the provisions of this Article will supersede any conflicting provisions in the Plan.

6.02 Determination of Top Heavy Status.

(a) This Plan shall be a Top Heavy Plan for any Plan Year if any of the following conditions exists:

(i) If the top heavy ratio for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top heavy ratio for the group of plans exceeds 60 percent.

(iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top heavy ratio for the permissive aggregation group exceeds 60 percent.

(b) The Plan top heavy ratio shall be determined as follows:

(i) Defined Contribution Plans Only: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan, as defined in Code Section 408(k)) and the Employer has not maintained any defined benefit plan which during the 5-year period ending on the determination date(s) has or has had accrued benefits, the top-heavy ratio for this Plan alone or for the required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of the account balances of all Key Employees as of the determination date(s) (including any part of any account balance distributed in the 1-year period ending on the determination date(s) year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), and the denominator of which is the sum of all account balances (including any part of any account balance distributed in the 1-year period ending on the determination date(s)) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability), both computed in accordance with Code Section 416 and the regulations thereunder. Both the numerator and denominator of the top-heavy ratio are increased to reflect any contribution not actually made as of the determination date, but which is required to be taken into account on that date under Code Section 416 and the regulations thereunder.

(ii) Defined Contribution and Defined Benefit Plans: If the Employer maintains one or more defined contribution plans (including any Simplified Employee Pension Plan) and the Employer maintains or has maintained one or more defined benefit plans which during the 5-year period ending on the determination date(s) has or has had any accrued benefits, the top-heavy ratio for any required or permissive aggregation group, as appropriate, is a fraction, the numerator of which is the sum of account balances under the aggregated defined contribution plan or plans for all Key Employees, determined in accordance with (i) above, and the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees as of, the determination date(s), and the denominator of which is the sum of the account balances under the aggregated defined contribution plan or plans for all Participants, determined in accordance with (i) above, and the present value of accrued benefits under the defined benefit plan or plans for all Participants as of the determination date(s), all determined in accordance with Code Section 416 and the regulations thereunder. The accrued benefits under a defined benefit plan in both the numerator and denominator of the

top-heavy ratio are increased for any distribution of an accrued benefit made in the 1-year period ending on the determination date(s) (5-year period ending on the determination date in the case of a distribution made for a reason other than severance from employment, death or disability).

(iii) Determination of Values of Account Balances and Accrued Benefits: For purposes of (i) and (ii) above the value of Account balances and the present value of Accrued Benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Code Section 416 and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was Key Employee in a prior year, or (2) who has not had at least one Hour of Service with the Employer at any time during the 1-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code Section 416 and the regulations thereunder. Tax Deductible Voluntary Employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The Accrued Benefit of a Participant other than a Key Employee shall be determined under (i) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer; or (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code Section 411(b)(1)(C).

(c) Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Code Sections 401(a)(4) and 410.

(d) Required aggregation group: (i) Each qualified plan of the Employer in which at least one Key Employee participates or participated at any time during the determination period (regardless of whether the Plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Code Section 401(a)(4) or 410.

(e) Determination date: The last day of the preceding Plan Year.

(f) Present Value: Present value shall be based on the 1971 Group Annuity Table, unprojected for post-retirement mortality, with no assumption for pre-retirement withdrawal and interest at the rate of 5% per annum.

ARTICLE VII

LIMITATIONS ON ALLOCATIONS

(See Sections 7.12-7.16 for definitions applicable to this Article VII).

7.01 If the Participant does not participate in, and has never participated in another qualified plan, a welfare benefit fund (as defined in Code Section 419(e)), an individual medical account (as defined in Code Section 415(1)(2)) or a simplified employee pension (as defined in Code Section 408(k)), maintained by the Employer, the amount of Annual Additions which may be credited to the Participant's Accounts for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount contributed or allocated will be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

7.02 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount for a Participant on the basis of a reasonable estimation of the Participant's annual Compensation for the Limitation Year, uniformly determined for all Participants similarly situated.

7.03 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.04 Excess Annual Additions. Notwithstanding any provision of the Plan to the contrary, if the Annual Additions (within the meaning of Code Section 415) are exceeded for any Participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2021-30 or any superseding guidance, including, but not limited to, the preamble of the Final Treasury Regulations under Code Section 415.

7.05 (a) Aggregation and Disaggregation of Plans. Sections 7.06 through 7.11 apply if, in addition to this Plan, the Participant is covered under another qualified defined contribution plan, a welfare benefit fund, an individual medical account or a simplified employee pension maintained by the Employer during any Limitation Year. The term "Employer" for this purpose means the Employer that adopts this Plan and all members of a controlled group or an affiliated service group that includes the Employer (within the meaning of Code Sections 414(b), (c), (m) or (o)), except that for purposes of this Section, the determination shall be made by applying Code Section 415(h), and shall take into account tax-exempt organizations under Treasury Regulation Section 1.414(c)-5, as modified by Treasury Regulation Section 1.415(a)-1(f)(1). For purposes of this Section:

(i) A former Employer is a "predecessor employer" with respect to a Participant in a plan maintained by an Employer if the Employer maintains a plan under which the Participant had accrued a benefit while performing services for the former Employer, but only if that benefit is provided under the plan maintained by the Employer. For this purpose, the formerly affiliated plan rules in Treasury Regulation Section 1.415(f)-1(b)(2) apply as if the Employer and predecessor Employer constituted a single employer under the rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event that gives rise to the predecessor employer relationship, such as a transfer of benefits or plan sponsorship.

(ii) With respect to an Employer of a Participant, a former entity that antedates the Employer is a "predecessor employer" with respect to the Participant if, under the facts and circumstances, the employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(b) Break-Up of an Affiliate Employer or an Affiliated Service Group. For purposes of aggregating plans for Code Section 415, a "formerly affiliated plan" of an employer is taken into account for purposes of applying the Code Section 415 limitations to the Employer, but the formerly affiliated plan is treated as if it had terminated immediately prior to the "cessation of affiliation." For purposes of this paragraph, a "formerly affiliated plan" of an Employer is a plan that, immediately prior to the cessation of affiliation, was actually maintained by one or more of the entities that constitute the employer (as determined under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2)), and immediately after the cessation of affiliation, is not actually maintained by any of the entities that constitute the employer (as determined under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2)). For purposes of this paragraph, a "cessation of affiliation" means the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Treasury Regulation Section 1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the employer under the employer affiliation rules of Treasury Regulation Section 1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group).

(c) Midyear Aggregation. Two or more defined contribution plans that are not required to be aggregated pursuant to Code Section 415(f) and the regulations thereunder as of the first day of a Limitation Year do not fail to satisfy the requirements of Code Section 415 with respect to a Participant for the Limitation Year merely because they are aggregated later in that Limitation Year, provided that no Annual Additions are credited to the Participant's Account after the date on which the plans are required to be aggregated.

7.06 The Annual Additions which may be credited to a Participant's Accounts under this Plan for any such Limitation Year will not exceed the Maximum Permissible Amount reduced by the Annual Additions credited to a Participant's Account under the other plans, welfare benefit funds, individual medical accounts and simplified employee pensions for the same Limitation Year. If the Annual Additions with respect to the Participant under other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions maintained by the Employer are less than the Maximum Permissible Amount and the Employer contribution that would otherwise be contributed or allocated to the Participant's Accounts under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Permissible Amount. If the Annual Additions with respect to the Participant under such other defined contribution plans, welfare benefit funds, individual medical accounts and simplified employee pensions in the aggregate are equal to or greater than the Maximum Permissible Amount, no amount will be contributed or allocated to the Participant's Accounts under this Plan for the Limitation Year.

7.07 Prior to determining the Participant's actual Compensation for the Limitation Year, the Employer may determine the Maximum Permissible Amount in the manner described in Section 7.02.

7.08 As soon as is administratively feasible after the end of the Limitation Year, the Maximum Permissible Amount for the Limitation Year will be determined on the basis of the Participant's actual Compensation for the Limitation Year.

7.09 If, pursuant to Section 7.08, or as a result of the allocation of forfeitures, a Participant's Annual Additions under this Plan and such other plans would result in an Excess Amount for a Limitation Year, the Excess Amount will be deemed to consist of the Annual Additions last allocated, except that Annual Additions attributable to a simplified employee pension will be deemed to have been allocated first, followed by Annual Additions to a welfare benefit fund or individual medical account, regardless of the actual allocation date.

7.10 If an Excess Amount was allocated to a Participant on an allocation date of this Plan which coincides with an allocation date of another plan, the Excess Amount attributed to this Plan will be the product of:

(a) the total Excess Amount allocated as of such date, times

(b) the ratio of (A) the Annual Additions allocated to the Participant for the Limitation Year as of such date under this Plan to (B) the total Annual Additions allocated to the Participant for the Limitation Year as of such date under this and all the other qualified defined contribution plans.

7.11 Any Excess Amount attributed to this Plan will be disposed of in the manner described in Section 7.04.

(Sections 7.12 - 7.16 are definitions used in this Article VII).

7.12 Annual Additions. The sum of the following amounts credited to a Participant's Accounts for the Limitation Year except as otherwise provided below.

(a) Employer contributions (including Salary Reduction Contributions);

(b) Employee contributions;

(c) forfeitures; and

(d) allocations under a simplified employee pension.

Employee and Employer make-up contributions under USERRA received during the current Limitation Year shall be treated as Annual Additions with respect to the Limitation Year to which the make-up contributions are attributable.

For this purpose, any Excess Amount applied under Section 7.11 in the Limitation Year to reduce Employer contributions will be considered Annual Additions for such Limitation Year.

Amounts allocated to an individual medical account, as defined in Code Section 415(1)(2), which is part of a defined benefit pension plan maintained by the Employer, are treated as Annual Additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued, which are attributable to post-retirement medical benefits allocated to the separate account of a Key Employee, as defined in Code Section 419(A)(d)(3), or under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer, are treated as Annual Additions to a defined contribution plan.

Restorative Payments. Annual Additions shall not include restorative payments. A restorative payment is a payment made to restore losses to a Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty under ERISA or under other applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are restorative payments only if the payments are made in order to restore some or all of the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). This includes payments to a plan made pursuant to a Department of Labor order, the Department of Labor's Voluntary Fiduciary Correction Program, or a court-approved settlement, to restore losses to a qualified defined contribution plan on account of the breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Payments made to the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a

reasonable risk of liability for breach of a fiduciary duty under ERISA are not restorative payments and generally constitute contributions that are considered Annual Additions.

Other Amounts. Annual Additions shall not include: (1) The direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (2) Rollover contributions (as described in Code Section 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16)); (3) Repayments of loans made to a Participant from the Plan; (4) Catch-up Contributions; and (5) Repayments of amounts described in Code Section 411(a)(7)(B) (in accordance with Code Section 411(a)(7)(C)) and Code Section 411(a)(3)(D), as well as Employer restorations of benefits that are required pursuant to such repayments, as provided for in Section 13.11.

7.13 Defined Contribution Dollar Limitation. $70,000 (in 2025) as adjusted for increases in the cost of living in accordance with Code Section 415(d).

7.14 Employer. For purposes of this Article, Employer shall mean the Employer that adopts this Plan and all members of a controlled group of corporations (as defined in Code Section 414(b) as modified by Section 415(h)), all trades or business under common control (as defined in Code Section 414(c) as modified by Code Section 415(h)), or all members of an affiliated service group (as defined in Code Section 414(m)) of which the Employer is a part, and any other entity required to be aggregated with the Employer pursuant to Code Section 414(o) and the regulations thereunder.

7.15 Excess Amount. The excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.

7.16 Maximum Permissible Amount. The maximum Annual Addition that may be contributed or allocated to a Participant's Accounts under the Plan for any Limitation Year shall not exceed the lesser of:

(a) the Defined Contribution Dollar Limitation; or

(b) 100 percent of the Participant's Compensation for the Limitation Year.

The Compensation limitation referred to in (ii) shall not apply to any contribution for medical benefits (within the meaning of Code Section 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition under Code Section 415(c)(1) or 419A(d)(2).

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum permissible amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

ARTICLE VIII

PARTICIPANT ACCOUNTS AND VALUATION OF ASSETS

8.01 Participant Accounts. The Plan Administrator or its agent shall establish a separate recordkeeping account for each Participant showing the fair market value of his or her Plan benefits. Each Participant's account may be separated for recordkeeping purposes into the following sub-accounts: 401(k) Account, Roth Elective Deferral Account, Match Contribution Account, Non-Elective Employer Contribution Account, Regular Account, Rollover Account, Tax Deductible Contribution Account and Voluntary Contribution Account and such other accounts as the Plan Administrator shall deem appropriate for each Participant to account for the Participant's Accrued Benefit. All contributions by or on behalf of a Participant shall be deposited to the appropriate Account.

The Plan Administrator shall instruct the Trustee to credit all appropriate amounts to each Participant's Accounts. The Plan Administrator shall keep records, which shall include the Account balances of each Participant.

