

HANOVER INSURANCE GROUP, INC.  
Form 424B2  
February 18, 2010  
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Filed pursuant to Rule 424(b)(2)  
Registration No. 333-164446

**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION**

**PRELIMINARY PROSPECTUS SUPPLEMENT DATED FEBRUARY 18, 2010**

**Prospectus Supplement**

(To Prospectus dated January 21, 2010)

**\$**

**% Notes due**

We will pay interest on the notes on March 1 and September 1 of each year, commencing on September 1, 2010. The notes will mature on March 1, . We may redeem the notes in whole or in part at any time at the redemption price set forth under Description of Notes Optional Redemption.

The notes will be our senior unsecured obligations and will rank equal in right of payment to all of our other existing and future indebtedness and other liabilities that are not, by their terms, expressly subordinated in right of payment to the notes.

We do not intend to apply for listing of the notes on any securities exchange. Currently, there is no public market for the notes.

**Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement, and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, including Important Factors Regarding Forward-Looking Statements filed as Exhibit 99.2 to such Annual Report and any other risk factors described in any Quarterly Report on Form 10-Q, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.**

|   | Per Note | Total |
|---|----------|-------|
| Public offering price (1)   | %        | \$    |
| Underwriting discount   | %        | \$    |
| Proceeds, before expenses, to The Hanover Insurance Group, Inc. (1) | %        | \$    |

(1) Plus accrued interest, if any, from February , 2010 to the date of delivery.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The notes will be ready for delivery in book-entry form only through The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank, S.A./N.V., on or about February , 2010.

*Joint Book-Running Managers*

**Barclays Capital**

**Goldman, Sachs & Co.**

Prospectus Supplement dated February , 2010

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes. The second part is the prospectus dated January 21, 2010, which is part of our Registration Statement on Form S-3.

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information incorporated by reference in the documents to which we have referred you in [Where You Can Find More Information](#) in the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, in the accompanying prospectus or in any free writing prospectus filed by us with the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different information. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is correct as of any time after the date of the respective document.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on behalf of us or the underwriters or any of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See [Underwriting](#) .

In this prospectus supplement and the accompanying prospectus, unless otherwise stated or the context otherwise requires, references to [THG](#), [we](#), [us](#) and [our](#) refer to The Hanover Insurance Group, Inc. and its subsidiaries.

In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to the indenture refer to the indenture dated as of January 21, 2010 between THG and U.S. Bank National Association, as trustee, as supplemented by the first supplemental indenture between THG and the trustee.

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may relate to such matters as our future actions, anticipated premiums, expenses, interest rates, foreign exchange rates, financial performance or business prospects in future periods, the outcome of contingencies, liquidity, and similar matters. Forward-looking statements are inherently subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. These statements may be identified by the use of forward-looking words or phrases such as anticipate, believe, could, estimate, expect, forecast, guidance, likely, looking-forward, may, plan, potential, projections, outlook, should, target, will and would or any variations of words or phrases having similar meanings. A variety of factors could cause our actual results and experience to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements. The factors listed in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, as well as in our other filings with the SEC, such as on Forms 8-K, 10-Q and 10-K, are illustrative and other risks and uncertainties may arise as may be detailed from time to time in our public announcements and in our filings with the SEC. Our forward-looking statements speak only as of the dates on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these risks, see Risk Factors beginning on page S-7 of this prospectus supplement, and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008, including Important Factors Regarding Forward-Looking Statements filed as Exhibit 99.2 to such Annual Report and any other risk factors described in any Quarterly Report on Form 10-Q.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*The following summary is provided solely for your convenience. It is not intended to be complete. You should read carefully this entire prospectus supplement, the accompanying prospectus and all the information included or incorporated by reference herein or therein, especially the risks discussed in the section titled Risk Factors beginning on page S-7 of this prospectus supplement and in our periodic reports filed with the SEC.*

**The Hanover Insurance Group, Inc.**

THG is a holding company organized as a Delaware corporation in 1995. The Hanover Insurance Company ( Hanover Insurance ) and Citizens Insurance Company of America ( Citizens ) are our principal property and casualty subsidiaries.

