

HARTFORD FINANCIAL SERVICES GROUP INC/DE

Form 11-K

June 28, 2002

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FORM 11-K

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

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the year ended December 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-19277

A. Full title of Plan and the address of the Plan, if different from that of the issuer named below:

THE HARTFORD INVESTMENT AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

THE HARTFORD FINANCIAL SERVICES GROUP, INC.
HARTFORD PLAZA, HARTFORD, CONNECTICUT 06115-1900

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THE HARTFORD INVESTMENT AND SAVINGS PLAN

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YEARS ENDED DECEMBER 30, 2001 AND 2000

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INDEPENDENT AUDITORS' REPORT

The Hartford Financial Services Group, Inc.
Hartford, Connecticut

We have audited the accompanying statement of net assets available for benefits of The Hartford Investment and Savings Plan (the "Plan") as of December 30, 2001, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of The Hartford Investment and Savings Plan as of December 30, 2001, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Our audit was conducted for the purpose of forming an opinion on the 2001 basic financial statements taken as a whole. The supplemental schedules of Assets Held for Investment Purposes and of Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic 2001 financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2001 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic 2001 financial statements taken as a whole.

Deloitte & Touche LLP
Hartford, Connecticut

June 20, 2002

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THIS IS A COPY OF A REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP. THE REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP NOR HAS ARTHUR ANDERSEN LLP PROVIDED A CONSENT TO THE INCLUSION OF ITS REPORT IN THIS ANNUAL REPORT ON FORM 11-K.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The Hartford Financial Services Group, Inc.:

We have audited the accompanying Statements of Net Assets Available for Benefits of The Hartford Investment and Savings Plan as of December 30, 2000 and 1999, and the related Statements of Changes in Net Assets Available for Benefits for the years then ended. These financial statements and the schedules referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Hartford Investment and Savings Plan as of December 30, 2000 and 1999, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

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Our audits were made for the purpose of forming an opinion on the basic 2001 financial statements taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Hartford, Connecticut
June 18, 2001

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THE HARTFORD INVESTMENT AND SAVINGS PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 30, 2001 AND 2000 (\$ IN THOUSANDS)

| | 2001 | | | |
|--|------------|----------------------------|--------------------|-------|
| | TOTAL | NON- MEMBER DIRECTED | MEMBER DIRECTED | TOT |
| ASSETS | | | | |
| Investments, at fair value: | | | | |
| The Hartford Financial Services Group, Inc. common stock (13,456,621 and 13,477,603 shares at December 30, 2001 and 2000, respectively) | \$ 845,076 | \$ 646,479 | \$ 198,597 | \$ 95 |
| Standard & Poor's 500 Index Portfolio | 216,776 | -- | 216,776 | 25 |
| Investment in mutual funds | 318,193 | -- | 318,193 | 29 |
| Pooled temporary investments | 32,076 | 12,477 | 19,599 | 3 |
| Investment in group annuity contracts, at contract value | 358,011 | -- | 358,011 | 31 |
| Investment in loans receivable | 34,922 | -- | 34,922 | 3 |
| Dividends and interest receivable | 6,755 | 3,326 | 3,429 | |
| Contributions receivable | 4,877 | 1,205 | 3,672 | |
| TOTAL ASSETS | 1,816,686 | 663,487 | 1,153,199 | 1,90 |
| LIABILITIES | | | | |
| Unsettled net security purchases (sales) | 3,403 | -- | 3,403 | |
| Interfund transfers pending | -- | 627 | (627) | |
| Other liabilities | 471 | -- | 471 | |

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| | | | | |
|-----------------------------------|--------------|------------|--------------|---------|
| TOTAL LIABILITIES | 3,874 | 627 | 3,247 | |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 1,812,812 | \$ 662,860 | \$ 1,149,952 | \$ 1,89 |

See notes to financial statements.