8.02 Valuation of Trust Fund. As of each Valuation Date the Trustee shall determine (or cause to be determined) the net worth of the assets of the Trust Fund and report such value to the Plan Administrator in writing. In determining such net worth, the Trustee shall evaluate the assets of the Trust Fund at their fair market value as of such Valuation Date. In making any such valuation of the Trust Fund, the Trustee shall not include any contributions made by the Employer, which have not been allocated to Participant Accounts prior to such Valuation Date.

ARTICLE IX

401(k) ALLOCATION LIMITATIONS

9.01 Average Actual Deferral Percentage Tests. This Plan will be treated as meeting the actual deferral percentage test set forth in Code Section 401(k)(3)(A)(ii) in each Plan Year with respect to which the Qualified Automatic Contribution Arrangement provisions of this Plan remain in effect.

9.02 Maximum Salary Reduction Contributions. No Employee shall be permitted to have Salary Reduction Contributions made under this Plan, other than Catch-up Contributions, during any calendar year in excess of the applicable dollar amount under Code Section 402(g).

9.03 Participant Excess Elective Deferral Claims. Participants under other plans described in Code Sections 401(k), 408(k) or 403(b) may submit a claim to the Plan Administrator specifying the amount of their Excess Elective Deferral. Such claim shall: (a) be in writing; (b) be submitted no later than March 1 of the year after the Excess Elective Deferral was made; and (c) state that such amount, when added to amounts deferred under other plans described in Code Sections 401(k), 408(k) or 403(b), exceeds the applicable dollar amount under Code Section 402(g)).

9.04 Distribution of Excess Elective Deferrals. Excess Elective Deferrals adjusted for allocable income (gain or loss), but NOT including any adjustment for income or loss for the period between the end of the Plan Year and the date of the distribution (the "gap period"), shall be distributed to the affected Participant no later than the April 15th date following the calendar year in which such Excess Elective Deferrals were made.

The Plan Administrator may use any reasonable method for computing the income or loss allocable to Excess Elective Deferrals, provided that the method does not violate Code Section 401(a)(4), is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan in allocating income to Participant's Accounts. A Plan will not fail to use a reasonable method for computing the income or loss allocable to Excess Elective Deferrals merely because the income allocable to Excess Elective Deferrals determined on a date that is no more than seven (7) days before the distribution.

The Plan Administrator may adopt a uniform written administrative policy that permits a Participant (including a Highly Compensated Employee) who has made Salary Reduction Contributions for a year where such contributions include both pre▼tax Elective Deferrals and Roth Elective Deferrals to elect whether the Excess Elective Deferrals, are to be attributed to Pre-tax Elective Deferrals or Roth Elective Deferrals or a combination of the two. In the event that no such administrative policy is adopted, Excess Elective Deferrals will be first attributed to Pre-tax Elective Deferrals, and if such pre-tax contributions are not in an amount sufficient to make full correction, will then be attributed to Roth Elective Deferrals.

No distribution of an Excess Elective Deferral shall be made unless the correcting distribution is made after the date on which the Plan received the Excess Elective Deferral and both the Participant and the Plan designates the distribution as a distribution of an Excess Elective Deferral.

Notwithstanding any provision of this Plan to the contrary, any Match Contributions plus earnings that are attributable to any Excess Elective Deferrals that have been refunded shall be forfeited. All such forfeitures shall be treated as arising in the Plan Year after that in which the refunded Excess Elective Deferrals were made and shall be used to reduce future Employer Match Contributions.

9.05 Operation in Accordance With Regulations. The determination and treatment of Excess Elective Deferrals shall be made in accordance with such additional requirements as may be prescribed by the Secretary of the Treasury.

ARTICLE X

401(m) ALLOCATION LIMITATIONS

10.01 Average Contribution Percentage Tests. This Plan will be treated as meeting the actual contribution percentage test set forth in Code Section 401(m)(2) in each Plan Year with respect to which the Qualified Automatic Contribution Arrangement provisions of this Plan remain in effect.

ARTICLE XI

IN-SERVICE WITHDRAWALS

11.01 Withdrawals from Tax Deductible Contribution or Voluntary Contribution Accounts. A Participant shall have the right at any time to request the Plan Administrator for a withdrawal in cash of amounts in his or her Tax Deductible Contribution Account or Voluntary Contribution Account.

11.02 Withdrawals upon Total and Permanent Disability. At any time after a Participant becomes Totally and Permanently Disabled, a Participant shall have the right to request the Plan Administrator for a withdrawal in cash of amounts from the vested portion of his or her Match Contribution Account, 401(k) Account, or Roth Elective Deferral Account. A Participant who is Totally and Permanently Disabled may also withdraw any part or all of the vested portion of his or her Non-Elective Employer Contribution Account.

11.03 Withdrawals After Age 59½. At any time after a Participant attains Age 59½, a Participant who is an Eligible Employee shall have the right to request the Plan Administrator for a withdrawal in cash of amounts from the vested portion of his or her Match Contribution Account, 401(k) Account, or Roth Elective Deferral Account. A Participant who has attained age 59½ may also withdraw any part or all of the vested portion of his or her Non-Elective Employer Contribution Account.

11.04 Withdrawals for Financial Hardship. A Participant who is an Eligible Employee shall have the right at any time to ask the Plan Administrator for a hardship distribution in cash from his or her Salary Reduction Contributions with earnings thereon and from the 401(k) Employer Contributions made by the Employer to the Plan on his or her behalf with earnings thereon, in an amount necessary to satisfy an immediate and heavy financial need of the Eligible Employee.

A distribution is deemed to be made on account of an immediate and heavy financial need of the Eligible Employee only if the Participant certifies that the distribution is for —

(a) Expenses for (or necessary to obtain) medical care that would be deductible under Code Section 213(d), determined without regard to the limitations in Code Section 213(a) (relating to the applicable percentage of adjusted gross income and the recipients of the medical care) provided that, the recipient of the medical care is the Eligible Employee, the Eligible Employee's Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B)).

(b) Costs directly related to the purchase of a principal residence for the Eligible Employee (excluding mortgage payments);

(c) Payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Eligible Employee, for the Eligible Employee's Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(b)(1), (b)(2) and (d)(1)(B));

(d) Payments necessary to prevent the eviction of the Eligible Employee from the Eligible Employee's principal residence or foreclosure on the mortgage on that residence;

(e) Payments for burial or funeral expenses for the Eligible Employee's deceased parent, Spouse, child or dependent (as defined in Code Section 152 without regard to Code Section 152(d)(1)(B));

(f) Expenses for the repair of damage to the Eligible Employee's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to Code Section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income); or

(g) Expenses and losses (including loss of income) incurred by the Eligible Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. 100-707, provided that the Eligible Employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A distribution is necessary to satisfy an immediate and heavy financial need of the Eligible Employee only to the extent the amount of the distribution is not in excess of the amount required to satisfy the financial need (plus any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution). The Plan Administrator may rely on the Eligible Employee's representation unless the Plan Administrator has actual knowledge to the contrary.

A distribution is not necessary to satisfy an immediate and heavy financial need of an Eligible Employee unless the Eligible Employee has obtained all other currently available distributions (other than hardship distributions or nontaxable loans, determined at the time that the loan is made) under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer and its Affiliates. In addition, the Eligible Employee must represent (in writing, by an electronic medium, or in such other form as may be prescribed by the Commissioner of the Internal Revenue Service) that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need. The Plan Administrator may rely on the Eligible Employee's representation unless the Plan Administrator has actual knowledge to the contrary.

Prior to January 1, 2019, the Plan provided for a 6-month suspension of an Eligible Employee's Salary Reduction Contributions after the receipt of a hardship distribution as a condition of obtaining the hardship distribution. An Eligible Employee who received a hardship distribution in the second half of the Plan Year ended 2018 will be prohibited from making contributions until January 1, 2019. If any such Eligible Employee made an Affirmative Election, Salary Reduction Contributions, if any, under the Affirmative Election shall resume as of January 1, 2019. If any such any Eligible Employee did not make an Affirmative Election, Automatic Contributions shall resume with respect to such Eligible Employee as of January 1, 2019 subject to the provisions of Section 5.05.

To obtain a hardship distribution, an Eligible Participant shall complete the Plan's application process and provide any required documentation. The Plan Administrator may also impose additional non-discriminatory conditions on hardship distributions, including a minimum dollar amount for the hardship distribution. The processing of applications and any distributions of amounts under this Section shall be made as soon as administratively feasible.

A Participant who receives a withdrawal under this Section 11.04 which was to be used for the purchase or construction of his or her principal residence in a qualified disaster area, but which was not so used on account of a qualified disaster with respect to such area, and which was received during the period from 180 days before the first day of the incident period of such qualified disaster and ending on the date which is 30 days after the end of the incident period, may repay the withdrawal to the Plan within 180 days from the first day of the incident period (or the date of the disaster declaration, if later). For this purpose, the terms "qualified disaster area," "qualified disaster," and "incident period" shall have the meaning specified in Section 11.09 below.

11.05 Withdrawals from Regular or Rollover Accounts. A Participant may elect to withdraw up to 100 percent of the amount then credited to his or her Regular or Rollover Account in cash. Such withdrawals may be made at any time.

In the case of a withdrawal from a Rollover Account, if necessary to comply with the joint and survivor rules of Code Sections 401(a)(11) and 417, the Plan Administrator shall require the consent of any Participant's spouse before making any in-service withdrawal. Any such consent shall satisfy the requirements of Section 13.08.

11.06 Emergency Personal Expense Distributions. A Participant may request one emergency personal expense distribution from his or her vested Account during a Plan Year in an amount not to exceed the lesser of: (a) one thousand dollars ($1,000) or (b) an amount equal to the excess of the Participant's vested Account as of the date of the distribution over one thousand dollars ($1,000). Notwithstanding the preceding, a Participant who receives an emergency personal expense distribution under this Section 11.06 may not receive another such distribution during the following three Plan Years unless the distribution is fully repaid as provided below or unless, after the date of the distribution, the Participant makes Salary Reduction Contributions to the Plan at least equal to the amount of the distribution which has not been repaid.

For this purpose, an "emergency personal expense distribution" means a distribution to the Participant for the purpose of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may rely on the Participant's certification that the distribution is an emergency personal expense distribution under this Section 11.06.

A Participant who receives a distribution under this Section 11.06 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.07 Qualified Birth or Adoption Withdrawals. A Participant may request a distribution from his or her vested Account, provided the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliate does not exceed five thousand dollars ($5,000), and provided such distribution is made during the one-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. A Participant may receive a distribution pursuant to this Section 11.07 for each child born to or eligible adoptee adopted by the Participant. For this purpose, "eligible adoptee" means an individual (other than a child of the Participant's spouse) who has not attained age eighteen or is physically or mentally incapable of self-support.

A Participant who receives a qualified birth or adoption distribution under this Section 11.07 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.08 Domestic Abuse Withdrawals. A Participant who is the victim of domestic abuse may request a distribution from his or her vested Account, provided the aggregate amount of such distributions from all plans maintained by the Employer and its Affiliates does not exceed the lesser of: (a) ten thousand three hundred dollars ($10,300) (as adjusted annually after 2025) or (b) fifty percent (50%) of the Participant's Account, and provided such distribution is made during the one-year period beginning on the date on which the Participant is a victim of domestic abuse by a spouse or domestic partner.

For this purpose, "domestic abuse" means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate or intimidate the Participant, or to undermine the Participant's ability to reason independently, including by means of abuse of the Participant's child or another family member living in the household. The Plan Administrator may rely on the Participant's certification of eligibility for a distribution under this Section 11.08.

A Participant who receives a distribution under this Section 11.08 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.09 Withdrawals in the Event of Qualified Federally Declared Disasters. A Participant may request a qualified disaster recovery distribution from his or her vested Account, provided that the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliates does not exceed twenty-two thousand dollars ($22,000). For this purpose:

(a) A "qualified disaster recovery distribution" means a distribution to the Participant on or after the first day of the incident period of such qualified disaster and before the date that is one hundred eighty (180) days after the applicable date with respect to such disaster, and the Participant whose principal place of abode at any time during the incident period of the qualified disaster is located in the qualified disaster area with respect to such qualified disaster and who has sustained an economic loss by reason of such qualified disaster.

(b) A "qualified disaster" means any disaster with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the "Stafford Act"), other than an area which is a qualified disaster area solely because of section 301 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020.

(c) A "qualified disaster area" means, with respect to any qualified disaster, the area with respect to which the major disaster was declared under the Stafford Act.

(d) The “incident period” means, with respect to any qualified disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.

(e) The “applicable date” means the later of the first day of the incident period with respect to the qualified disaster or the date of the disaster declaration with respect to the qualified disaster.

A Participant who receives a distribution under this Section 11.09 and who is eligible to make a rollover contribution to the Plan under Section 5.03 may, at any time during the three-year period beginning on the day after the date on which such distribution is received, make one or more repayment contributions to the Plan, not to exceed in the aggregate the amount of the distribution. Any such repayment to the Plan shall be treated as a rollover for purpose of Section 5.03.