Our primary business operations include insurance products and services in three property and casualty segments: Personal Lines, Commercial Lines and Other Property and Casualty. We underwrite personal and commercial property and casualty insurance through Hanover Insurance, Citizens and other THG subsidiaries, primarily through an independent agent network concentrated in the Northeast, Southeast and Midwest United States. Additionally, our Other Property and Casualty segment consists of: Opus Investment Management, Inc., which markets investment management services to institutions, pension funds and other organizations; earnings on holding company assets; and a voluntary pools business in which we have not actively participated since 1999.

**Recent Developments**

**Fourth Quarter 2009 Results (unaudited)**

On February 3, 2010, we announced our fourth quarter 2009 financial results. For the fourth quarter of 2009, we reported net income of \$57.3 million, or \$1.14 per share, compared to net income of \$34.1 million, or \$0.66 per share, in the fourth quarter of 2008. Results for the fourth quarter of 2009 included:

Net premiums written of \$626.9 million and net premiums earned of \$647.0 million

Net investment income of \$63.8 million and net realized gains of \$11.1 million

Loss and loss adjustment expenses of \$414.1 million

Acquisition and other operating expense of \$242.7 million

Total assets of \$8,042.7 million and total shareholders' equity of \$2,358.6 million

For the year ended December 31, 2009, we reported net income of \$197.2 million, or \$3.86 per share, compared to net income of \$20.6 million, or \$0.40 per share, for the year ended December 31, 2008.

**Common Stock Repurchases**

On December 8, 2009, the Board of Directors authorized a \$100 million increase to our existing share repurchase program. This increase will provide for aggregate repurchases under the program of up to \$300 million of our common stock. On December 8, 2009, we also entered into an accelerated share repurchase agreement with Barclays Bank PLC acting through its agent, Barclays Capital Inc., and utilized a portion of our existing share repurchase authorization for the immediate repurchase of 2,418,000 shares of our common stock at a price per share of approximately \$41.34 for a total purchase price of approximately \$100.6 million. Through February 12, 2010, we have utilized approximately \$215 million of the \$300 million authorization.

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### **Acquisitions**

On December 3, 2009, we entered into a renewal rights agreement with OneBeacon Insurance Group. Through the agreement, we acquired access to as much as \$400 million in OneBeacon small and middle market commercial business at renewal, including industry programs and middle market niches. The agreement is effective for renewals beginning January 1, 2010. Such business is controlled by independent agents and there can be no assurance as to how much of such business is ultimately written by us.

On January 15, 2010, we entered into a definitive agreement through which we will acquire Campania Group. 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.

On January 15, 2010, we acquired Benchmark Professional Insurance Services, Inc., a provider of insurance solutions to the design professionals industry. Benchmark specializes in underwriting small to mid-sized architecture, engineering, interior design, landscape architecture and land surveying firms.

### **Dividends**

On October 20, 2009, the Board of Directors declared an annual dividend of \$0.75 per share on the issued and outstanding common stock of THG, paid December 9, 2009. In addition, the Board of Directors authorized a change in our dividend payment schedule from an annual cash dividend to quarterly dividend payments beginning in calendar year 2010. These dividend payments will be subject to quarterly board approval and declaration.

### **Qualified Benefit Plan Contribution**

On January 4, 2010, we contributed \$100 million to our qualified defined benefit pension plan. Based on current estimates of plan liabilities and other assumptions, including future returns on plan assets, this contribution resulted in the plan, as of the date of such contribution, being essentially fully funded.