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THE HARTFORD INVESTMENT AND SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 30, 2001 AND 2000
(\$ IN THOUSANDS)

| | 2001 | | | TOT |
|---|--------------|---------------------|-----------------|---------|
| | TOTAL | NON-MEMBER DIRECTED | MEMBER DIRECTED | |
| ADDITIONS (DEDUCTIONS) TO NET ASSETS ATTRIBUTED TO: | | | | |
| Investment income: | | | | |
| Net realized and unrealized gains (losses) | \$ (157,334) | \$ (80,686) | \$ (76,648) | \$ 30 |
| Dividends and interest | 40,721 | 11,052 | 29,669 | 6 |
| Total investment income (loss) | (116,613) | (69,634) | (46,979) | 36 |
| Interest on participant loans | 3,231 | 95 | 3,136 | |
| Employee contributions | 69,370 | -- | 69,370 | 6 |
| Employer contributions, net of forfeitures | 30,367 | 28,943 | 1,424 | 2 |
| Rollovers | 21,455 | -- | 21,455 | |
| Other, net | 4,495 | (684) | 5,179 | |
| TOTAL ADDITIONS (DEDUCTIONS) | 12,305 | (41,280) | 53,585 | 46 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | | | |
| Interfund transfers | -- | (9,669) | 9,669 | |
| Loans to participants | -- | (589) | 589 | |
| Administrative expenses | (3,392) | (1,291) | (2,101) | (|
| Benefits paid to members | (94,768) | (30,116) | (64,652) | (14 |
| TOTAL DEDUCTIONS | (98,160) | (41,665) | (56,495) | (14 |
| NET (DECREASE) INCREASE | (85,855) | (82,945) | (2,910) | 32 |
| NET ASSETS AVAILABLE FOR BENEFITS | | | | |
| Beginning of year | 1,898,667 | 745,805 | 1,152,862 | 1,57 |
| END OF YEAR | \$ 1,812,812 | \$ 662,860 | \$ 1,149,952 | \$ 1,89 |

See notes to financial statements.

THE HARTFORD INVESTMENT AND SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 30, 2001 AND 2000
(\$ IN THOUSANDS)

NOTE 1. DESCRIPTION OF THE PLAN

The Hartford Financial Services Group, Inc., a Delaware corporation, and its consolidated subsidiaries ("The Hartford" or the "Company") provide life and property and casualty insurance to both individual and commercial customers in the United States and internationally.

On June 27, 2000, The Hartford acquired all of the outstanding shares of Hartford Life, Inc. ("Hartford Life" or "HLI") that the Company did not already own ("The HLI Repurchase"). As a result, HLI became a wholly-owned subsidiary of The Hartford. While Hartford Life continues to exist as a company, Hartford Life stock no longer is listed or traded on the New York Stock Exchange. Proceeds received by The Hartford Investment and Savings Plan (the "Plan") from The HLI Repurchase of \$70,888 were used by the trustee to purchase shares of The Hartford common stock. All of the assets that were remaining in the Hartford Life Company Stock Fund, after the purchase of the shares was completed, were transferred to the Hartford Financial Services Group, Inc. Stock Fund. After the purchase of the HLI shares was completed, future employee contributions were redirected to the Hartford Financial Services Group, Inc. Stock Fund.

Information with regard to eligibility, contributions, distributions, vesting, trustees, withdrawals, restoration, loans, fund redistribution and definitions of all capitalized terms are contained in the Plan's information document, which has been distributed to the participants.

Plan Changes

There have been several amendments to the Plan document during 2002. See Note 10 for explanation of changes.

General

The Plan is a defined contribution plan covering all full-time and some part-time employees of the Company who have six months or more of service and who have attained age 19. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Trust, as defined in the Plan document, is the aggregate funds held by the Trustee, Bankers Trust Company, under the trust agreement established for the purposes of this Plan.

Contributions

Plan members may generally elect to save 2% to 16% of base salary ("Basic Savings"). Members may designate their savings as before-tax, after-tax or a combination of both. Members who are highly compensated employees may be limited to less than 16% due to the operation of certain tests required under the Internal Revenue Code of 1986, as amended (the "Code").