11.10 COVID Relief.

(a) With respect to loans under Article XII made to qualified individuals on or after May 4, 2020 and before September 23, 2020, the $50,000 and 50% limits in Section 12.01 were increased to $100,000 and 100%; provided, however, that such loans remained subject to applicable limits on the number of loans a Participant may have outstanding.

(b) Any qualified individual who had a loan outstanding on or after April 27, 2020 was permitted to request that his or her loan payments due during the period following such request and through December 31, 2020 be deferred through December 31, 2020. In the event of such deferral, the loan was re-amortized after December 31, 2020 to reflect interest accruing during the delay, and payments recommenced for the remainder of the loan period, plus one year.

(c) On or after April 5, 2020 and before December 31, 2020, any qualified individual was permitted to request a distribution from his or her vested Account under the Plan; provided that the aggregate amount of such distributions from all plans maintained by the Employer and any Affiliates could not exceed $100,000.

(i) Such distribution was not treated as an eligible rollover distribution for purposes of Code Sections 401(a)(31), 402(f) and 3405.

(ii) Any qualified individual who received such a distribution from the Plan, or any other “eligible retirement plan” as defined in Code Section 402(c)(8)(B), was permitted, at any time during the three (3)-year period beginning on the day after the date on which such distribution was received, to make one or more repayment contributions to the Plan. Any such repayment to the Plan was treated as a rollover for purpose of Section 5.03.

(d) A "qualified individual" for purposes of this Section 11.10 means an Employee:

(i) who was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively herein as "COVID-19") by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act);

(ii) whose spouse or dependent (as defined in section 152 of the Code) was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act;

(iii) who experienced adverse financial consequences as a result of:

(A) being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19;

(B) being unable to work due to lack of childcare due to COVID-19; or

(C) closing or reducing hours of a business owned or operated by the Employee due to COVID-19; or

(iv) who experienced adverse financial consequences as a result of:

(A) having a reduction in pay (or self-employment income) due to COVID-19 or having a job offer rescinded or start date for a job delayed due to COVID-19;

(B) the Employee's spouse or a member of the Employee's household being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of childcare due to COVID-19, having a reduction in pay (or self-employment income) due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19; or

(C) closing or reducing hours of a business owned or operated by the Employee's spouse or a member of the Employee's household due to COVID-19.

For purposes of this subsection (d), a member of the Employee's household is someone who shares the Employee's principal residence. The Plan Administrator was permitted to rely on an Employee's certification that he or she satisfies the conditions to be a qualified individual.

This Section 11.10 was interpreted at all times in accordance with applicable guidance including, but not limited to, the Coronavirus Aid, Relief, and Economic Security Act and IRS Notice 2020-50.

11.11 Rules for In-Service Withdrawals. The Plan Administrator may impose a dollar minimum for partial withdrawals and may implement on a uniform and nondiscriminatory basis, an ordering rule for in-service withdrawals from a Participant's Account. If the amount in the Participant's appropriate Account is less than the minimum, the Plan Administrator shall pay the Participant the entire amount then in the Participant's Account from which the withdrawal is to be made if a withdrawal of the entire amount is otherwise permissible under the rules set forth in this Article. If the entire amount cannot be paid under such rules, whatever amount is permissible shall be paid.

Withdrawals shall be distributed as soon as administratively practicable following receipt of the written request by the Plan Administrator.

ARTICLE XII

PLAN LOANS

12.01 General Rules. Upon the application of any Participant or Beneficiary, the Plan Administrator may enter into a loan agreement with such person and authorize the Trustee to make a loan pursuant thereto. The amount of any such loan and the provisions for its repayment shall be in accordance with such non-discriminatory rules and procedures as are adopted by the Plan Administrator and uniformly applied to all borrowers. Such written procedures shall be part of this Plan document.

Applications for loans will be made to the Plan Administrator using forms provided by the Plan Administrator. Loan applications meeting the requirements of this Article will be granted and all borrowers must execute a promissory note meeting the requirements of this Article.

Plan loans shall be granted on a uniform nondiscriminatory basis, so that they are available to all borrowers on a reasonably equivalent basis and are not made available to highly compensated Employees or officers of the Employer in an amount greater than the amount made available to other Employees. Loans will be made available to Former Participants to the extent required by regulations issued by the Department of Labor under ERISA Section 408(b) and to other participants as needed to satisfy Code Section 401(a)(4) and the regulations thereunder. Such loans shall be adequately secured, shall bear a reasonable rate of interest and shall provide for periodic repayment over a reasonable period of time, all in accordance with the Plan Administrator's rules and procedures for Plan loans.

To the extent required under Code Sections 401(a)(11) and 417 and the regulations thereunder, a Participant must obtain the consent of his or her spouse, if any, within the 180-day period before the time the Participant's Accrued Benefit is used as security for a Plan loan. A new consent is required if the Accrued Benefit is used for any increase in the amount of security. The consent shall comply with the requirements of Code Section 417, but shall be deemed to meet any requirements contained in such section relating to the consent of any subsequent spouse.

If the Plan Administrator approves a request for a loan, funds shall be withdrawn from the recordkeeping sub-accounts, including Roth Elective Deferrals, in the order specified in the loan policy, provided that Tax Deductible Voluntary Contributions, plus earnings thereon, may not be used as security for Plan loans.

The Plan Administrator may not require a minimum loan amount greater than $1,000.

No loan shall be made to the extent such loan when added to the outstanding balance of all other loans to the borrower would exceed one-half ($^1/_2$) of the present value of the nonforfeitable Accrued Benefit of the borrower under the Plan (but not more than $50,000 reduced by the difference between the highest outstanding balance during the previous 365 days and the current outstanding balance).

For purposes of calculating the above limitations, all loans and accrued benefits from all plans of the Employer and other members of a group of employers described in Code Sections 414(b), (c) and (m) are aggregated.

No loan shall be granted to any borrower or other person who already has a total of two loans or more outstanding under this Plan or any other plan maintained by the Employer or who is in default on any loan.

The Plan Administrator may direct the Trustee to deduct from a Participant's Accounts under the Plan a reasonable fee (as determined by the Plan Administrator) to offset the cost of processing and administering the loan.

12.02 Loan Repayments. The borrower shall repay any loan in accordance with the loan agreement. Loans shall provide for periodic repayment, with payment to be no less frequent than quarterly over a period not to exceed five (5) years; provided, however, that loans used to acquire any dwelling unit which, within a reasonable time, is to be used (determined at the time the loan is made) as a principal residence of a Participant, may provide for periodic repayment, with payment to be no less frequent than quarterly over a reasonable period of time that exceeds five (5) years.

In the event the loan is not repaid within the time period prescribed, the Plan
Administrator shall direct the Trustee to deduct the total amount due and payable, plus interest thereon, from distributable amounts in the borrower's Accounts. If distributable amounts in the borrower's Accounts are not sufficient to repay such amount, the Plan Administrator shall enforce the terms of any agreement providing additional security for the loan and shall pursue such other remedies available at law to collect the indebtedness.

In the event of a loan default, attachment of the borrower's Accrued Benefit will not occur until a distributable event occurs in the Plan. Default shall occur upon the earlier of any uncured failure to make payments in accordance with the promissory note or the death of the borrower.

Loan repayments will be suspended under this Plan as permitted under Code Section 414(u)(4).

ARTICLE XIII

RETIREMENT, TERMINATION AND DEATH BENEFITS

13.01 Retirement or Termination from Service. The Accrued Benefit of each Employee who was hired prior to December 2, 1986 and who became a Participant in the Plan on or prior to January 1, 1989, shall be 100% vested and nonforfeitable at all times. The Regular Account of Employees who are hired on or after December 2, 1986 and who become Participants after December 31, 1988 shall vest according to the following schedule:

Completed Years of Service	Vested Percentage
Less Than 2	0
2	25
3	50
4	75
5	100

The Match Contribution and Non-Elective Employer Contribution Accounts of each Employee who was hired after December 1, 1986 shall be 50% vested and nonforfeitable after the completion of one Year of Service and 100% vested and nonforfeitable after the completion of two Years of Service. Provided, however, that the Match Contribution and Non-Elective Employer Contribution Accounts of such Employees shall be 100% vested and nonforfeitable at all times for such Employees who completed at least one Hour of Service on or before December 31, 2004. Notwithstanding the foregoing provisions of this paragraph, the Match Contribution and Non-Elective Employer Contribution Accounts of each Employee whose employment with The Hanover Insurance Company was terminated in connection with the sale of Citizen's Management, Inc. on or about April 30, 2012 shall be 100% vested and nonforfeitable upon his or her termination of employment. Notwithstanding the foregoing provisions of this paragraph, the Match Contribution and Non-Elective Employer Contribution Accounts of each of the following two Employees whose employment with The Hanover Insurance Company was terminated in connection with a transaction between AIX and First Community Insurance Company pursuant to a certain Market Facilitation Agreement dated February 14, 2013 shall be 100% vested and nonforfeitable upon his or her termination of employment: Peggy Carreira and Maida Pacheco.

Any amendment to the above provisions of this Section, including the above vesting schedule, shall comply with the requirements of Section 19.03.

Notwithstanding the foregoing, each actively employed Participant's Accrued Benefit shall become 100% vested and nonforfeitable when the Participant attains his or her Normal Retirement Age, dies, or becomes Totally and Permanently Disabled.

The Salary Reduction Contributions, Employer Match Contributions contributed to the Plan for Plan Years commencing prior to January 1, 2005, 401(k) Employer Contributions, Tax Deductible Contributions and Voluntary After-Tax Contributions of all Participants, plus earnings thereon, shall be 100% vested and nonforfeitable at all times.

Upon a Participant's attainment of his or her Normal Retirement Age or termination of employment, the Participant shall be entitled to a benefit that can be provided by the value of his or her vested Accrued Benefit in accordance with the provisions of this Article.

The Plan Administrator shall notify the Trustee when the Normal Retirement Age or termination of employment of each Participant shall occur and shall also advise the Trustee as to the manner in which retirement or termination benefits are to be distributed to a Participant, subject to the provisions of this Article. Upon receipt of such notification and subject to the other provisions of this Article, the Trustee shall take such action as may be necessary in order to distribute the Participant's vested Accrued Benefit.

A Participant whose employment status changes from that of a common law employee to that of a "leased employee" within the meaning of Code Section 414(n) shall not be considered to have a severance from employment for the purposes of this Section and this Article (unless the safe harbor plan requirements described in Code Section 414(n)(5) are met).

13.02 Late Retirement Benefits. If a Participant shall continue in active employment following his or her Normal Retirement Age, he or she shall continue to participate under the Plan and Trust. Except as provided in Section 13.06, upon actual retirement such Participant shall be entitled to a benefit that can be provided by the value of his or her Accrued Benefit. Late Retirement benefits shall be distributed in accordance with the further provisions of this Article.

13.03 Death Benefits. If a Participant or Former Participant shall die prior to the commencement of any benefits otherwise provided under this Article XIII, except as provided below, his or her Beneficiary shall be entitled to a lump sum death benefit equal to the vested amount credited to the Participant's Account as of the date the Plan Administrator receives due proof of the Participant's death. In lieu of receiving benefits in a lump sum, a Beneficiary may elect to receive benefits under any applicable option described in Section 13.06.

Notwithstanding anything in the Plan to the contrary, if a Participant or Former Participant is married on the date of his or her death, Plan pre-retirement death benefits will be paid to the Participant's or Former Participant's then spouse unless such spouse has consented to payment to another Beneficiary, as provided in Section 13.08.

Notwithstanding the first paragraph, if a Rollover Account is being maintained for a married Participant who dies prior to the commencement of Plan benefits and if any portion of the amount in the Rollover Account is attributable to amounts transferred directly (or indirectly from another transferee Plan) to this Plan from a defined benefit pension plan, from a money purchase pension plan or from a stock bonus or profit sharing plan which would otherwise provide for a life annuity form of payment to the Participant, the amount in the Rollover Account will be used to purchase a life annuity for the Participant's spouse unless the Participant has requested that the Rollover Account be distributed in a different form or be paid to another Beneficiary. Any such request must be made during the election period, which shall begin on the first day of the Plan Year in which the Participant attains Age 35 and shall end on the date of the Participant's death. If a Participant severs employment prior to the first day of the Plan Year in which Age 35 is attained, with respect to the value of the Rollover Account as of the date of separation, the election period shall begin on the date of separation. Any such request must be consented to by the Participant's spouse. To be effective, the spousal consent must meet the requirements of Section 13.08. Any annuity provided with a portion of Participant's Rollover Account in accordance with this paragraph shall be payable for the life of the Participant's spouse and shall commence on the date the Participant would have attained Age 55 or, if the Participant was over Age 55 on the date of his or her death, such life annuity shall commence immediately. At the request of the spouse, such Rollover Account may be used to purchase a life annuity or may be taken in another form allowed under the Plan at an earlier or later commencement date.

If a Participant shall die subsequent to the commencement of any benefit otherwise provided under this Article XIII, the death benefit, if any, shall be determined in accordance with the benefit option in effect for the Participant.