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The following table sets forth our summary consolidated financial information at and for the periods presented. The fiscal year-end financial information has been derived from our audited financial statements. The interim consolidated financial information has been derived from our unaudited consolidated financial statements and includes, in the opinion of our management, all normal and recurring adjustments necessary for a fair presentation of the financial information. The results for the nine-month periods do not necessarily indicate the results to be expected for the full year. Please see Prospectus Supplement Summary Recent Developments for a summary of our more recent results. You should read the following information in conjunction with our consolidated financial statements and related notes and the other financial and statistical information that we include or incorporate by reference in this prospectus supplement and the accompanying prospectus.

|   | Nine Months Ended     |                                      | Fiscal Year Ended December 31 |                   |                   |                   |                   |
|---|-----------------------|--------------------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|   | September 30,<br>2009 | September 30,<br>2008<br>(unaudited) | 2008                          | 2007              | 2006              | 2005              | 2004              |
| (amounts in millions except per share amounts)                |                       |                                      |                               |                   |                   |                   |                   |
| Statement of Income data:                                     |                       |                                      |                               |                   |                   |                   |                   |
| Revenues  |                       |                                      |                               |                   |                   |                   |                   |
| Premiums  | \$ 1,899.4            | \$ 1,858.1                           | \$ 2,484.9                    | \$ 2,372.0        | \$ 2,219.2        | \$ 2,161.2        | \$ 2,249.1        |
| Net investment income   | 188.3                 | 193.9                                | 258.7                         | 247.0             | 228.5             | 209.7             | 197.4             |
| Net realized (losses) gains                                   | (9.7)                 | (60.7)                               | (97.8)                        | (0.9)             | (0.2)             | 7.8               | 20.1              |
| Fees and other income   | 25.8                  | 25.7                                 | 34.6                          | 56.0              | 57.9              | 42.6              | 42.4              |
| <b>Total Revenues</b>   | <b>\$ 2,103.8</b>     | <b>\$ 2,017.0</b>                    | <b>\$ 2,680.4</b>             | <b>\$ 2,674.1</b> | <b>\$ 2,505.4</b> | <b>\$ 2,421.3</b> | <b>\$ 2,509.0</b> |
| Losses and Expenses   |                       |                                      |                               |                   |                   |                   |                   |
| Losses and loss adjustment expenses                           | \$ 1,225.1            | \$ 1,239.7                           | \$ 1,626.2                    | \$ 1,457.4        | \$ 1,387.1        | \$ 1,601.6        | \$ 1,558.1        |
| Policy acquisition expenses                                   | 434.7                 | 416.1                                | 556.2                         | 523.6             | 476.4             | 458.5             | 470.1             |
| Gain from retirement of corporate debt                        | (34.5)                |                                      |                               |                   |                   |                   |                   |
| Other operating expenses                                      | 281.1                 | 247.1                                | 333.6                         | 351.6             | 370.9             | 307.8             | 335.3             |
| <b>Total losses and expenses</b>                              | <b>\$ 1,906.4</b>     | <b>\$ 1,902.9</b>                    | <b>\$ 2,516.0</b>             | <b>\$ 2,332.6</b> | <b>\$ 2,234.4</b> | <b>\$ 2,367.9</b> | <b>\$ 2,363.5</b> |
| Income from continuing operations before federal income taxes |                       |                                      |                               |                   |                   |                   |                   |
|   | \$ 197.4              | \$ 114.1                             | \$ 164.4                      | \$ 341.5          | \$ 271.0          | \$ 53.4           | \$ 145.5          |
| Federal income tax expense (benefit)                          | 65.5                  | 52.4                                 | 79.9                          | 113.2             | 87.2              | (6.3)             | 26.2              |
| Income from continuing operations                             | 131.9                 | 61.7                                 | 84.5                          | 228.3             | 183.8             | 59.7              | 119.3             |
| Income (loss) from discontinued operations                    | 8.0                   | (75.2)                               | (63.9)                        | 24.8              | (14.1)            | (384.9)           | 63.2              |
| Cumulative effect of change in accounting principle           |                       |                                      |                               |                   | 0.6               |                   | (57.2)            |
| <b>Net income (loss)</b>                                      | <b>\$ 139.9</b>       | <b>\$ (13.5)</b>                     | <b>\$ 20.6</b>                | <b>\$ 253.1</b>   | <b>\$ 170.3</b>   | <b>\$ (325.2)</b> | <b>\$ 125.3</b>   |
| Earnings (loss) per common share (diluted)                    | \$ 2.72               | \$ (0.26)                            | \$ 0.40                       | \$ 4.83           | \$ 3.27           | \$ (6.02)         | \$ 2.34           |
| Dividends declared per common share                           |                       |                                      | \$ 0.45                       | \$ 0.40           | \$ 0.30           | \$ 0.25           |                   |
| Balance Sheet data (at fiscal period end):                    |                       |                                      |                               |                   |                   |                   |                   |
| Total assets  | \$ 8,088.6            | \$ 9,254.8                           | \$ 9,230.2                    | \$ 9,815.6        | \$ 9,856.6        | \$ 10,634.0       | \$ 23,810.1       |
| Total liabilities   | 5,681.5               | 7,214.7                              | 7,343.0                       | 7,516.6           | 7,857.4           | 8,682.7           | 21,470.6          |
| Long-term debt  | 433.8                 | 511.9                                | 531.4                         | 511.9             | 508.8             | 508.8             | 508.8             |
| Shareholders' equity  | 2,407.1               | 2,040.1                              | 1,887.2                       | 2,299.0           | 1,999.2           | 1,951.3           | 2,339.5           |



