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**THE HANOVER EXPANDS ITS SURETY BUSINESS IN  
THE WEST THROUGH AGREEMENT WITH ICW GROUP INSURANCE**

*— Transaction to Provide Enhanced Capabilities for The Hanover's Agent Partners —*

WORCESTER, Mass. (July 14, 2010) – The Hanover Insurance Group, Inc. (NYSE: THG), a leading provider of property and casualty insurance, today announced that it has closed on an agreement with ICW Group that will enable The Hanover to enhance its surety capabilities in the West, including Arizona, California, Colorado, Oregon, Texas and Washington.

Through the arrangement, The Hanover has hired 20 specialized ICW Group surety underwriters and field support staff, enabling the company to further build its market presence and field capability in its western expansion states, while helping its agent partners grow their businesses. At the same time, The Hanover will gain access to a quality book of surety business delivered through approximately 100 outstanding independent agents. Initially, The Hanover expects to write as much as \$15 million of ICW Group contract surety business as a result of the agreement.

“This transaction further strengthens the value proposition we offer our agent partners in the West,” said Frederick H. Eppinger, chief executive officer of The Hanover Insurance Group. “As always, we will be very strategic and selective about where we pursue new agency appointments and deeper partnerships. Our goal is to offer our agent partners real franchise value, so they can deliver the full complement of our distinctive products and services in their local markets.”

A top 10 surety writer in the United States, The Hanover offers strong ratings that are backed by financial strength, innovative capabilities, responsive, local field teams and a long-standing reputation of fast and fair claims handling.

ICW Group is a privately-held super regional property and casualty insurance organization whose underwriting operations target workers' compensation, non-standard private passenger auto, and earthquake insurance. The company has

achieved significant growth since its inception in 1973. ICW Group currently holds an A- (Excellent) rating from A.M. Best and in 2009 was selected as a Ward's 50 top performing insurance company. The agreement with The Hanover aligns with ICW Group's strategy to more singularly focus its people, technology, and resources on its core businesses.

"This investment is the latest of many we have made during the past several months to build out our commercial lines capability in the West," said Mary Jeanne Anderson, president, Hanover Surety. "In recent months, for example, we have begun writing business in seven western states, completed a renewal rights transaction with OneBeacon Insurance Group, and added valuable underwriting and product capabilities. As a result of this transaction, we now offer our distinctive surety capabilities as part of a complete commercial lines solution for our agent partners in the region."

For ICW Group, the transaction represents an opportunity to streamline its operations and to transition its surety line to a larger surety carrier.

"We believe this transaction represents a great opportunity for ICW Group's surety agents and employees," said Kevin Prior, president and chief executive officer for ICW Group. "We have accomplished a great deal and established ICW Surety as a well-respected surety provider with unique strengths, loyal agency relationships, and a very knowledgeable team of experts. We are pleased that many of our agents and employees will be able to continue to deliver outstanding contract surety coverage through their affiliation with The Hanover."

### **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, Michigan, 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 30 property and casualty insurers in the United States.

## About ICW

Privately held ICW Group represents a group of multi-line property and casualty insurance carriers providing workers' compensation, earthquake and personal/business auto insurance. Its member companies consist of Insurance Company of the West, Explorer Insurance Company and Independence Casualty and Surety. Based in San Diego, ICW Group continues to transform itself into an insurance industry leader dedicated to meeting the needs of its Agents and the people and companies they insure. More information is available at [www.icwgroup.com](http://www.icwgroup.com).

## Forward-Looking Statements

Certain statements in this release, including statements regarding the expected writings and benefits of the pending transaction, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Use of the words "believes," "anticipates," "expects," "projections," "outlook," "should," "plan," "guidance" and similar expressions is intended to identify forward-looking statements. The Hanover cautions investors that any such forward-looking statements are not guarantees of future performance, and actual results could differ materially. Investors are directed to consider the risks and uncertainties in its business that may affect future performance and that are discussed in readily available documents, including The Hanover's annual report and other documents filed by The Hanover with the Securities and Exchange Commission and which are also available at [www.hanover.com](http://www.hanover.com) under "Investors".

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