An amount equal to 50% of a member's Basic Savings is matched by the Company.

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Basic Savings are contributions which are not in excess of the first 6% of base salary. Members' savings in excess of 6% of base salary are supplemental savings that are not matched by Company contributions. In addition, the Company allocates 0.5% of base salary ("Floor Company contributions") to the Floor Company Contribution Account of each eligible employee. Matching Company contributions and Floor Company contributions are invested in the Hartford Financial Services Group, Inc. Stock Fund.

On December 30, 2001 for the 2002 Plan year and December 30, 2000 for the 2001 Plan year, the Company guaranteed a fixed minimum contribution (based on a percentage of the amount of employer contributions normally made) that represents the employee salary deferral contributions and matching contributions for the subsequent Plan year. If actual contributions are less than the guaranteed fixed minimum amount at the end of the Plan year, an additional matching contribution would be made to the participants. The minimum contribution was met for the 2001 and 2000 Plan years.

Administrative Costs

The Trust, as defined by the Plan, pays for the administrative expenses of the Plan up to 0.25% of the market value of Trust assets. The Company continues to pay certain Plan administrative expenses which cannot be paid by the Trust.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Member Accounts

Each member's account is credited with that member's contributions and allocations of (a) the Company's contribution and (b) Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on member earnings or account balances, as defined in the Plan document. The benefit to which a member is entitled is the benefit that can be provided from that member's vested account.

Vesting

Vesting in Company matched contributions begins one year after employment at 20% and increases 20% each consecutive year until the fifth consecutive year of employment when 100% is vested. Notwithstanding the foregoing statement, a member becomes fully vested in such member's Company contribution account upon retirement, disability, death, or upon reaching age 65, or the complete discontinuance of Company contributions or upon termination of the Plan. Floor contributions are 100% vested when allocated to each member's account.

Investment Options

Contributions of member savings are invested in any one or more of the funds listed below in multiples of 1%, as elected by the member ("member directed investments"). Non-member directed investments are invested in The Hartford Financial Services Group, Inc. Stock Fund, and consist of Matching Company contributions and Floor Company contributions.

[1], [2] HARTFORD FINANCIAL This fund's investment objective is to

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| | | |
|----------|-------------------------------------|---|
| | SERVICES GROUP, INC. STOCK FUND | seek long-term capital appreciation by investing in the common stock of The Hartford. |
| [1], [3] | HARTFORD LIFE COMPANY STOCK FUND | This fund's investment objective was to seek long-term capital appreciation by investing in the Class A common stock of Hartford Life, Inc. |
| [1] | INDEX FUND | This fund's investment objective is to seek investment results that track the overall performance of the stocks in the Standard & Poor's ("S&P") 500 Stock Index by investing in stocks in the S&P 500 Stock Index. |
| [1] | STABLE VALUE FUND | This fund's investment objective is to seek a stable and predictable rate of return and preservation of capital by investing in group annuity contracts issued by a diversified group of high-quality life insurance companies, which may include an affiliate, Hartford Life, deposit agreements issued by a diversified group of high-quality banks, U.S. government obligations and asset-backed securities. |
| [1] | ADVISERS FUND | This fund's investment objective is to seek long-term total return by investing primarily in the stocks of U.S. companies, bonds and other debt securities, and money market instruments. |
| [1] | BOND INCOME STRATEGY FUND | This fund's investment objective is to seek a high level of current income consistent with a competitive total return as compared with bond funds with similar investment objectives and policies by investing primarily in investment-grade bonds. |
| [1] | MONEY MARKET FUND | This fund's investment objective is to seek maximum current income consistent with liquidity and preservation of capital by investing in cash, cash equivalents and high-quality debt securities. |
| [1] | DIVIDEND AND GROWTH FUND | This fund's investment objective is to seek current income and growth of capital by investing primarily in large, well-known U.S. companies that pay above-average dividends. |
| [1] | INTERNATIONAL OPPORTUNITIES FUND | This fund's investment objective is to seek long-term growth of capital by investing primarily in the stocks of |

