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**THE HANOVER INSURANCE GROUP  
TO ACQUIRE THE CAMPANIA GROUP**

*— Significant Step in Providing Industry Leading Solutions to the Healthcare Industry*

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WORCESTER, Mass. (January 18, 2010) – The Hanover Insurance Group, Inc. (NYSE: THG) today announced that it has entered into a definitive agreement through which it will acquire the Vienna, Virginia-based Campania Group, which specializes in insurance solutions for the healthcare industry. The transaction reaffirms The Hanover’s commitment to continue to provide industry-leading specialty insurance solutions to its partner agents, and represents a significant step in the company’s commitment to offer a range of products for the healthcare industry.

The Campania Group provides professional and general liability solutions for a range of healthcare providers, including durable medical equipment suppliers, behavioral health specialists, eldercare providers, and podiatrists. The organization has served the specialty healthcare insurance market since its founding in 1992 and has companies admitted in 21 states, as well as the District of Columbia.

The transaction is subject to regulatory reviews and approvals. It is expected to close before the end of the first quarter.

“We are excited to add the Campania Group to our growing suite of industry and niche solutions. At the same time, the acquisition represents a significant commitment toward broadening our professional lines portfolio,” said Frederick H. Eppinger, chief executive officer of The Hanover. “Through the continued strategic expansion of our capabilities into the healthcare segment, we are offering our agent partners even more distinctive products and solutions, helping them to strengthen their competitive position in their markets and to grow their businesses while we grow our own.”

The acquisition of Campania follows the company's announcements last month that it has expanded in the west and entered into a renewal rights agreement with OneBeacon Insurance Group, acquiring access to \$400 million in small and middle market commercial business at renewal, and expanding The Hanover's segment, niche and industry program business. These, and other recent investments, reflect The Hanover's aggressive agenda to offer winning independent agents the products, tools and local resources that they need to thrive. Over the past five years, the company has launched more than 30 products and programs, purchased three other specialty insurance providers, and built industry and niche solutions for nearly a dozen new markets.

"This acquisition is a direct response to our agents' desire to partner with us in serving the healthcare industry" said Andrew Robinson, executive leadership team member responsible for The Hanover's healthcare business. "Further, with Campania's extensive experience in behavioral health, we are able to further extend the range of solutions we can deliver to the social services industry."

For Campania, the transaction represents an opportunity to accelerate the growth of its business through The Hanover's independent agent partners.

"We are thrilled to be joining The Hanover Insurance Group," said Dennis R. Santoli, Esq., president and founder of Campania. "In the last 17 years, we have proudly established Campania as an innovative leader for general and professional liability coverages to the healthcare industry. We are confident that the combination of our experienced underwriters, claims managers and risk managers, coupled with The Hanover's experience, resources, and independent agency network will help us to be even more successful over the long term."

### **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 The Campania Group**

The Campania Group has served the specialty healthcare insurance market since its founding in 1992. Campania is an innovative leader in the field of affinity group marketing and the development and marketing of property and casualty insurance programs for trade associations representing the health care industry. The company employs experienced insurance agents and brokers, underwriters, claims managers and risk managers who understand the complexities of health care liability risks and assist both insureds and insurance company customers.

Campania serves approximately 3,000 providers of specialty and sub-acute healthcare products located in 30 states as well as the District of Columbia. Customers include, but are not limited to, long term care facilities, assisted living facilities, behavioral health hospitals and rehabilitation hospitals. The company also provides specialized insurance services to the sub-acute healthcare market including providers and suppliers of homecare services, home medical equipment, medical device manufacturers, infusion and respiratory therapy services, retail and institutional pharmacies and rehabilitative and assistive technologies.

### **Forward-Looking Statements**

Certain statements in this release, including statements regarding the expected benefits of the pending transaction, may be 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 Company 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 Company'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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