The Plan Administrator may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Accounts of a deceased Participant or a deceased Former Participant, as the Administrator deems necessary. The Administrator's determination of death and of the right of any person to receive payment shall be conclusive and binding on all persons.

All distributions required under this section on account of the Participant's or Former Participant's death shall be determined and made in accordance with Code Section 401(a)(9) and guidance issued thereunder. Effective for any Participant who dies on or after January 1, 2020 and before distribution of the Participant's entire Accrued Benefit, and notwithstanding anything herein to the contrary:

(a) if the distributee of a deceased Participant's Accrued Benefit is a designated Beneficiary who is not an eligible designated beneficiary, then the Plan will distribute the Participant's Accrued Benefit in full no later than December 31 of the tenth year following the year of the Participant's death;

(b) the Plan will distribute the Participant's Accrued Benefit in accordance with Code Section 401(a)(9)(B)(iii) only if the distributee of the deceased Participant's Accrued Benefit is an eligible designated beneficiary; and

(c) if an eligible designated beneficiary dies before receiving distribution of the Beneficiary's entire interest in the Participant's Accrued Benefit, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the eligible designated beneficiary's death. Similarly, if a Participant died before January 1, 2020, the limitations of this section shall apply to distributions to the beneficiary of the Participant's designated Beneficiary who dies on or after January 1, 2020 and the Participant's designated Beneficiary shall be treated as an eligible designated beneficiary for purposes of Code Section 401(a)(9)(H)(ii);

provided, however, that these rules shall be interpreted in a manner consistent with the SECURE Act 1.0 and guidance issued thereunder. For this purpose, "eligible designated beneficiary" means an individual who qualifies as a designated beneficiary under section 401(a)(9)(E) of the Code and is (i) the Participant's spouse; (ii) the Participant's child who has not reached the age of majority (as defined for purposes of section 401(a)(9)(F) of the Code); (iii) an individual not more than ten years younger than the Participant; (iv) a disabled individual (as defined in section 72(m)(7) of the Code); or (v) an individual who has been certified to be chronically ill (as defined in section 7702B(c)(2) of the Code) for a reasonably lengthy period, or indefinitely.

Effective January 1, 2024, if the Participant's designated beneficiary is the Participant's surviving spouse, the surviving spouse may elect to be treated as the Employee in which case the date on which such distributions are required to begin shall not be earlier than the date on which the Employee would have attained the applicable age and, if the surviving spouse dies before distributions to such spouse begin, these rules shall be applied as if the surviving spouse is the Employee.

13.04 Death Benefits Under USERRA. In the case of a Participant who dies while performing qualified military service as defined in Code Section 414(u), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

13.05 Designation of Beneficiary. Each Participant shall designate his or her Beneficiary on a form provided by the Plan Administrator, and such designation may include primary and contingent beneficiaries; provided, however, that if a Participant or Former Participant is married on the date of his or her death, the Participant's then spouse shall be the Participant's Beneficiary unless such spouse consented to the designation of another Beneficiary in accordance with Section 13.08. If a Participant does not designate a Beneficiary and is not married at the date of his or her death, the estate of the Participant shall be deemed to be the designated Beneficiary. If a Participant has completed a Beneficiary designation in which the Participant designates his or her spouse as the Beneficiary, and the Participant and the Participant's spouse are legally divorced subsequent to the date of such designation, then the designation of such spouse as a Beneficiary hereunder will be deemed null and void unless the Participant, subsequent to the legal divorce, reaffirms the designation by completing a new Beneficiary designation form, with the consent of his or her then spouse.

A designated Beneficiary shall include a non-spouse designated Beneficiary. For this purpose, a non-spouse designated Beneficiary means a designated Beneficiary other than (a) a surviving spouse (as defined in Section 13.08) or (b) a spouse or former spouse who is an Alternate Payee under a Qualified Domestic Relations Order.

13.06 Distribution of Benefits. The Plan Administrator shall direct the Trustee to make payment of any benefits provided under this Article XIII within 60 days of the event giving rise to distribution of such benefit, or as soon thereafter as administratively practicable.

All distributions under this Plan will be made in accordance with Code Section 401(a)(9), including the incidental death benefit requirements of Code Section, §401(a)(9)G, Treasury Regulations Sections 1.401(a)(9)-2 through 1.401(a)(9)-9, and any other provisions reflecting Code Section 401(a)(9) that are prescribed in revenue rulings, notices and other guidance published in the Internal Revenue Bulletin. The Plan provisions reflecting Code Section 401(a)(9) shall override any distribution options set out in the Plan that are inconsistent with Code Section 401(a)(9).

Unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the latest of the close of the Plan Year in which:

(a) the Participant attains Age 65;

(b) occurs the 10th anniversary of the year in which the Participant commenced participation in the Plan; or,

(c) the Participant terminates service with the Employer.

Notwithstanding the foregoing, the failure of a Participant and spouse to consent to a distribution when a benefit is immediately distributable, within the meaning of Section 13.12, shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Section. Except as provided in this Article, in no event will benefits begin to be distributed prior to the later of Age 62 or Normal Retirement Age without the consent of the Participant.

Except as provided below and in Sections 13.03, 13.07, 13.11 and 13.12, if benefits become payable to a Participant as a result of termination of employment or retirement, the Participant's vested Accrued Benefit shall be distributed by the Trustee in such manner as the Participant shall direct, in accordance with one or more of the options listed below. Provided, however, that a married Participant may not elect an option involving a life contingency without the consent of his or her spouse. To be effective, the spousal consent must meet the requirements of Section 13.08.

Notwithstanding the foregoing, if on the date of severance from employment of a married Participant prior to the attainment of his or her Qualified Early Retirement Age, a Rollover Account as described in Section 13.03 is being maintained for the Participant, such Account will remain in force until the Former Participant attains Age 55 when, if the Former Participant is then married, the value of such Rollover Account will be used to purchase a Qualified Joint and Survivor Annuity for the benefit of the Former Participant and his or her then spouse. At any time prior to the date of purchase, the Former Participant may request that his or her Rollover Account be distributed under one or more of the options listed below; provided, however, that if the Former Participant is married on the date of the request, the Former Participant's then spouse must consent thereto. To be effective, the spousal consent must meet the requirements of Section 13.08. If a Former Participant who was married on the date of his or her severance from employment is not married at Age 55, at Age 55 the Former Participant's Rollover Account (as described in Section 13.03) shall be distributed by the Trustee in such manner as the Former Participant shall direct, in accordance with one or more of the options listed below. If a Former Participant entitled to a deferred benefit pursuant to this paragraph dies prior to Age 55 and prior to commencement of Plan benefits, his or her Beneficiary shall be entitled to a death benefit pursuant to Section 13.03.

If a Qualified Joint and Survivor Annuity is not required under the above rules or pursuant to Section 13.07, the portion of the Participant's Accrued Benefit that is attributable to a Rollover Account as described in Section 13.03 shall be distributed by the Trustee in such manner as the Participant shall elect, in accordance with one or more of the following methods of distribution, which may be paid in cash or in kind, or a combination of them; provided that an in-kind distribution shall only be available with respect to an annuity contract that is purchased by the Trustee at the time of distribution:

(a) One lump sum payment.

(b) An annuity for the life of the Participant.

(c) An annuity for the joint lives of the Participant and his or her spouse with 50%, $66^{2/3}$%, 75% or 100% (whichever is specified when this option is elected) of such amount payable as an annuity for life to the survivor. No further benefits are payable after the death of both the Participant and his or her spouse.

(d) An annuity for the life of the Participant with installment payments for a period certain not longer than the life expectancy of the Participant.

(e) A series of substantially equal periodic cash installments of a fixed percentage, a specified dollar amount, or an amount calculated to result in the payment of such Rollover Account over a fixed period no longer than the life expectancy of the Participant or the joint life expectancy of the Participant and his or her Beneficiary, or an amount calculated to result in the payment of the Rollover Account pursuant to any similar objectively determined formula or method.

A Participant may change his or her prior distribution election at any time to accelerate or decelerate installment payments, modify installment payments, stop payments entirely, or receive a lump sum or partial lump sum distribution of the remainder of his or her Rollover Account.

The portion of the Participant's Accrued Benefit that is not attributable to a Rollover Account as described in Section 13.03 shall be distributed in whole or in part by the Trustee in such manner as the Participant shall elect, in accordance with one or more of the following methods of distribution, which shall be paid in cash:

(i) One lump sum payment.

(ii) A series of substantially equal periodic cash installments of a fixed percentage, a specified dollar amount, or an amount calculated to result in the payment of such Accrued Benefit over a fixed period no longer than the life expectancy of the Participant or the joint life expectancy of the Participant and his or her Beneficiary, or an amount calculated to result in the payment of the Accrued Benefit pursuant to any similar objectively determined formula or method.

A Participant may change his or her prior distribution election at any time to accelerate or decelerate installment payments, modify installment payments, stop payments entirely, or receive a lump sum or partial lump sum distribution of the remainder of his or her Accrued Benefit.

All optional forms of benefits shall be actuarially equivalent.

Notwithstanding anything in the Plan to the contrary, any annuity policy which is distributed by the Trustee shall provide by its terms that the same shall not be sold, transferred, assigned, discounted, pledged or encumbered in any way except to or through the insurer, and then only in accordance with a right conferred under the terms of the annuity policy.

Notwithstanding anything in the Plan to the contrary, the entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date; provided, however, that, effective January 1, 2024, as provided in SECURE Act 2.0 and guidance issued thereunder, Code Section 401(a)(9)(A) and the incidental death benefit requirements of Code Section 401(a) shall not apply to Roth Elective Deferrals.

The Required Beginning Date of a Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 73 (or age 72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020) provided, however, that a Participant, who is not a Five Percent Owner and who does not retire by the end of the calendar year in which such Participant reaches age 73 (or age 72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020), may elect to defer their Required Beginning Date to the first day of April of the calendar year following the calendar year in which the Participant retires. If, after the date of such election, a Participant becomes a Five Percent Owner, the Required Beginning Date is the first day of April following the later of: (i) the calendar year in which the Participant attains age 73 (or age 72 with respect to individuals who attain such age before January 1, 2023, or age 70½ with respect to individuals who attained such age before January 1, 2020); or (ii) the earlier of the calendar year with or within which ends the Plan Year in which the Participant becomes a Five Percent Owner, or the calendar year in which the Participant retires.

Notwithstanding any provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are equal to the 2009 RMDs will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

Notwithstanding any provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least ten (10) years ("Extended 2020 RMDs"), will not receive those distributions for 2020 unless the Participant or Beneficiary

affirmatively chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

13.07 Automatic Joint and Survivor Annuity. Notwithstanding anything in Section 13.06 to the contrary, if a Rollover Account as described in Section 13.03 is being maintained for a married Participant and if Plan benefits become payable to such Participant on or after the Participant's Qualified Early Retirement Age, such Rollover Account will be used to purchase a Qualified Joint and Survivor Annuity unless the Participant has elected otherwise. To be effective, any election out of a Qualified Joint and Survivor Annuity must be consented to by the Participant's spouse at the time Plan benefits become payable. Any election (by a Participant on whose behalf a Rollover Account as described in Section 13.03 is maintained) out of a Qualified Joint and Survivor Annuity must be in writing and may be made during the election period, which shall be the 180-day period ending on the annuity starting date.

13.08 Participant Elections and Spousal Consents. Married Participants may choose a Beneficiary other than their spouse or, in the case of a Rollover Account described in Section 13.03, may choose a form of retirement benefit other than a Qualified Joint and Survivor Annuity. Any Beneficiary designation shall be in accordance with the requirements of Section 13.05. Any election (by a Participant on whose behalf a Rollover Account as described in Section 13.03 is maintained) out of a Qualified Joint and Survivor Annuity must be in writing and may be made during the election period, which shall be the 180-day period ending on the annuity starting date. To be effective, any designation of a Beneficiary who is not the spouse of the Participant on the date of the Participant's death or any such election out of the Qualified Joint and Survivor Annuity must be consented to by Participant's spouse. For purposes of this Section the term "spouse" means the spouse of the Participant on the date of the Participant's death or on the date Plan benefits commence, whichever is applicable; provided that a former spouse will be treated in the same manner as a spouse to the extent provided under a Qualified Domestic Relations Order as described in Code Section 414(p).

To be effective, spousal consent must be in writing on a form furnished by or satisfactory to the Plan Administrator and witnessed by a Plan representative or notary public. Provided, however, spousal consent shall not be required under such circumstances as may be prescribed by the Plan Administrator in accordance with rules and regulations promulgated by the Secretary and the Treasury. Any spousal consent will be valid only with respect to the spouse who signs the consent. Additionally, a revocation of an election out of a Qualified Joint and Survivor Annuity may be made by a Participant without the consent of the spouse at any time before the commencement of benefits. The number of revocations shall not be limited.