large non-U.S. companies.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

- | | | |
|----------|---------------------------|---|
| [1] | CAPITAL APPRECIATION FUND | This fund's investment objective is to seek capital appreciation by investing primarily in the stocks of small, medium and large U.S. companies. |
| [1] | SMALL COMPANY FUND | This fund's investment objective is to seek capital appreciation by investing primarily in stocks of U.S. companies with market capitalization of less than \$2 billion that the portfolio manager believes have above-average earnings growth potential. |
| [1] | MIDCAP FUND | This fund's investment objective is to seek capital appreciation by investing primarily in stocks with market capitalization in the range represented by the S&P MidCap 400 index. |
| [1] | HIGH YIELD FUND | This fund's investment objective is to seek high current income with growth of capital as a secondary consideration by investing primarily in securities considered to be below investment grade quality. |
| [1] | GLOBAL LEADERS FUND | This fund's investment objective is to seek growth of capital by investing in stocks of U.S. and non-U.S. companies that are leaders in their industries as indicated by an established market presence and a strong global, regional, or country competitive position. |
| [1], [4] | GLOBAL HEALTH FUND | This fund's investment objective is to seek long-term capital appreciation by investing at least 80% of its total assets in the equity securities of health care companies worldwide. |
| [1], [4] | GLOBAL TECHNOLOGY FUND | This fund's investment objective is to seek long-term capital appreciation by investing at least 80% of its total assets in the equity securities of technology companies worldwide. |
| [1], [4] | STOCK FUND | This fund's investment objective is to seek long-term capital appreciation with income as a secondary consideration by investing in stocks of U.S. and non-U.S. |

companies.

- [1] Indicates party-in-interest with The Hartford or certain of its subsidiaries. See Note 8 for further discussion.
- [2] An amendment effective January 1, 2000 renamed the fund from the former "Hartford Company Stock Fund".
- [3] Terminated on August 3, 2000.
- [4] Became effective September 1, 2000.

Participant Loans

Members may borrow from their fund accounts a minimum of \$1 to a maximum equal to the lesser of \$50 or 50% of their vested account balances. Loan transactions are treated as transfers from (to) the investment funds to (from) the loan fund. Loan terms range from one to five years, or up to 15 years for the purchase of a primary residence. The loan is secured by the balance in the member's account and bears interest at the prime rate (as published in the Wall Street Journal) plus 1% and remains fixed for the term of the loan. The interest rate is determined quarterly.

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, members or their designated beneficiaries may elect to receive a lump sum amount equal to the value of the vested interest in their respective accounts; subject to certain conditions, annual installments over a period not greater than twenty years; annual installments over the recipient's life expectancy; or stock distributions. Members or their designated beneficiaries may also elect to defer distributions subject to certain conditions.

Forfeitures

Forfeitures of the nonvested portion of any member's Company contributions are applied to reduce future Company contributions. Forfeitures were immaterial for the years ended December 30, 2001 and 2000.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. ACCOUNTING POLICIES

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA requires management of the Plan to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deletions during the reporting period. Actual results could differ from those estimates.

Certain reclassifications have been made to prior year financial information to conform to the current year classification of transactions and accounts.

NOTE 3. INVESTMENTS

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The following investments represented 5% or more of the Plan's net assets:

| | |
|--|-------|
| | 200 |
| ----- | |
| The Hartford Financial Services Group, Inc. common stock (13,456,621 and 13,477,603 shares at December 30, 2001 and 2000, respectively) | \$ 84 |
| S&P 500 Index Portfolio Hartford GA-6226 | 21 |
| Stable Value Fund - group annuity contracts | 35 |
| ===== | |

