

THE HANOVER SEEKS TO CUT AUTO RATES BY UP TO 30 PERCENT OR MORE; SHAVE THREE YEARS OFF STATE'S EXISTING SIX-YEAR SURCHARGE PERIOD

Company to Offer Innovative Coverage Options,
Expand Agency Representation in Massachusetts

WORCESTER, Mass. (November 19, 2007) - The Hanover Insurance Group, Inc. (NYSE: THG), a leading writer of auto, home and business insurance in Massachusetts, announced today that it has requested Division of Insurance approval to offer an enhanced auto product that will deliver highly-competitive prices and innovative coverage options not currently available in the marketplace.

In a rates and product filing submitted today, the company asked the Division of Insurance for approval to:

- Reduce the cost of auto insurance by as much as 30 percent or more for its best customers
- Cut rates by 20 percent or more for approximately 25 percent, or about 40,000 of its customers
- Cut the state's six-year surcharge period - during which drivers pay penalties for at-fault accidents and moving violations as currently mandated by the state - in half, to only three years
- Offer several new coverage options, as well as new or enhanced discounts and account credits that enable drivers to reduce their costs beyond simple rate reductions
- At the same time, the company announced that it will expand its presence in the state, adding more local independent insurance agents to its network.

"Contingent upon the division's approval, we will on April 1 offer Massachusetts drivers the competitive rates and innovative products they have earned," said Vincent Nieroda, president of The Hanover's Massachusetts personal lines group. "At last, with these and other changes, drivers in the Commonwealth will gain the benefits that a competitive market gives drivers in every other state - better products, services and pricing. Even though competition is just getting under way and Massachusetts drivers will realize significant savings now, many more benefits will evolve over time, as new companies enter the market, new products are introduced and companies fight for market share."

"The rates and product innovations included in our filing reflect the first of many changes we expect to make as managed competition evolves," he said. "Now, instead of once a year, we can continually adjust our rates and improve our product offerings, as we develop them, just as we do in other markets. This will ensure that we are able to provide our customers with the best value possible."

Nieroda said the company's plans to expand its already strong independent agent distribution channel also will benefit consumers.

"Independent agents have always helped drivers make important insurance decisions," he said. "Now that companies will offer differing products, it is even more important to get the help of an independent agent to make the right choices."

Enhanced Product

Pending approval by the Division of Insurance, The Hanover's new auto product, **Connections Auto**, will provide broad liability, collision and medical payments coverage, and will help drivers save money by taking advantage of a range of account credits and discounts.

For example, The Hanover will offer deeper discounts for individuals who insure more than one car, drive less than 7,500 miles a year, or successfully complete a driver's education program. The company also will offer a new discount for drivers who take an advanced driver training program, and will offer an account credit for any driver who purchases insurance for his or her cars as well as his or her apartment, condo or house.

Connections Auto also will offer two distinctive package options -*Connections DriveSmart* and *Connections DriveSmart Advantage*-giving drivers more choices without the hassle of having to add a la carte coverages or endorsements to their base policies.

Connections DriveSmart will offer drivers **Second Chance Accident Forgiveness**, where under certain conditions The Hanover will waive the surcharge for one at-fault accident under a driver's policy every 36 months; **Ultimate Towing and Labor**, which pays increased limits for eligible towing and labor cost and **Ultimate Rental Reimbursement**, which pays eligible car rental costs for an extended time if an insured's vehicle is damaged in an accident.

Connections DriveSmart Advantage, which provides an additional level of protection above the benefits of **Connections DriveSmart**, also includes **New Car Replacement Guard**, which pays the value of a new vehicle if an insured's vehicle is involved in an accident and declared a total loss within one year of purchase or 15,000 miles, whichever is sooner, and **Deductible Dividends**, which automatically reduces an insured's collision damage deductible by \$100 and will reduce the deductible \$100 further at each annual renewal, up to a maximum of \$500, for each year a policyholder goes without a chargeable accident.

Other features of **Connections Auto** will include the ability to purchase stand-alone endorsements such as **Loan/Lease Gap Coverage**, which covers the difference between what a policyholder owes on his or her auto loan or lease and what the vehicle is worth before it is totaled.

Availability

The Hanover, which currently insures more than 150,000 drivers in the state, will make **Connections Auto** available for new and renewal business effective April 1, contingent upon approval. **Connections Auto**, like all of The Hanover's products, will be sold exclusively through the company's network of independent agent partners.

As part of the company's commitment to customer service, The Hanover works with the best independent agents in its markets, to ensure that its customers receive the highest level of service. Drivers can locate an independent agent by visiting www.hanover.com and clicking on "Find an Agent."

*This material is provided for informational purposes only. For detailed coverage information, please refer to The Hanover's policy language.

About The Hanover

The Hanover Insurance Group, Inc. (NYSE: THG), based in Worcester, Mass., is the holding company for a group of insurers that includes The Hanover Insurance Company, also based in Worcester; Citizens Insurance Company of America, headquartered in Howell, Mich., and their affiliates. The Hanover offers a wide range of property and casualty products and services to individuals, families and businesses through an extensive network of independent agents, and has been meeting its obligations to its agent partners and their customers for more than 150 years. Taken as a group, The Hanover ranks among the top 40 property and casualty insurers in the United States. For more information, please visit www.hanover.com.