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**The Offering**

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of Notes in this prospectus supplement. As used in this Prospectus Supplement Summary The Offering, the terms THG, we, our, us and other similar references refer only to The Hanover Insurance Group, Inc. and not to any of its subsidiaries.*

|                     |   |
|---------------------|---|
| Issuer              | The Hanover Insurance Group, Inc.   |
| Securities Offered  | \$ % Notes due  |
| Maturity            | The notes will mature on March 1, .   |
| Interest            | Interest on the notes will accrue from February , 2010. Interest on the notes will be payable semi-annually in arrears at the rate set forth on the cover page of this prospectus supplement on March 1 and September 1 of each year, commencing on September 1, 2010.  |
| Optional Redemption | <p>We may redeem the notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:</p> <p style="padding-left: 40px;">100% of the principal amount of the notes being redeemed; and</p> <p style="padding-left: 40px;">the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in Description of Notes Optional Redemption ), plus basis points;</p> <p>together in each case, with accrued interest thereon to, but not including, the date of redemption.</p> |
| Sinking Fund        | The notes will not be entitled to the benefit of a sinking fund.  |
| Covenants           | <p>The indenture will contain covenants that, among other things, will limit our ability and the ability of our restricted subsidiaries to:</p> <p style="padding-left: 40px;">incur, issue, assume or guarantee certain secured indebtedness; and</p> <p style="padding-left: 40px;">issue or dispose of capital stock of a restricted subsidiary.</p>   |

The indenture also limits our ability to engage in mergers, consolidations and certain sales of assets. These covenants are subject to important exceptions and qualifications, as described in the sections titled Description of Notes Certain Covenants and Description of the Debt Securities Consolidation, Merger or Conveyance.

Ranking

The notes will be our senior unsecured obligations and will rank equal in right of payment to all of our existing and future indebtedness and other liabilities that are not, by their terms, expressly subordinated in right of payment to the notes. The notes will be effectively

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subordinated to all of our existing and future secured indebtedness and other secured liabilities to the extent of the value of the assets securing such indebtedness and liabilities and to all indebtedness and other liabilities of our subsidiaries. As of December 31, 2009, we and our subsidiaries had on a consolidated basis approximately \$433.9 million in senior and subordinated long-term indebtedness, inclusive of current installments on a consolidated basis, of which \$121.4 million is senior debentures, \$165.7 million is subordinated long-term indebtedness, \$125.0 million is Federal Home Loan Bank of Boston borrowings by Hanover Insurance ( FHLBB Borrowings ) and \$21.8 million is additional subsidiary indebtedness. Such FHLBB Borrowings are collateralized by government and government agency securities and such FHLBB Borrowings and subsidiary indebtedness are structurally senior to the notes.