For the years ended December 30, 2001 and 2000, the Plan's investments (depreciated) appreciated as follows:

| | |
|---|---------|
| | 200 |
| ----- | |
| The Hartford Financial Services Group, Inc. common stock | \$ (10) |
| Hartford Life, Inc. common stock (For 2000, for the period through June 27, 2000) | |
| Standard & Poor's 500 Index Portfolio | (2) |
| Mutual funds | (2) |
| ----- | |
| Net realized and unrealized gains (losses) | \$ (15) |
| ===== | |

NOTE 4. VALUATION OF INVESTMENTS

Plan investments, except group annuity contracts, are reported at fair value. The fair value of the underlying common stock of Hartford Financial Services Group, Inc. Stock Fund and Hartford Life Company Stock Fund (until the date of the HLI Repurchase) is based on quoted market prices. Interests in mutual funds and pooled investment funds are valued at the redemption price established by the trustee or the investment manager of the respective fund.

The Plan has entered into numerous traditional and synthetic group annuity contracts primarily with insurance carriers. These contracts, which are included in the Stable Value Fund, are fully benefit responsive and are included in the financial statements at contract value. Fully benefit responsive contracts provide for a stated return on principal invested over a specified period and that permit withdrawals at contract value for benefit payments, loans, or transfers. Contract value represents contributions made under the contract, plus earnings, less Plan withdrawals and administrative expenses. As of December 30, 2001 and 2000, the estimated fair value of the group annuity contracts was \$358,011 and \$319,639, respectively. The average yield and weighted average crediting interest rate on these contracts was 6.54% and 6.33%, respectively, for the year ended December 30, 2001, and 6.56% and 6.80%, respectively, for the year ended December 30, 2000. Crediting interest rate resets are generally made quarterly for synthetic contracts and are reset based on formulas which may use market value, book value, duration and yield. A synthetic group annuity contract is an investment contract that simulates the performance of a traditional group annuity contract through the use of financial instruments. A key difference

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between a synthetic group annuity contract and a traditional group annuity contract is that the Plan owns the assets underlying the synthetic group annuity contract. Traditional group annuity contracts have fixed crediting interest rates.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5. FEDERAL INCOME TAX

The Internal Revenue Service has determined and informed the Company by letter dated February 25, 1998 that the Plan and related Trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to suspend, reduce, or partially or completely discontinue its contributions at any time and to terminate the Plan, the trust agreement and the Trust hereunder subject to the provisions of ERISA. In the event of termination or partial termination of the Plan or complete discontinuance of contributions, the interest of affected members shall automatically become nonforfeitable.

NOTE 7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

As of December 30, 2001 and 2000, the following is a reconciliation of net assets available for plan benefits according to the accompanying financial statements to Form 5500:

| | |
|--|--------|
| | 200 |
| ----- | |
| Net assets available for plan benefits on financial statements | \$ 1,8 |
| Amounts allocated to withdrawing members | |
| ----- | |
| Net assets available for plan benefits on Form 5500 | \$ 1,8 |
| ===== | |

The following is a reconciliation of benefits paid to members according to the accompanying financial statements to Form 5500:

| | |
|---|-----|
| | 200 |
| ----- | |
| Benefits paid to members on financial statements | \$ |
| Amounts allocated to withdrawing members at end of year | |
| Amounts allocated to withdrawing members at beginning of year | |

Benefits paid to members on Form 5500
=====

\$

Amounts allocated to withdrawing members are recorded on Form 5500 for benefit claims that have been processed and approved for payment prior to the end of the Plan year but not paid as of that date.

NOTE 8. PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are held in funds managed by Bankers Trust Company, the Trustee, as defined by the Plan, and certain subsidiaries of The Hartford. Fees paid by the Plan for Trustee, custodial and investment management services provided by Bankers Trust Company amounted to \$592 and \$615 for the years ended December 30, 2001 and 2000, respectively. Fees paid by the Plan to certain subsidiaries of the Company for investment management services and the issuance of group annuity contracts amounted to \$65 and \$76 for the years ended December 30, 2001 and 2000, respectively. In addition, certain Plan investments are shares of The Hartford common stock for the 2001 and 2000 Plan years. Since The Hartford is the Plan Sponsor, these transactions qualify as party-in-interest transactions.