13.09 Distribution to a Minor Participant or Beneficiary. In the event a distribution is to be made to a minor, then the Plan Administrator may, in the Administrator's sole discretion, direct that such distribution be paid to the legal guardian of the minor, or if none, to a parent of such minor or a responsible adult with whom the minor maintains his or her residence, or to the custodian for such minor under the Uniform Gift to Minors Act, if such is permitted by the laws of the state in which said minor resides. Such a payment to the legal guardian or parent of a minor or to such a custodian shall fully discharge the Trustee, Employer, and Plan from further liability on account thereof.

13.10 Location of Participant or Beneficiary Unknown. In the event that all, or any portion, of the distribution payable to a Participant or his or her Beneficiary hereunder shall, at the expiration of five years after it shall become payable, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a registered letter, return receipt requested, to the payee's last known address, and after reasonable effort, to ascertain the whereabouts of such Participant or his or her Beneficiary, the amount so distributable shall be forfeited and allocated in accordance with the terms of this Plan. In the event a Participant or Beneficiary is located subsequent to his or her benefit being forfeited, such benefit shall be restored, unadjusted for earnings or losses.

13.11 Forfeitures; Restoration of Benefits Upon Reemployment. If a Participant terminates from employment, the Participant's vested Accrued Benefit shall be deferred to the earliest of the Participant's death, Total and Permanent Disability or attainment of Normal Retirement Age, at which time such vested benefit shall be payable in accordance with Sections 13.06 and 13.13.

Notwithstanding the foregoing, such a Participant may elect to have payments commence at any time after termination in accordance with Section 13.06. Partial distributions of vested benefits will not be permitted except in accordance with Section 13.06. The non-vested portion of the Participant's Accrued Benefit shall be forfeited when the Participant incurs five consecutive One Year Breaks in Service or, if earlier, when the Participant or his or her spouse (or surviving spouse) receives a distribution of his or her vested Accrued Benefit. If the value of the Participant's vested Accrued Benefit is zero when the Participant terminates employment, the Participant shall be deemed to have received a distribution of such vested Accrued Benefit.

Except as provided below, the non-vested portion of the Accrued Benefit of any terminated Participant will be used to reduce Employer Match Contributions for the Plan Year in which the forfeiture occurs and for subsequent Plan Years, if necessary.

A Participant who severs employment and who subsequently resumes employment with the Employer will again become a Participant when the Participant becomes an Eligible Employee. If a Former Participant is subsequently reemployed, the following rules shall also be applicable:

(a) If any Former Participant shall be reemployed by the Employer before incurring five consecutive One Year Breaks in Service, and such Former Participant had received a distribution of his or her vested Accrued Benefit prior to his or her reemployment, his or her forfeited Account balance shall be reinstated if he or she repays the full amount attributable to Employer Contributions which was distributed to him or her, not including, at the Participant's option, amounts attributable to any Salary Reduction Contributions. Such repayment must be made by the Former Participant before the date on which the individual incurs five consecutive One Year Breaks in Service following the date of distribution. A Participant who was deemed to have received a distribution of his or her vested amount shall be deemed to have repaid such amount as of the first date on which he or she again becomes a Participant. In the event the Former Participant does repay the full amount distributed to him or her, the forfeited portion of the Participant's Account must be restored in full, unadjusted by any gains or losses occurring subsequent to the date of distribution.

(b) Restorations of forfeitures will be made as of the date that the Plan Administrator is notified that the Trustee has received the required repayment. Any forfeiture amount that must be restored to a Participant's Account will be taken from any forfeitures that have not yet been applied and, if the amount of forfeitures available for this purpose is insufficient, the Employer will make a timely supplemental contribution of an amount sufficient to enable the Trustee to restore the forfeiture amount to the Participant's Account.

(c) If a Former Participant resumes service after incurring five consecutive One Year Breaks in Service, forfeited amounts will not be restored under any circumstances.

If a Former Participant resumes service before incurring five consecutive One Year Breaks in Service, both the pre-break and post-break service will count in vesting both any restored pre-break and post-break employer-derived Account balance.

13.12 Restrictions on Immediate Distributions.

(a) If the value of a Participant's vested Accrued Benefit is immediately distributable, the Participant and the Participant's spouse (or where either the Participant or the spouse has died, the survivor) must consent to any distribution of such Accrued Benefit.

Except as provided below, the consent of the Participant and the Participant's spouse shall be obtained in writing within the 180-day period ending on the annuity starting date. The annuity starting date is the first day of the first period for which an amount is paid as an annuity or any other form. The Plan Administrator shall notify the Participant and/or the Participant's spouse of the right to defer any distribution until the Participant's Accrued Benefit is no longer immediately distributable and the consequences of failing to defer receipt of the distribution. Such notification shall include a general description of the material features, and an explanation of the relative values of, the optional forms of benefit available under the Plan in a manner that would

satisfy the notice requirements of Code Section 417(a)(3), if applicable, and shall be provided no less than 30 days and no more than 180 days prior to the annuity starting date.

However, distribution may commence less than 30 days after the notice described in the preceding sentence is given, provided the distribution is not one to which Code Section 417 applies, the Participant is clearly informed of his or her right to take 30 days after receiving the notice to decide whether or not to elect a distribution (and, if applicable, a particular distribution option), and the Participant, after receiving the notice, affirmatively elects to receive the distribution prior to the expiration of the 30-day minimum period.

If a distribution is one to which Code Sections 411(a)(11)(A) and 417 applies, a Participant may commence receiving a distribution in a form other than a Qualified Joint and Survivor Annuity less than 30 days after receipt of the written explanation described in the preceding paragraph provided: (1) the Participant has been provided with information that clearly indicates that the Participant has at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect (with spousal consent) a form of distribution other than a Qualified Joint and Survivor Annuity; (2) the Participant is permitted to revoke any affirmative distribution election at least until the Distribution Commencement Date or, if later, at any time prior to the expiration of the 7-day period that begins the day after the explanation of the Qualified Joint and Survivor Annuity is provided to the Participant; and (3) the Distribution Commencement Date is after the date the written explanation was provided to the Participant. The Distribution Commencement Date may be a date prior to the date the written explanation is provided to the Participant if the distribution does not commence until at least 30 days after such written explanation is provided, subject to the waiver of the 30-day period. For the purposes of this paragraph, the Distribution Commencement Date is the date a Participant commences distributions from the Plan. If a Participant commences distribution with respect to a portion of his/her Account Balance, a separate Distribution Commencement Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Distribution Commencement Date is the first day of the first period for which annuity payments are made.

Notwithstanding the foregoing, only the Participant need consent to the commencement of a distribution in the form of a Qualified Joint and Survivor Annuity while the Accrued Benefit is immediately distributable. Furthermore, if payment in the form of a Qualified Joint and Survivor Annuity is not required with respect to the Participant, only the Participant need consent to the distribution of an Accrued Benefit that is immediately distributable. The consent of the Participant or the Participant's spouse shall not be required to the extent that a distribution is required to satisfy Code Section 401(a)(9) or 415. In addition, upon termination of this Plan if the Plan does not offer an annuity option (purchased from a commercial provider) and if the Employer or any entity within the same controlled group as the Employer does not maintain another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)), the Participant's Accrued Benefit may,

without the Participant's consent, be distributed to the Participant. However, if any entity within the same controlled group as the Employer maintains another defined contribution plan (other than an employee stock ownership plan as defined in Code Section 4975(e)(7)) then the Participant's Accrued Benefit will be transferred, without the Participant's consent, to the other plan if the Participant does not consent to an immediate distribution.

An Accrued Benefit is immediately distributable if any part of the Accrued Benefit could be distributed to the Participant (or surviving spouse) before the Participant attains (or would have attained if not deceased) the later of Normal Retirement Age or age 62.

13.13 Rollovers to Other Qualified Plans.

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a Direct Rollover. For purposes of determining the portion of a disbursement of benefits from the Plan to a distributee that is not includible in gross income under Code Section 72, the guidance under I.R.S. Notice 2014-54 shall be followed.

(b) Definitions.

(i) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any hardship distribution described in Code Section 401(k)(2)(B)(i)(iv); any emergency personal expense distribution; any withdrawal on account of domestic abuse; any withdrawal for the birth or adoption of the Participant's child; any withdrawal on account of a federally-declared disaster; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any corrective distributions of Excess Elective Deferrals or Roth Elective Deferrals under Code Section 402(g), and the income attributable thereto; and any other distribution(s) that is reasonably expected to total less than $200 during a year. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because it consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or individual retirement annuity described in Code Section 408(a) or 408(b), or to a qualified plan described in Code Section 401(a) or an annuity plan described in Code Section

403(a), or to an annuity contract described in Code Section 403(b), which plan or contract agrees to separately account for amounts so transferred, including separate accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Such portion may also be transferred to a Roth IRA.

(ii) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified Plan described in Code Section 401(a), that accepts the distributee's eligible rollover distribution, an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. An Eligible Retirement Plan shall also include a Roth individual retirement account as described in Code Section 408A.

(iii) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

(iv) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee. A Direct Rollover of a distribution from a Roth Elective Deferral Account under this Plan will be made to another Roth Elective Deferral Account under an applicable retirement plan described in Code Section 402A(e)(1) or.to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

Notwithstanding the provisions of this Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, 2009 RMDs (as defined in Section 13.06), but only if paid with an additional amount that is an eligible rollover distribution without regard to IRC §401(a)(9)(H), will be treated as eligible rollover distributions.

(c) A non-spouse Beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account or an individual retirement annuity as defined in Code Section 408(a) and 408(b) or Roth IRA as defined in Code Section 408A, that is established on behalf of the Beneficiary. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution. If a non-spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

If the Participant's named Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a "designated beneficiary" within the meaning of Code Section 401(a)(9)(E).

A non-spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse Beneficiary rolls over to an IRA the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treasury Regulation Section 1.401(a)(9)-3 Q&A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse Beneficiary's distribution.

13.14 Payment under Qualified Domestic Relations Orders. Notwithstanding any provisions of the Plan to the contrary, if there is entered any Qualified Domestic Relations Order that affects the payment of benefits hereunder, such benefits shall be paid in accordance with the applicable requirements of such Order, provided that such Order (i) does not require the Plan to provide any type or form of benefits, or any option, that is not otherwise provided hereunder, (ii) does not require the Plan to provide increased benefits, and (iii) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a Qualified Domestic Relations Order.

To the extent required or permitted by any such Order, at any time on or after the date the Plan Administrator has determined that the Order is a Qualified Domestic Relations Order, the alternate payee shall have the right to request the Plan Administrator to commence distribution of benefits under the Plan regardless of whether the Participant is otherwise entitled to a distribution at such time under the Plan. Except as specifically provided in a Qualified Domestic Relations Order, amounts distributed under this Section shall be taken pro rata from the investment options in which each of the Participant's Accounts is invested. The Plan Administrator shall establish reasonable procedures to determine whether an order or other decree is a Qualified Domestic Relations Order, and to administer distributions under such orders.

13.15 USERRA.

(a) Severance from Employment. An individual shall be treated as having been severed from employment for purposes of Code Section 401(k)(2)(B)(i)(I) during any period the individual is performing service in the uniformed services described in Code Section 3401(h)(2)(A). If an individual performing such service in the uniformed services elects to receive a distribution by reason of severance from employment, the individual may not make a Salary Reduction Contribution or other Employee contribution during the 6-month period beginning on the date of the distribution.

(b) Qualified Reservist Distribution under USERRA. A Participant who is ordered or called to active duty may take a Qualified Reservist Distribution if the following are satisfied:

(i) the distribution consists solely of elective deferrals (Salary Reduction Contributions);

(ii) the Participant was ordered or called to active duty for a period in excess of one hundred and seventy-nine (179) days or for an indefinite period; and

(iii) the distribution from the Plan is made during the period which begins on the date of such order or call and ends at the close of the active duty period.

The ten percent (10%) early withdrawal penalty tax will not apply to a qualified reservist distribution, which meets the requirements stated above.

ARTICLE XIV

PLAN FIDUCIARY RESPONSIBILITIES

14.01 Plan Fiduciaries. The Plan Fiduciaries shall be:

(a) the Trustee(s) of the Plan;

(b) the Plan Administrator; and

(c) such other person or persons as may be designated by the Plan Administrator in accordance with the provisions of this Article XIV.

14.02 General Fiduciary Duties. Each Plan Fiduciary shall discharge his or her duties solely in the interest of the Participants and their Beneficiaries and act:

(a) for the exclusive purpose of providing benefits to Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan;

(b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(c) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, if the Fiduciary has the responsibility to invest plan assets; and

(d) in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of current laws and regulations.

Each Plan Fiduciary shall perform the duties specifically assigned to him or her. No Plan Fiduciary shall have any responsibility for the performance or non-performance of any duties not specifically allocated to him or her.

14.03 Duties of the Trustee(s). The specific responsibilities and duties of the Trustee(s) are set forth in the Trust Indenture between the Employer and the Trustee(s). In general the Trustee(s) shall:

(a) invest Plan assets, subject to directions from the Plan Administrator or from any duly appointed investment manager;

(b) maintain adequate records of receipts, disbursements, and other transactions involving the Plan; and

(c) prepare such reports, statements, tax returns and other forms as may be required under the Trust Indenture or applicable laws and regulations.