|                       |  |
|-----------------------|--|
| Use of Proceeds       | The net proceeds to us from the sale of the notes will be approximately \$ _____ million (after deducting underwriting discounts and our offering expenses). We currently intend to use the net proceeds from the sale of the notes for general corporate and working capital purposes, which may include repurchase of shares of our common stock, capital expenditures, possible acquisitions and any other general corporate purposes. See Use of Proceeds.   |
| Further Issuances     | We may, without notice to or consent of the holders or beneficial owners of the notes, issue in a separate offering additional notes having the same ranking, interest rate, maturity and other terms as the notes, provided, however, that no such additional notes may be issued unless such additional notes are fungible with the notes for U.S. federal income tax purposes. The notes and any such additional notes will constitute a single series under the indenture.   |
| Denomination and Form | We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, <i>société anonyme</i> , and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which, in turn, will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of \$1,000 and integral multiples thereof. |
| Expected Ratings      | We expect that upon issuance the notes will be rated Baa3 by Moody's, BBB- by S&P and BBB- by Fitch Ratings. A rating reflects only the view of the rating agency. None of these ratings is a  |

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recommendation to buy, sell or hold the notes. Each rating is subject to revision or withdrawal at any time by a rating agency and should be evaluated independently of any other rating.

Risk Factors

Investing in the notes involves risks. See **Risk Factors** beginning on page S-7 of this prospectus supplement, and under **Item 1A. Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2008, including **Important Factors Regarding Forward-Looking Statements** filed as Exhibit 99.2 to such Annual Report and any other risk factors described in any Quarterly Report on Form 10-Q, for a description of certain risks you should consider before investing in the notes.

Certain U.S. Federal Tax Considerations

For a discussion of the U.S. federal income tax consequences of the ownership and disposition of the notes, see the section entitled **Certain United States Federal Income Tax Consequences** in this prospectus supplement.

Trustee

U.S. Bank National Association

Governing Law

New York

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**RISK FACTORS**

*You should carefully consider the following risk factors as well as the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the discussion of risk factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, Exhibit 99.2 to such Annual Report and any other risk factors described in any Quarterly Report on Form 10-Q, all of which is incorporated by reference, before making a decision to invest in the notes. The following is not intended as, and should not be construed as, an exhaustive list of relevant risk factors. Some of these factors relate principally to our business and the industry in which we operate while others relate principally to your investment in the notes. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally. If any of the matters included in the following risks were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially and adversely affected. In such case, you may lose all or part of your investment.*

**Risks Related to the Notes**

*We are a holding company that depends on the ability of our insurance subsidiaries to pay dividends to us in order to service our indebtedness.*

We are a holding company and do not have any significant operations or assets other than our ownership of the shares of our operating subsidiaries. Dividends and other permitted distributions from our insurance subsidiaries are our primary source of funds to meet ongoing cash requirements, including any future debt service payments and other expenses. Our insurance subsidiaries are subject to significant regulatory restrictions limiting their ability to declare and pay dividends. The inability of our insurance subsidiaries to pay dividends in an amount sufficient to enable us to meet our cash requirements at the holding company level could have an adverse effect on our operations and our ability to meet our debt service obligations.