NOTE 9. PLAN AMENDMENTS

Effective November 29, 2001, a portion of the Plan was converted into a non-leveraged employee stock ownership plan ("ESOP") within the meaning of code section 4975(e)(7). The ESOP is designed to invest primarily in The Hartford Financial Services Group, Inc. stock.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10. SUBSEQUENT EVENTS

Effective January 1, 2002, the following changes were made to the Plan:

- o Employees with fewer than six months of service can begin contributing to the Plan, though six months of service is still necessary to be eligible for Floor Company contributions and Matching Company contributions.
- o The annual before-tax savings limit in the Plan will increase from \$10.5 to \$11 for 2002 and the amount of before-tax money that may be contributed will increase by \$1 each year until the limit reaches \$15 in 2006. This limit will increase for inflation in \$0.5 increments after 2006. The total annual contribution limit for combined before- and after- tax savings will increase to \$40 (or annual pay if less) from \$35.
- o The dollar threshold for determining highly compensated employees has increased from \$80 to \$85. This determination is based on a member's prior year earnings.
- o Members now have the option of automatically reinvesting earned dividends or withdrawing them from the Plan in cash after they are paid (usually quarterly). Prior to January 1, 2002, earned dividends were automatically reinvested to increase a member's account balance.

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- o The mandatory suspension period (period of time in which a member may not make contributions to the Plan) when taking a Safe Harbor hardship withdrawal from the Plan has been reduced to six months from twelve months.
- o Other qualified retirement plan balances, including before-tax and after-tax money, may now be rolled over into the member's Plan account at any time, without incurring tax penalties.
- o Eligible retired or terminated plan members can elect to receive their account balances in annual installments over the lesser of the member's life expectancy (based on IRS life expectancy tables) or thirty years. If a member elected life expectancy installments prior to 2002, the member's remaining installments will be recalculated based on the new tables.

Beginning on January 2, 2002, the Plan will be offering The Hartford HLS mutual funds in place of the Class Y shares of The Hartford's retail mutual funds. The HLS funds have the same investment management, investment objective, and investment style as their retail fund counterparts. However, the HLS funds have lower retail fees and expenses. Existing balances that Plan members have in the Class Y shares will be automatically transferred to the applicable HLS funds on January 2, 2002.

Beginning on February 1, 2002, Plan members will have greater flexibility in the investment of their Company contribution accounts. Plan members will no longer be required to wait until age 55 to diversify their Company contribution accounts (Company Matching, Floor Company and ESOP contributions). All Plan members will be able to make fund transfers of existing Company contributions and direct future Company contributions at any time, in any amount, and to any fund.

Also, beginning on February 1, 2002, the maximum employee contribution rate is increasing from 16% to 30%. Certain employees will be able to elect to contribute from 2% to 30% of annual base pay with before-tax dollars, from 1% to 30% with after-tax dollars, or from 2% to 30% with a combination of both, as allowed by the Plan and subject to IRS limits. Highly compensated employees (employees who earned more than \$85 in 2001) will continue to be limited to a maximum combined contribution rate of 10% and their before-tax rate cannot exceed 7%.

On April 10, 2002, participant balances in the amount of \$7,568 from the Omni 401(k) plan merged into The Hartford Investment and Savings Plan. Omni Insurance Group, Inc. is a subsidiary of The Hartford Financial Services Group, Inc.

Beginning December 31, 2002, the annual base pay limit for the Plan will increase to \$200 (from \$170).