14.04 Powers and Duties of the Plan Administrator. The Plan Administrator is the Benefits Committee. The Plan Administrator shall have the power, discretionary authority, and duty to interpret the provisions of the Plan and to make all decisions and take all actions that shall be necessary or proper in order to carry out the provisions of the Plan. Without limiting the generality of the foregoing, the Plan Administrator shall:

(a) monitor compliance with the provisions of ERISA and other applicable laws with respect to the Plan;

(b) establish an investment policy and funding method consistent with objectives of the Plan and with the requirements of applicable laws and regulations;

(c) invest Plan assets except to the extent that the Plan Administrator has delegated such investment duties to an investment manager;

(d) evaluate from time to time investment policy and the performance of any investment manager or investment advisor appointed by it;

(e) interpret and construe the Plan in order to resolve any ambiguities therein;

(f) determine all questions concerning the eligibility of any person to participate in the Plan, the right to and the amount of any benefit payable under the Plan to or on behalf of an individual and the date on which any individual ceases to be a Participant, with any such determination to be conclusively binding and final, to the extent permitted by applicable law, upon all persons interested or claiming an interest in the Plan;

(g) establish guidelines as required for the orderly and uniform administration of the Plan;

(h) exercise overall control of the operation and administration of the Plan in matters not allocated to some other Fiduciary by the terms of this Plan;

(i) administer the Plan on a day-to-day basis in accordance with the provisions of this Plan and all other pertinent documents;

(j) retain and maintain Plan records, including Participant census data, participation dates, compensation records, and such other records necessary or desirable for proper Plan administration;

(k) prepare and arrange for delivery to Participants of such summaries, descriptions, announcements and reports as are required to be given to Participants under applicable laws and regulations;

(l) file with the U.S. Department of Labor, the Internal Revenue Service and other regulatory agencies on a timely basis all required reports, forms and other documents;

(m) prepare and furnish to the Trustee(s) sufficient records and data to enable the Trustee(s) to properly perform its obligations under the Trust Indenture; and

(n) to take appropriate actions required to correct any errors made in determining the eligibility of any Employee for benefits under the Plan or the amount of benefits payable under the Plan and in correcting any error made in computing the benefits of any Participant or Beneficiary, the Plan Administrator may make equitable adjustments (an increase or decrease) in the amount of any future benefits payable under the Plan, including the recovery of any overpayment of benefits paid from the Plan as provided in Treasury Regulation Section 1.401(a)-13(c)(2)(iii).

The Plan Administrator may appoint or employ such advisers or assistants as the Plan Administrator deems necessary and may delegate to any one or more of its members any responsibility it may have under the Plan or designate any other person or persons to carry out any responsibility it may have under the Plan.

Notwithstanding any provisions elsewhere to the contrary, the Plan Administrator shall have total discretion to fulfill the above responsibilities as the Plan Administrator sees fit on a uniform and consistent basis and as the Plan Administrator believes a prudent person acting in a like capacity and familiar with such matters would do.

14.05 Designation of Fiduciaries. The Plan Administrator shall have the authority to appoint and remove Trustee(s) in accordance with the Trust Indenture. The Plan Administrator may appoint and remove an investment manager and delegate to said investment manager power to manage, acquire or dispose of any assets of the Plan.

While there is an investment manager, the Plan Administrator shall have no obligation under this Plan with regard to the performance or non-performance of the duties delegated to the investment manager.

The Plan Administrator shall appoint all other Fiduciaries of this Plan. In making its appointment or delegation of authority, the Plan Administrator may designate all of the responsibilities to one person or it may allocate the responsibilities, on a continuing basis or on an ad hoc basis, to one or more individuals either jointly or severally. No individual named a Fiduciary shall have any responsibility for the performance or non-performance of any responsibilities or duties not allocated to him or her.

The appointing authority of a Fiduciary shall periodically, but not less frequently than annually, review the performance of each fiduciary appointed in order to carry out the general fiduciary duties specified in Section 14.02 and, where appropriate, take or recommend remedial action.

14.06 Delegation of Duties by a Fiduciary. Except as provided in this Plan or in the appointment as a Fiduciary, no Plan Fiduciary may delegate his or her fiduciary responsibilities. If authorized by the appointing authority, a Fiduciary may appoint such agents as may be deemed necessary and delegate to such agents any non-fiduciary powers or duties, whether ministerial or discretionary. No Fiduciary or agent of a Fiduciary who is a • full-time employee of the Employer will receive any compensation from the Plan for his or her services, but the Employer or the Plan shall pay all expenses that such employee reasonably incurs in the discharge of his or her duties.

ARTICLE XV

BENEFITS COMMITTEE

15.01 Appointment of Benefits Committee. The Benefits Committee shall consist of three or more members appointed from time to time by the president of the Employer (the "President"), who shall also designate one of the members as chairman. Each member of the Benefits Committee and its chairman shall serve at the pleasure of the President.

15.02 Benefits Committee to Act by Majority Vote, etc. The Benefits Committee shall act by majority vote of all members. All actions, determinations, interpretations and decisions of the Benefits Committee with respect to any matter within their jurisdiction will be conclusive and binding on all persons. Any person may rely conclusively upon any action if certified by the Benefits Committee.

Notwithstanding the above, a member of the Benefits Committee who is also a Participant shall not vote or act upon any matter relating solely or primarily to him or herself.

15.03 Records and Reports of the Benefits Committee. The Benefits Committee shall keep a record of all of its proceedings and acts, and shall keep such books of account, records and other data as may be necessary for the proper administration of the Plan and file or deliver to Participants and their Beneficiaries whatever reports are required by any regulatory authority.

15.04 Costs and Expenses of Administration. Notwithstanding any provisions of the Plan to the contrary (but subject to the provisions of Section 12.01), all clerical, legal and other expenses of the Plan and the Trust, including Trustee's fees, shall be paid by the Plan, except to the extent the Employer elects to pay such amounts; provided, however, that if the Employer pays such amounts it shall be reimbursed by the Trust for such amounts unless the Employers elects not to be so reimbursed.

15.05 Indemnification of the Plan Administrator and Assistants. The Employer shall indemnify and defend to the extent permitted under the By-Laws of the Employer any Employee or former Employee (i) who serves or has served as a member of the Benefits Committee, (ii) who has been appointed to assist the Benefits Committee in administering the Plan, or (iii) to whom the Benefits Committee has delegated any of its duties or responsibilities against any liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission to act is in good faith and without gross negligence; provided that such Employee or former Employee is not otherwise indemnified or saved harmless under any liability insurance or other indemnification arrangement.

ARTICLE XVI

INVESTMENT OF THE TRUST FUND

16.01 In General. Subject to the direction of the Plan Administrator or any duly appointed investment manager in accordance with Section 14.05, the Trustee shall receive all contributions to the Trust and shall hold, invest and control the whole or any part of the assets in accordance with the provisions of the annexed Trust Indenture.

16.02 Investment of the Trust Fund. In order to provide retirement and other benefits for Plan Participants and their Beneficiaries, the Trustee shall invest Plan assets in one or more permissible investments specified in the Trust Indenture ("Permissible Investments").

All collective investment trusts and group trusts shall also conform to the terms of the Plan.

This Plan is intended to comply with the requirements of ERISA Section 404(c). Each Participant is responsible and has sole discretion to give directions to the Trustee in such form as the Trustee may require concerning the investment of his or her Accrued Benefit in one or more of the Permissible Investments, which directions must be followed by the Trustee. The designation by a Participant of the allocation of his Accrued Benefit among the Permissible Investments may be made from time to time, with such frequency and in accordance with such procedures as are established and set forth in the Trust Indenture and applied in a uniform nondiscriminatory manner. Any such procedure shall he communicated to the Participants and designed with the intention of permitting the Participants to exercise control over the assets in their respective accounts within the meaning of ERISA Section 404(c) and the regulations thereunder.

Neither the Plan Administrator, the Trustee, the Employer nor any other person shall be under any duty to question any investment, voting or other direction of the Participant or make any suggestions to the Participant in connection therewith, and the Trustee shall comply as promptly as practicable with directions given by the Participant hereunder. All such directions may be of continuing nature or otherwise and may be revoked by the Participant at any time in such form as the Trustee may require. Neither the Plan Administrator, the Trustee, the Employer nor any other person shall be responsible or liable for any costs losses or expenses which may arise or result from or be related to the compliance or refusal or failure to comply with any directions from the Participant. The Trustee may refuse to comply with any direction from the Participant in the event the Trustee, in its sole or absolute discretion, deems such direction improper by virtue of applicable law or regulations. For purposes of this Section, all references to "Participant" shall include all Beneficiaries of Participants who are deceased and any Alternate Payees under a Qualified Domestic Relations Order, as provided for in Section 19.01.

16.03 Default Investment.

(a) General Rules.

(i) Qualified Default Investment Alternative. If a Participant or Beneficiary has the opportunity to direct the investment of the assets in his or her Account (but does not direct the investment of such assets), then such assets in his or her Account will be invested in a Qualified Default Investment Alternative.

(ii) Transfer from Qualified Default Investment Alternative. Any Participant or Beneficiary on whose behalf assets are invested in a Qualified Default Investment Alternative may transfer, in whole or in part, such assets to any other investment alternative available under the Plan with a frequency consistent with that afforded to a Participant or Beneficiary who elected to invest in the Qualified Default Investment Alternative, but not less frequently than once within any 3-month period.

(iii) No Fees during First 90 Days. Any Participant's or Beneficiary's election to make such transfer from the Qualified Default Investment Alternative or other first investment in a Qualified Default Investment Alternative on behalf of a Participant or Beneficiary, will not be subject to any restrictions, fees or expenses (including surrender charges, liquidation or exchange fees, redemption fees and similar expenses charged in connection with the liquidation of, or transfer from, the investment), except as permitted in Department of Labor Regulation Section 2550.404c-5(c)(5)(ii)(B).

(iv) Limited Fees after First 90 Days. Following the end of the 90-day period described in paragraph (iii), any transfer described in paragraph (ii) above shall not be subject to any restrictions, fees or expenses not otherwise applicable to a Participant or Beneficiary who elected to invest in that Qualified Default Investment Alternative.

(v) Materials Must Be Provided. A Plan fiduciary shall provide to a Participant or Beneficiary the materials set forth in Department of Labor Regulation Section 2550.404c-1(b)(2)(i)(B)(1)(viii) and (ix) and Department of Labor Regulation Section 404c-1(b)(2)(i)(B)(2) relating to a Participant's or Beneficiary's investment in a Qualified Default Investment Alternative.

(b) Notice Requirements. The following provisions apply to the notice required by a Qualified Default Investment Alternative:

(i) Manner. Such notice will be written in a manner calculated to be understood by the average Plan Participant.

(ii) Content. Such notice will contain the following:

(A) A description of the circumstances under which assets in the individual account of a Participant or Beneficiary may be invested on behalf of the Participant or Beneficiary in a Qualified Default Investment Alternative; and, if applicable, an explanation of the circumstances under which Automatic Contributions will be made on behalf of a Participant, the percentage of Compensation that such Automatic Contributions represent, and the right of the Participant to elect not to have such made on the Participant's behalf (or to elect to have Salary Reduction Contributions made at a different percentage);

(B) An explanation of the right of Participants and Beneficiaries to direct the investment of assets in their individual accounts;

(C) A description of the Qualified Default Investment Alternative, including a description of the investment objectives, risk and return characteristics (if applicable), and fees and expenses attendant to the Qualified Default Investment Alternative;

(D) A description of the right of the Participants and Beneficiaries on whose behalf assets are invested in a Qualified Default Investment Alternative to direct the investment of those assets to any other investment alternative under the Plan, including a description of any applicable restrictions, fees or expenses in connection with such transfer; and

(E) An explanation of where the Participants and Beneficiaries can obtain investment information concerning the other investment alternatives available under the Plan.

(iii) Timing. The Participant or Beneficiary on whose behalf an investment in a Qualified Default Investment Alternative may be made must be furnished such notice during the following periods: (1) At least 30 days in advance of the Participant's eligibility to participate in the Plan, or at least 30 days in advance of the date of any first investment in a Qualified Default Investment Alternative on behalf of a Participant or Beneficiary; and (2) Within a reasonable period of time of at least 30 days in advance of each subsequent Plan Year.

ARTICLE XVII

CLAIMS PROCEDURE

17.01 Claims Fiduciary. The Plan Administrator will act as Claims Fiduciary except to the extent that the Plan Administrator has delegated the function to some other person or persons, committee or entity.

Notwithstanding any provision elsewhere to be contrary, the Claims Fiduciaries shall have total discretion to fulfill their fiduciary duties as they see fit on a uniform and consistent basis as they believe a prudent person acting in a like capacity and familiar with such matters would do.

