



Hanover Insurance Group, Inc. (The)




THG NYSE

Insurance - Property / Casualty

Market Capitalization USD:

\$1,613.93 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Frederick H. Eppinger

Age: 53

CEO Since: 2003

	2009	2010	2011
Base Salary	\$934,615	\$940,385	\$950,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$540,000	\$877,800	\$706,138
Benefits and Perquisites	\$81,630	\$88,076	\$95,260
TOTAL ANNUAL COMPENSATION	\$1,556,245	\$1,906,261	\$1,751,398
Increase in Post-Retirement Benefits	\$1,567	\$1,431	\$665
Stock Option Awards	\$714,443	\$1,129,396	\$1,223,495
Stock Awards	\$1,553,556	\$1,180,200	\$1,208,220
TOTAL COMPENSATION	\$3,825,811	\$4,217,288	\$4,183,778
Median of Other Named Executive Officers Total Compensation	\$1,188,045	\$1,660,103	\$1,412,631
Value Realized on Exercise of Stock Option	\$0	\$0	\$1,221,000
Value Realized on Vesting of Stock	\$459,288	\$957,452	\$1,640,193
TOTAL REALIZED EQUITY COMPENSATION	\$459,288	\$957,452	\$2,861,193

Proxy Date: 29 Mar 2012

Annual Meeting Date: 15 May 2012

Equity Reserves: 12.39%

Stock Option Run Rate: 0.92%

Hanover Insurance Group, Inc. (The)

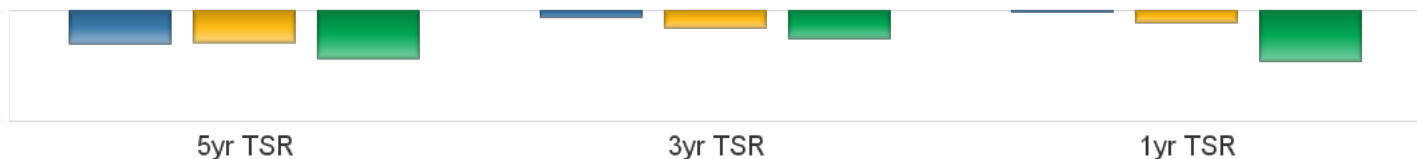
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Performance Comparison

■ S&P500 ■ Industry ■ THG



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
THG	Hanover Insurance Group, Inc. (The)	\$3,825,811	\$4,217,288	\$4,183,778	\$1,613,933,269
ACGL	Arch Capital Group, Ltd.	\$7,675,615	\$9,474,938	\$9,287,412	\$4,353,762,240
CINF	Cincinnati Financial Corporation	\$1,409,796	\$2,314,728	\$1,754,487	\$4,295,637,787
WRB	W. R. Berkley Corporation	\$17,810,079	\$24,633,641		\$4,160,529,887
ERIE	Erie Indemnity Company		\$2,067,297		\$3,900,110,789
MKL	Markel Corporation	\$1,021,709	\$1,218,699	\$672,050	\$3,462,168,571
FNF	Fidelity National Financial, Inc.	\$5,379,038	\$1,887,711		\$3,389,186,623

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Alleghany Corporation, Mercury General Corporation, American Financial Group, Inc., Old Republic International Corporation, Cincinnati Financial Corporation, Selective Insurance Group, Inc., CNA Financial Corp., State Auto Financial Corporation, Erie Indemnity Corporation, White Mountains Insurance Group, LTD, Harleysville Group, Inc., W. R. Berkley Corporation.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Robert J. Murray	Chairman	70	Male	16	Outside Related
David J. Gallitano	Member	64	Male	6	Outside
P. Kevin Condron	Member	66	Male	5	Outside