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THE HARTFORD INVESTMENT AND SAVINGS PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD AT YEAR END
AS OF DECEMBER 30, 2001
(\$ IN THOUSANDS)

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| (A) | (B) IDENTITY OF PARTY | (C) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE INTEREST, COLLATERAL, PAR OR MATURITY VALUE |
|-------|---|---|
| ----- | | |
| | Hartford Financial Services Group, Inc. Stock Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | The Hartford Financial Services Group, Inc. common stock (13,456,526 shares) |
| * | Bankers Trust Company | BT Pyramid Directed Account Cash Fund - STIF |
| | | SUBTOTAL |
| | Stock Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Stock Fund Cash Fund - Class Y shares (109,343.06 shares) |
| | | SUBTOTAL |
| | Clearing Account ----- | |
| * | Bankers Trust Company | BT Pyramid Directed Account |
| * | The Hartford Financial Services Group, Inc. | The Hartford Financial Services Group, Inc. common stock (95 shares) |
| | | SUBTOTAL |
| | Index Fund ----- | |
| * | Hartford Life Insurance Company | S&P 500 Index Portfolio Hartford - GA - 6226, S/A BI |
| | | SUBTOTAL |
| | Stable Value Fund ----- | |
| * | Bankers Trust Company | BT Pyramid Discretionary Account Cash Fund - STIF |
| | Business Mens Assurance | Group Annuity Contract #1412, 7.64%, 11/30/2004 |
| | Caisse des Depots et Consignations | Group Annuity Contract #BR302-01, 6.98%, 01/01/2002 |
| | Canada Life Assurance Company | Group Annuity Contract #46092, 5.77%, 4/10/2006 |
| | Continental Assurance Company | Group Annuity Contract #24022, 6.58%, 12/31/2001 |
| | General Electric Capital Assurance Company | Group Annuity Contract #GS3614GECA, 5.92%, 6/01/2006 |
| | Monumental Life Insurance Company | Group Annuity Contract #MDA00380TR, 4.64% 1/31/2012 |
| | Monumental Life Insurance Company | Group Annuity Contract #ADA00212TR, 6.29% ** |

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THE HARTFORD INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD AT YEAR END
 AS OF DECEMBER 30, 2001
 (\$ IN THOUSANDS)

| (A) | (B) IDENTITY OF PARTY | (C) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE INTEREST, COLLATERAL, PAR OR MATURITY VALUE |
|-----|---|---|
| | Morgan Guaranty Trust Company | Group Annuity Contract #AITTH01, 6.67% ** |
| | Principal Life Insurance Company | Group Annuity Contract #GA 4-36623, 5.78%, 01/21/2004 |
| | Protective Life Insurance Company | Group Annuity Contract #GA1629, 7.34%, 5/30/2003 |
| | Security Benefit Life Insurance Company | Group Annuity Contract #G0105, 6.46%, 1/25/2006 |
| | Transamerica Insurance Company | Group Annuity Contract #TDA76592TR, 6.89%, 1/31/2012 |
| | Union Bank of Switzerland | Group Annuity Contract #3024, 6.61% ** |
| | | SUBTOTAL |
| | Advisers Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Advisers Fund #BL416645786, Class Y shares |
| | | SUBTOTAL |
| | Bond Income Strategy Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Bond Income Strategy Fund, Class shares |
| | | SUBTOTAL |
| | Money Market Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Money Market Fund, Class Y shares |
| | | SUBTOTAL |
| | Dividend and Growth Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Dividend and Growth Fund, Class Y shares |
| | | SUBTOTAL |
| | International Opportunities Fund | |

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 * The Hartford Financial Services Group, Inc. Hartford Mutual Funds, Inc. International Opportunities Fund Class Y shares

SUBTOTAL

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THE HARTFORD INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD AT YEAR END
 AS OF DECEMBER 30, 2001
 (\$ IN THOUSANDS)

(A) (B) IDENTITY OF PARTY (C) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE INTEREST, COLLATERAL, PAR OR MATURITY VALUE

Capital Appreciation Fund

* The Hartford Financial Services Group, Inc. Hartford Mutual Funds, Inc. Capital Appreciation Fund, Class Y shares

SUBTOTAL

Small Company Fund

* The Hartford Financial Services Group, Inc. Hartford Mutual Funds, Inc. Small Company Fund, Class Y shares