17.02 Claims for Benefits. Claims for benefits under the Plan may be filed with the Plan Administrator on forms supplied by the Employer. For the purpose of this procedure, "claim" means a request for a Plan benefit by a Participant or a Beneficiary of a Participant. If the basis of the claim includes documentation not a part of the records of the Plan or of the Employer, all such documentation must be included with the claim.

17.03 Notice of Denial of Claim. If a claim is wholly or partially denied, the Plan Administrator shall notify the claimant of the denial of the claim within a reasonable period of time. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain (A) the specific reason or reasons for denial of the claim, (B) a specific reference to the pertinent Plan provisions upon which the denial is based, (C) a description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation why such material or information is necessary, and (D) an explanation of the Plan's claim review procedure. Unless special circumstances

require an extension of time for processing the claim, the Plan Administrator shall notify, the claimant of the claim denial no later than ninety (90) days after receipt of the claim. If such an extension is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to render the final decision.

17.04 Request for Review of Denial of Claim. Within 120 days of the receipt of the claimant of the written notice of the denial of the claim, or such later time as shall be deemed reasonable taking into account the nature of the benefit subject to the claim and any other attendant circumstances or if the claim has not been granted within a reasonable period of time, the claimant may file a written request with the Plan Administrator to conduct a full and fair review of the denial of the claimant's claim for benefits. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review pertinent documents and may submit issues and comments in writing.

17.05 Decision on Review of Denial of Claim. The Plan Administrator shall deliver to the claimant a written decision on the claim promptly, but not later than 60 days, after the receipt of the claimant's request for review, except that if there are special circumstances, which require an extension of time for processing, the aforesaid 60-day period may be extended to 120 days. Such decision shall (i) be written in a manner calculated to be understood by the claimant, (ii) include specific reasons for the decision, and (iii) contain specific references to the pertinent Plan provisions upon which the decision is based.

17.06 Limitations Periods for Filing Claims and Legal Actions. To be considered timely filed under the Plan's claims procedures and notwithstanding anything in this Plan to the contrary, a claim for benefits filed after January 31, 2016 must be filed with the appropriate Claims Fiduciary under Sections 17.02 or 17.04 before the first (1st) anniversary of the date on which claimant knew or reasonably should have known of the principal facts upon which the claim is based. Notwithstanding anything in this Plan to the contrary, a legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether statutory or not, may not be brought after January 31, 2016 by any claimant on any matter pertaining to this Plan unless the legal action is initiated in the proper forum before the earlier of (i) the expiration of thirty (30) completed calendar months after the date on which the claimant knew or reasonably should have known of the principal facts on which the claim is based, or (ii) the expiration of six (6) completed calendar months after the claimant has exhausted the applicable claims procedures under this Plan. For the purpose of applying this Section, knowledge of all facts that the Participant knew or reasonably should have known will be imputed to every claimant who is, or who purports to be, a Beneficiary of the Participant or otherwise purports to derive an entitlement to a Plan benefit or a Plan right by reference to the Participant.

Exhaustion of the Plan's claims procedures is mandatory for every claim and dispute of whatever nature or from whatever source and arising under this Plan. As to such claims and disputes, no claimant shall be permitted to commence any legal action to recover Plan benefits or to enforce or clarify rights under the Plan under ERISA Section 502, ERISA Section 510 or under any other provision of law, whether or not statutory, until the applicable claims procedures set forth in the Plan have been exhausted in their entirety.

In any legal action described in this Section, all explicit and all implicit determinations by the Administrator, any Claims Fiduciary and all other persons determining or reviewing claims in such legal action (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law.

Any interpretation, determination or other action of such persons shall be subject to change only if it was arbitrary or capricious or a more serious abuse of discretion. Any external review of a final decision or action by such persons reviewing a claim under this Plan shall be based only on such evidence presented to or considered by such persons at the time they made the decision or decisions that are the subject of review.

ARTICLE XVIII

AMENDMENT AND TERMINATION

18.01 Employer May Amend Plan. The Plan may be modified or amended in whole or in part by the action of the Board of Directors of the Employer at any time or times, and retroactively if it is deemed advisable by the Directors to conform the Plan to conditions which must be met to qualify the Plan or the Trust Indenture for tax benefits available under the applicable provisions of the Internal Revenue Code as it exists at any such time or times; provided, however, that no such modifications or amendment shall make it possible for any part of the Trust Fund to be used for purposes other than the exclusive benefit of the Participants or their Beneficiaries.

Notwithstanding the above paragraph, an amendment to the Plan may not decrease a Participant's Accrued Benefit, and may not reduce or eliminate a benefit, right or feature of this Plan that is protected under Code Section 411(d)(6) (except as provided for by the Code or the Treasury Regulations issued thereunder) determined immediately prior to the date of adoption, or if later, the effective date of the amendment. Should any early retirement benefit or other optional retirement benefits be changed by amendment to this Plan, all benefits accrued prior to the date of such amendment shall not be reduced.

18.02 Employer May Discontinue Plan. The Employer reserves the right at any time to partially terminate the Plan or to terminate the Plan in its entirety. Any such termination or partial termination of such Plan shall become effective immediately upon receipt by the Trustee of a copy of the vote or resolutions of the Directors of the Employer terminating its Plan, certified as true and correct by the clerk or secretary of the Employer. A partial plan termination shall be deemed to have occurred based on the facts and circumstances in existence at the time as required by Section 1.411(d)-2(b)(1) of the Treasury Regulations and Revenue Ruling 2007-43 and upon any such partial termination, the rights of all affected employees to the amounts credited to their accounts shall be non-forfeitable.

In the event of termination of the Plan there shall be a 100% vesting and nonforfeitability of all rights and benefits under this Trust and Plan irrespective of the length of participation under the Plan. However, the Trust shall remain in existence, and all of the provisions of the Trust shall remain in force, which are necessary in the sole opinion of the Trustees other than the provisions relating to Employer and Employee contributions. All of the assets on hand on the date specified in such resolution shall be held, administered and distributed by the Trustees in the manner provided in the Plan, except that a Participant shall have a 100% vested and nonforfeitable interest in his or her Accounts, subject to Section 18.05.

Subject to Section 18.05, any other remaining assets of the Trust Fund shall also be vested in Participants on a pro rata basis based on their respective Accrued Benefit in relation to the aggregate of the Accrued Benefits of all Participants. In the event of a partial termination of Plan, this Section will only apply to those Participants who are affected by such partial termination of Plan. In the event that the Board of Directors of the Employer shall decide to terminate completely the Plan and Trust, they shall be terminated as of a date to be specified in certified copies of its resolution to be delivered to the Trustees. Upon termination of the Plan and Trust, after payment of all expenses and proportional adjustment of Participants' Accounts to reflect such expenses, fund profits or losses and reallocations to the date of termination, each Participant shall be entitled to receive in cash any amounts then credited to his or her Participants' Accounts.

18.03 Discontinuance of Contributions. In the event that the Employer shall completely discontinue its contributions, each Participant or Beneficiary of a Participant affected shall be fully vested in any values credited to his or her Participant's Accounts. All of the assets on hand on the date contributions are discontinued shall be held, administered and distributed by the Trustees in the manner provided in the Plan.

18.04 Merger and Consolidation of Plan, Transfer of Plan Assets or Liabilities. In the case of any merger, consolidation with or transfer of assets or liabilities by the Employer to another plan, each Participant in the Plan on the date of the transaction shall have a benefit in the surviving plan (determined as if such plan were terminated immediately after the transaction) at least equal to the benefit to which he or she would have been entitled to receive immediately prior to the transaction if the plan had then terminated.

18.05 Return of Employer Contributions Under Special Circumstances. Notwithstanding any provisions of this Plan to the contrary:

(a) Any monies or other Plan assets held in Trust by the Trustee attributable to any contributions made to this Plan by the Employer because of a mistake of fact may be returned to the Employer within one year after the date of contribution.

(b) Any monies or other Plan assets held in Trust by the Trustee attributable to any contribution made by the Employer which is conditional on the initial qualification of the Plan, as amended, under the Internal Revenue Code may be refunded to the Employer; provided that:

(i) the Plan amendment is submitted to the Internal Revenue Service for qualification within one year from the date the amendment is adopted, and

(ii) Such contribution that was made conditioned upon Plan requalification is returned to the Employer within one year after the date the Plan's requalification is denied.

(c) Any monies or other Plan assets held in Trust by the Trustee attributable to any contribution made by the Employer which is conditional on the deductibility of such contribution may be refunded to the Employer, to the extent the deduction is disallowed under Code Section 404, within one year after the date of such disallowance.

ARTICLE XIX

MISCELLANEOUS

19.01 Protection of Employee Interest. No Participant, Beneficiary or other person, including alternate payees entitled to benefits pursuant to a Qualified Domestic Relations Order, shall have the right to assign, pledge, alienate or convey any right, benefit or payment to which he or she shall be entitled in accordance with the provisions of the Plan, and any such attempted assignment, pledge, alienation or conveyance shall be null and void and of no effect. To the extent permitted by law, none of the benefits, payments, proceeds or rights herein created and provided for shall in any way be subject to any debts, contracts or engagements of any Participant, Beneficiary, alternate payee or other person entitled to benefits hereunder, nor to any suits, actions or other judicial process to levy upon or attach the same for the payment thereof. Provided, however, that this provision does not preclude the Plan Administrator from complying with the terms of a Qualified Domestic Relations Order.

If any Participant shall attempt to alienate or assign his or her interest provided by the Plan, the Plan Administrator shall take such steps as it deems necessary to preserve such interest for the benefit of the Participant or his or her Beneficiary.

Notwithstanding anything in this Section or in the Plan to the contrary, the Plan Administrator (i) shall comply with the terms of any Qualified Domestic Relations Order, as described in Code Section 414(p) entered on or after January 1, 1985, and (ii) shall comply with the terms of any domestic relations order entered before January 1, 1985 if the Administrator is paying benefits pursuant to such order on such date.

19.02 USERRA Compliance. Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with the rules and requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 and Code Section 414(u).

19.03 Amendment to Vesting Schedule. No amendment to the Plan vesting schedule shall deprive a Participant of his or her nonforfeitable rights to benefits accrued to the date of the amendment. Further, if the vesting schedule of the Plan is amended, or the Plan is amended in any way that directly or indirectly affects the computation of a Participant's nonforfeitable percentage, each Participant with at least 3 Years of Service with the Employer may elect, within a reasonable period after the adoption of the amendment, to have his or her nonforfeitable percentage computed under the Plan without regard to such amendment. The period during which the election may be made shall commence with the date the amendment is adopted and shall end on the latest of:

(a) 60 days after the amendment is adopted;

(b) 60 days after the amendment becomes effective; or

(c) 60 days after the Participant is issued written notice of the amendment by the Employer or Plan Administrator.

19.04 Meaning of Words Used in Plan. Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply. Wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Titles used herein are for general information only and this Plan is not to be construed by reference thereto.

19.05 Plan Does Not Create Nor Modify Employment Rights. The Plan and Trust shall not be construed as creating or modifying any contracts of employment between the Employer and any Participant. All Employees of the Employer shall be subject to discharge to the same extent that they would have been if the Plan and Trust had never been adopted.

19.06 Massachusetts Law Controls. This Plan shall be governed by the laws of the Commonwealth of Massachusetts to the extent that they are not pre-empted by the laws of the United States of America.

19.07 Payments to Come from Trust Fund. All benefits and amounts payable under the Plan or Trust Indenture shall be paid or provided for solely from the Trust Fund, and neither the Employer nor the Plan Administrator assumes any liability or responsibility therefor.

19.08 Receipt and Release for Payments. Any payment to any Participant, his or her legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of this Plan and Trust, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, any of whom may require such Participant, legal representative, Beneficiary, guardian, custodian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

19.09 Electronic Communications. Any electronic communications made by the Plan to Participants in regards to eligible rollover distribution tax notices, Participant consents to distributions, and tax withholding notices shall comply with the requirements contained in Treasury Regulation Section 1.401(a)-21, in addition to all otherwise applicable requirements relating to the specific communication.

19.10 Plan Interpretation. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Plan Administrator in its sole and exclusive judgment, the provision shall be considered ambiguous and shall be interpreted by all Plan fiduciaries in a fashion consistent with its intent, as determined by the Employer in its sole discretion. The Employer shall amend the Plan retroactively to cure any such ambiguity. This Section may not be invoked by any person to require the Plan to be interpreted in a manner that is inconsistent with its interpretation by Plan fiduciaries.

EXECUTED this 18th day of November 2024.

The Hanover Insurance Company

By: /s/ Denise Lowsley
Name: Denise Lowsley
Title: EVP & CHRO

APPENDIX A

Special provisions applicable to Employees formerly employed by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD.

Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person (i) who became employed by the Employer on or after December 3, 2009, in connection with the transactions contemplated by the Renewal Rights and Asset Purchase Agreement dated December 3, 2009 by and among The Hanover Insurance Company, The Hanover Insurance Group, Inc., One Beacon Insurance Group, LTD. and certain business entities affiliated with One Beacon Insurance Group, LTD. and (ii) who was employed by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD. immediately before being employed by the Employer:

1. For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with One Beacon Insurance Group, LTD. or any business entity affiliated with One Beacon Insurance Group, LTD. from his most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.