*The notes are effectively subordinate to the existing and future liabilities of our subsidiaries.*

Our subsidiaries are separate and distinct legal entities from us. None of our subsidiaries will guarantee the notes, and our subsidiaries will have no obligation to pay any amounts due on the notes or to provide us with funds to meet our payment obligations on the notes, whether in the form of dividends, distributions, loans or other payments. Any payment of dividends, loans or advances by our subsidiaries could be subject to contractual restrictions. In addition, payments to us by our subsidiaries will also be contingent upon the subsidiaries' earnings, legal ability to pay dividends and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any secured indebtedness and other secured liabilities of our subsidiaries to the extent of the value of the assets securing such indebtedness and liabilities, and to all indebtedness and other liabilities of our subsidiaries senior to that held by us. As of December 31, 2009, our subsidiary, Hanover Insurance, had approximately \$125.0 million in long-term indebtedness outstanding under FHLBB Borrowings in addition to \$21.8 million of other subsidiary indebtedness, all of which would be structurally senior to the notes.

*The notes would be subject to prior claims of any secured creditors.*

The notes are our senior unsecured general obligations, ranking equally with other unsecured and unsubordinated debt but below any secured debt to the extent of the value of the assets constituting the security. The indenture governing the notes permits us and our subsidiaries to incur secured debt under specified circumstances. If we incur any debt secured by our assets or assets of our subsidiaries, these assets will be subject to the prior claims of our secured creditors, and in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, these pledged assets would be available to satisfy secured obligations.

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before any payment could be made on the notes. To the extent that such assets could not satisfy in full any such secured obligations, the holders of such obligations would have a claim for any shortfall that would rank equally in right of payment with the notes. In that case, we might not have sufficient assets remaining to pay amounts due on any or all of the notes. As of December 31, 2009, Hanover Insurance, had approximately \$125.0 million in long-term indebtedness outstanding under FHLBB Borrowings, all of which is collateralized by government and government agency securities.

***The indenture does not restrict the amount of additional debt that we may incur.***

The notes and indenture under which the notes will be issued do not place any limitation on the amount of unsecured debt that may be incurred by us. Our incurrence of additional debt may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes, a loss in the market value of your notes, and a risk that the credit rating of the notes is lowered or withdrawn.

***The negative covenants are only applicable to our restricted subsidiaries.***

As more fully described under Description of Notes Certain Covenants, negative covenants that apply to the notes impose certain limitations on our ability to issue or dispose of capital stock of a restricted subsidiary and limit us and our restricted subsidiaries from incurring, issuing, assuming or guaranteeing any indebtedness secured by a Lien on (A) any shares of capital stock issued by a restricted subsidiary and held by THG or another restricted subsidiary or (B) any indebtedness of a restricted subsidiary owing to and held by THG or another restricted subsidiary, without effectively providing that the notes shall be secured equally and ratably with (or prior to) such indebtedness. Those covenants do not apply to our subsidiaries that are not restricted subsidiaries. The indenture does not limit the secured debt incurred, assumed or guaranteed by our subsidiaries that are not restricted subsidiaries, or limit our ability to issue or dispose of capital stock of a subsidiary that is not a restricted subsidiary. A restricted subsidiary is one of our subsidiaries whose total consolidated assets constitute at least 15% of our total consolidated assets, as of the last day of the most recent fiscal quarter ended at least 30 days prior to the date of determination, or one of our subsidiaries designated by us as a restricted subsidiary.

***Our credit ratings may not reflect all risks of your investment in the notes.***

The credit ratings assigned to the notes are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies, if, in such rating agency's judgment, circumstances so warrant. Agency credit ratings are not a recommendation to buy, sell or hold any security. Each agency's rating should be evaluated independently of any other agency's rating. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

***The terms of the indenture and the notes do not provide protection against corporate events that could adversely impact your investment in the notes.***

Neither we nor any of our subsidiaries are restricted from incurring additional debt or other liabilities, including additional senior debt, under the indenture. At December 31, 2009, we had \$433.9 million in senior and subordinated long-term indebtedness outstanding. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities. In addition, the indenture will not require us to offer to purchase the notes in connection with a change of control.