SUBTOTAL

MidCap Fund

* The Hartford Financial Services Group, Inc. Hartford Mutual Funds, Inc. MidCap Fund, Class Y shares

SUBTOTAL

High Yield Fund

* The Hartford Financial Services Group, Inc. Hartford Mutual Funds, Inc. High Yield Fund, Class Y shares

SUBTOTAL

Global Leaders Fund

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| | | |
|---|---|--|
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Global Leaders Fund, Class Y shares |
| | | SUBTOTAL |
| | Global Health Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Global Health Fund, Class Y shares |
| | | SUBTOTAL |
| | Global Technology Fund ----- | |
| * | The Hartford Financial Services Group, Inc. | Hartford Mutual Funds, Inc. Global Technology Fund, Class Y shares |
| | | SUBTOTAL |
| | Bankers Trust Company Cash Fund-STIF ----- | |
| * | Bankers Trust Company | BT Pyramid Directed Account Cash Fund-STIF |
| * | Bankers Trust Company | BT Pyramid Discretionary Account Cash Fund-STIF |
| | | SUBTOTAL |

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THE HARTFORD INVESTMENT AND SAVINGS PLAN
SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD AT YEAR END
AS OF DECEMBER 30, 2001
(\$ IN THOUSANDS)

| (A) | (B) IDENTITY OF PARTY | (C) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE INTEREST, COLLATERAL, PAR OR MATURITY VALUE |
|-----|------------------------------|---|
| | Loan Fund ----- | |
| * | Loans to Participants | Loans Receivable from Participants, maturing at various dates bearing interest at rates from 5.68% - 11.50% |
| | | SUBTOTAL |
| | | TOTAL |
| * | Indicates party-in-interest. | |

THE HARTFORD INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 30, 2001
 (\$ IN THOUSANDS)

| (A) IDENTITY OF PARTY | (B) DESCRIPTION OF ASSET | (C) PURCHASE PRICE | (D) SELLING PRICE |
|---|--|--------------------------|-------------------------|
| The Hartford Financial Services Group, Inc. * | The Hartford Financial Services Group, Inc. common stock | \$-- | \$80,829 |
| The Hartford Financial Services Group, Inc. * | The Hartford Financial Services Group, Inc. common stock | 86,058 | -- |

THE HARTFORD INVESTMENT AND SAVINGS PLAN
 SCHEDULE H, LINE 4J - SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 30, 2001
 (\$ IN THOUSANDS)
 (CONTINUED)

| (A) IDENTITY OF PARTY | (G) COST OF ASSET | (H) CURRENT VALUE OF ASSETS ON TRANSACTION DATE | (I) NET GAIN |
|---|-------------------------|--|--------------------|
| The Hartford Financial Services Group, Inc. * | \$45,882 | \$80,829 | \$34,947 |
| The Hartford Financial Services Group, Inc. * | 86,058 | 86,058 | -- |

SIGNATURE

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PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE PENSION FUND TRUST AND INVESTMENT COMMITTEE OF THE HARTFORD INVESTMENT AND SAVINGS PLAN HAS DULY CAUSED THIS ANNUAL REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED HEREUNTO DULY AUTHORIZED.

THE HARTFORD INVESTMENT AND SAVINGS PLAN

(NAME OF PLAN)

BY: /S/ FRANCIS A. DORION

(FRANCIS A. DORION, PLAN ADMINISTRATOR)

JUNE 28, 2002

(DATE)

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EXHIBIT 1

CONSENT OF INDEPENDENT AUDITORS

The Hartford Financial Services Group, Inc.:

We consent to the incorporation by reference in Registration Statement No. 33-80663 on Form S-8 of our report dated June 20, 2002, appearing in this Annual Report on Form 11-K of The Hartford Investment and Savings Plan for the year ended December 30, 2001.

DELOITTE & TOUCHE LLP

Hartford, Connecticut
June 26, 2002

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