2. Any compensation paid to any such person by One Beacon Insurance Group, LTD. or a business entity affiliated with One Beacon Insurance Group, LTD. prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.

APPENDIX B

Special provisions applicable to Employees formerly employed by (i) Campania Holding Company, Inc. or its direct or indirect subsidiaries ("Campania"); (ii) Benchmark Professional Insurance Services, Inc. or its direct or indirect subsidiaries ("Benchmark"); or (iii) Insurance Company of the West or its direct or indirect subsidiaries ("ICW").

Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person who became employed by the Employer:

- On or about January 15, 2010, in connection with the transactions contemplated by the Stock Purchase Agreement by and among The Hanover Insurance Group, Inc., Richard J. O'Gorman, Katherine Dimitrakopoulos and Benchmark Professional Insurance Services, Inc. dated January 15, 2010, and who was employed by Benchmark immediately before being employed by the Employer;
- On about March 31, 2010, in connection with the transactions contemplated by the Stock Purchase Agreement by and among The Hanover Insurance Group, Inc., Iona LLC, Campania Holding Company, Inc. and the Principal Members of Iona, LLC, dated January 15, 2010, and who was employed by Campania immediately before being employed by the Employer; or
- On or after July 8, 2010, in connection with the transactions contemplated by Surety Business Transition Agreement by and among Insurance Company of the West, certain of its insurance company subsidiaries and The Hanover Insurance Company dated July 8, 2010, and who was employed by ICW immediately before being employed by the Employer.

1. For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with, as applicable, Campania, Benchmark or ICW, that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.

2. Any compensation paid to any such person by, as applicable, Campania, Benchmark or ICW prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.

APPENDIX C

Special provisions applicable to Employees formerly employed by (i) Professionals Direct, Inc. or its direct or indirect subsidiaries ("PDI"); (ii) Verlan Holdings, Inc. or its direct or indirect subsidiaries ("Verlan"); or (iii) AIX Holdings, Inc. or its direct or indirect subsidiaries ("AIX").

(a) PDI

Pursuant to a certain Agreement and Plan of Merger by and among Professionals Direct, Inc., Hanover Acquisition Corp. and The Hanover Insurance Group, Inc. dated June 25, 2007, on September 14, 2007 (the "PDI Closing Date"), an Affiliate of the Employer acquired Professionals Direct, Inc. and its subsidiaries. Employees of PDI who continued to be employed by PDI after the PDI Closing Date ("PDI Closing Hires") remained employees of PDI (now an Affiliate of Employer) on a separate PDI payroll up to and through December 31, 2007 (the "PDI Transition Period") when their employment was transferred from PDI to the Employer.

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to PDI Closing Hires:

(i) PDI Closing Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of the PDI Closing Date and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such PDI Closing Hires commenced employment with the Employer on the PDI Closing Date.

(ii) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with PDI that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer (or if terminated during the PDI Transition Period, until the date of termination) to the same extent as though such period were a period of employment with the Employer.

(iii) Any compensation paid to any such person by PDI prior to the PDI Closing Date shall NOT be taken into account for the purposes of this Plan.

(b) Verlan

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to each person who became employed by the Employer effective on or about March 14, 2008, in connection with the transactions contemplated by the Agreement and Plan of Merger by and among The Hanover Insurance Group, Inc., Northdale Acquisition Corp. and Verlan Holdings, Inc. dated January 10, 2008, and who was employed by Verlan immediately before being employed by the Employer;

(i) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with Verlan that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer to the same extent as though such period were a period of employment with the Employer.

(ii) Any compensation paid to any such person by Verlan prior to the date on which such person became employed by the Employer shall NOT be taken into account for the purposes of this Plan.

(c) AIX

Pursuant to a certain Stock Purchase Agreement by and among AIX Holdings, Inc., certain of its shareholders and The Hanover Insurance Group, Inc. dated August 5, 2008, on November 28, 2008 (the "AIX Closing Date"), an Affiliate of the Employer acquired AIX Holdings, Inc. and its subsidiaries. Employees of AIX who continued to be employed by AIX after the AIX Closing Date ("AIX Closing Hires") remained employees of AIX (now an Affiliate of Employer) on a separate AIX payroll up to and through December 31, 2009 (the "AIX Transition Period") when the employment of these employees was transferred from AIX to the Employer. Additionally, those employees hired by AIX during the AIX Transition Period ("AIX Transition Hires") also remained employees of AIX on a separate AIX payroll until the expiration of the AIX Transition Period when such employees were transferred from AIX to the Employer.

(1) Notwithstanding anything elsewhere in the Plan to the contrary, the following special rules shall apply to AIX Closing Hires and AIX Transition Hires:

(i) AIX Closing Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of the AIX Closing Date and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such AIX Closing Hires commenced employment with the Employer on the AIX Closing Date.

(ii) AIX Transition Hires shall be eligible to participate in the Plan, subject to its provisions, effective as of as their date of hire by AIX and to the same extent that such employees would otherwise have been eligible to participate in the Plan had such AIX Transition Hires commenced employment with the Employer on their date of hire with AIX.

(iii) For the purposes of vesting, each such person shall be given a past service credit under the Plan for his or her period of employment with AIX that immediately preceded his or her employment with the Employer, from his or her most recent date of hire as shown on records furnished to the Employer to and including the date on which such person became employed by the Employer (or if terminated during the AIX Transition Period, until the date of termination) to the same extent as though such period were a period of employment with the Employer.

(iv) Any compensation paid to any such person by AIX prior to the AIX Closing Date shall NOT be taken into account for the purposes of this Plan.

THE HANOVER INSURANCE GROUP
RETIREMENT SAVINGS PLAN

FIRST AMENDMENT

This First Amendment (the "**Amendment**") is executed by The Hanover Insurance Company, a New Hampshire corporation (the "**Company**").

WHEREAS the Company sponsors The Hanover Insurance Group Retirement Savings Plan (the "**Plan**"); and

WHEREAS, the Plan was most recently amended and restated generally effective January 1, 2025; and

WHEREAS, the Company has the authority to amend the Plan at any time pursuant to Section 18.01 of the Plan; and

WHEREAS the Company desires to amend the Plan.

NOW, THEREFORE, the Plan is amended as follows effective as stated below:

The following Section 17.07 is added to Article XVII ("Claims Procedure") of the Plan:

17.07 Class Action Forum. Any putative class action lawsuit brought in whole or in part under ERISA Section 502 and relating to the Plan, the lawfulness of any Plan provision, the administration of the Plan, or actions taken or not taken by Plan fiduciaries or administrators must be filed in the United States District Court in the District of Massachusetts. If any such action is filed in a jurisdiction other than the United States District Court in the District of Massachusetts, or if any non-class action filed in such a jurisdiction is subsequently amended or altered to include class action allegations, then all parties to such action that are related to the Plan (such as the Plan, the Employer, the Plan Administrator, the Trustee and any other any Plan Fiduciary) shall take all necessary steps to have the action removed to, transferred to, or re-filed in the United States District Court in the District of Massachusetts. Such steps may include, but are not limited to (a) a joint motion to transfer the action, or (b) a joint motion to dismiss the action without prejudice to its re-filing in the United States District Court in the District of Massachusetts, with any applicable time limits or statutes of limitations applied as if the suit or class action allegation had originally been filed or asserted in the United States District Court in the District of Massachusetts at the same time as it was filed in a jurisdiction other than the United States District Court in the District of Massachusetts. This forum selection provision is waived if no party invokes it within 120 days of the filing of a putative class action or the assertion of class action allegations. In no event shall the provisions of this Section 17.07 be deemed to negate the obligation of a claimant to exhaust the Plan's claims procedures described in this Article XVII prior to filing a Claim in any court and in no event shall the provisions of this Section 17.07 be deemed to negate the application of the Limitations Period under Section 17.06 of this Article XVII.

IN WITNESS WHEREOF, this Amendment has been executed this 2nd day of December, 2025.

THE HANOVER INSURANCE COMPANY

_/s/ Elena N. Patronas
Authorized Representative

Exhibit 21

Direct and Indirect Subsidiaries of the Registrant

I. The Hanover Insurance Group, Inc. (Delaware)

- A. Opus Investment Management, Inc. (Massachusetts)
  - a. The Hanover Insurance Company (New Hampshire)
    1. Citizens Insurance Company of America (Michigan)
    2. Allmerica Financial Benefit Insurance Company (Michigan)
    3. Allmerica Plus Insurance Agency, Inc. (Massachusetts)
    4. The Hanover American Insurance Company (New Hampshire)
    5. Citizens Insurance Company of Ohio (Ohio)
    6. Citizens Insurance Company of The Midwest (Indiana)
    7. Massachusetts Bay Insurance Company (New Hampshire)
    8. Allmerica Financial Alliance Insurance Company (New Hampshire)
    9. Professionals Direct, Inc. (Michigan)
    10. Verlan Fire Insurance Company (New Hampshire)
    11. The Hanover National Insurance Company (New Hampshire)
    12. AIX, Inc. (Delaware)
    13. NOVA Casualty Company (New York)
        - (i) AIX Specialty Insurance Company (Delaware)
        - (ii) AIXHI LLC (Massachusetts)
          1. NAG MERGER LLC (Massachusetts)
    14. 440 Lincoln Street Holding Company LLC (Massachusetts)
    15. Campmed Casualty & Indemnity Company, Inc. (New Hampshire)
    16. The Hanover Atlantic Insurance Company Ltd. (Bermuda)
    17. The Hanover Casualty Company (Texas)
  - b. Citizens Insurance Company of Illinois (Illinois)
  - c. CitySquare II Development Co. LLC (Massachusetts)
- B. VeraVest Investments, Inc. (Massachusetts)
- C. Verlan Holdings, Inc. (Maryland)
  - a. Hanover Specialty Insurance Brokers, Inc. (Virginia)
- D. Campania Holding Company, Inc. (Virginia)
- E. Educators Insurance Agency, Inc. (Massachusetts)

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-289677) and Form S-8 (No. 333-24929, No. 333-31397, No. 333-134395, No. 333-264879, No. 333-272837) of The Hanover Insurance Group, Inc. of our report dated February 20, 2026 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 20, 2026

Exhibit 24

POWER OF ATTORNEY

We, the undersigned, hereby severally constitute and appoint John C. Roche, Jeffrey M. Farber, and Dennis F. Kerrigan, each of them singly, our true and lawful attorneys, with full power in each of them, to sign for and in each of our names and in any and all capacities, the Form 10-K of The Hanover Insurance Group, Inc. (the "Company") and any other filings made on behalf of said Company pursuant to the requirements of the Securities Exchange Act of 1934, and to file the same with all exhibits and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done, hereby ratifying and confirming all that said attorneys or any of them may lawfully do or cause to be done by virtue hereof. Witness our hands and common seal on the date set forth below.

Signature	Title	Date
/s/ John C. Roche John C. Roche	President, Chief Executive Officer and Director	January 21, 2026
/s/ Jeffrey M. Farber Jeffrey M. Farber	Executive Vice President, Chief Financial Officer and Principal Accounting Officer	January 21, 2026
/s/ Francisco A. Aristeguieta Francisco A. Aristeguieta	Director	January 23, 2026
/s/ Kevin J. Bradicich Kevin J. Bradicich	Director	January 21, 2026
/s/ Theodore H. Bunting, Jr. Theodore H. Bunting, Jr.	Director	January 26, 2026
/s/ Jane D. Carlin Jane D. Carlin	Director	January 23, 2026
/s/ J. Paul Condrin III J. Paul Condrin III	Director	January 21, 2026
/s/ William E. Donnell William E. Donnell	Director	January 22, 2026
/s/ Cynthia L. Egan Cynthia L. Egan	Chair of the Board	January 23, 2026
/s/ Kathleen S. Lane Kathleen S. Lane	Director	January 22, 2026
/s/ Joseph R. Ramrath Joseph R. Ramrath	Director	January 21, 2026
/s/ Elizabeth A. Ward Elizabeth A. Ward	Director	January 21, 2026

Exhibit 31.1

CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John C. Roche, certify that:

1. I have reviewed this annual report on Form 10-K of The Hanover Insurance Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ John C. Roche
John C. Roche
President, Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey M. Farber, certify that:

1. I have reviewed this annual report on Form 10-K of The Hanover Insurance Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Jeffrey M. Farber
Jeffrey M. Farber
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President, Chief Executive Officer and Director of The Hanover Insurance Group, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Annual Report on Form 10-K for the period ended December 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John C. Roche
John C. Roche
President, Chief Executive Officer and Director

Dated: February 20, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Executive Vice President and Chief Financial Officer of The Hanover Insurance Group, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Annual Report on Form 10-K for the period ended December 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Company's Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey M. Farber
Jeffrey M. Farber
Executive Vice President and
Chief Financial Officer

Dated: February 20, 2026