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Furthermore, the indenture and the related supplemental indenture for the notes do not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;

limit the ability of our subsidiaries to service indebtedness;

limit our or any of our subsidiaries' ability to sell assets (other than certain restrictions on our ability to consolidate, merge or sell all or substantially all of our assets and our ability to sell the stock of certain subsidiaries);

limit our or any of our subsidiaries' ability to enter into transactions with affiliates;

restrict our ability to repurchase or prepay any other of our securities or other indebtedness; or

restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

As a result of the foregoing, when evaluating the terms of the notes, you should be aware that the terms of the indenture, the related supplemental indenture and the notes do not restrict our ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the notes.

***If an active trading market does not develop for the notes, you may be unable to sell your notes or to sell your notes at a price that you deem sufficient.***

The notes are a new issue of securities for which there currently is no established trading market. We do not intend to list the notes on a national securities exchange. While the underwriters of the notes have advised us that they intend to make a market in the notes, the underwriters will not be obligated to do so and may stop their market-making at any time at their discretion without notice. In addition, the liquidity of the trading market in the notes and the market price quoted for the notes may be adversely affected by changes in the overall market for securities and by changes in the financial performance or prospects of our company or companies in our industry. No assurance can be given:

that a market for the notes will develop or continue;

as to the liquidity of any market that does develop; or

as to your ability to sell any notes you may own or the price at which you may be able to sell your notes.

## **Risks Related to THG**

Our business is subject to uncertainties and risks. You should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus, including Item 1A. Risk Factors incorporated by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Important Factors Regarding Forward-Looking Statements in Exhibit 99.2 to such Annual Report, as updated by other SEC filings filed after such annual report.



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**USE OF PROCEEDS**

The net proceeds to us from the sale of the notes will be approximately \$ \_\_\_\_\_ million (after deducting underwriting discounts and our offering expenses). We currently intend to use the net proceeds from the sale of the notes for general corporate and working capital purposes, which may include repurchase of shares of our common stock, capital expenditures, possible acquisitions and any other general corporate purposes.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated cash and cash equivalents and capitalization as of December 31, 2009 on an actual basis and as adjusted to give effect to the sale of the notes (after deducting the underwriting discount and estimated fees and expenses) and application of those proceeds. You should read this table in conjunction with our consolidated financial statements and related notes thereto which are incorporated by reference.

|  | <b>As of December 31, 2009</b> |                 |
|--|--------------------------------|-----------------|
|  | <b>Actual</b>                  | <b>As</b>       |
|  | <b>(unaudited)</b>             | <b>Adjusted</b> |
|  | <b>(Dollars in millions)</b>   |                 |
| Cash and cash equivalents                      | \$ 316.5                       | \$              |
| Long-term debt:                                |                                |                 |
| Debt related to junior subordinated debentures | \$ 183.5                       | \$ 183.5        |
| FHLBB borrowing (secured)                      | 125.0                          | 125.0           |
| Senior debentures (unsecured)                  | 121.4                          | 121.4           |
| Surplus notes                                  | 4.0                            | 4.0             |
| Notes offered hereby                           |                                |                 |
| Total long-term debt                           | \$ 433.9                       | \$              |
| Total shareholders' equity                     | \$ 2,358.6                     | \$ 2,358.6      |
| Total capitalization                           | \$ 2,792.5                     | \$              |

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**DESCRIPTION OF NOTES**

*The following description is a summary of the particular terms of the notes. This summary supplements, and to the extent it is inconsistent therewith replaces, the description of the general terms and provisions of the notes set forth under Description of the Debt Securities in the accompanying prospectus dated January 21, 2010. In this Description of Notes section, the terms we, our, us and THG refer solely to The Hanover Insurance Group, Inc., and do not include its subsidiaries.*

**General**

We will issue the notes as a separate series of debt securities under the indenture referred to in the accompanying prospectus and a supplemental indenture establishing the terms of the notes between us and U.S. Bank National Association, as trustee (the Trustee). The statements made under this heading relating to the notes are summaries of the material provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the notes, the indenture and the supplemental indenture, including the definitions therein of certain terms. The notes will be our senior unsecured obligations and will rank equal in right of payment to all of our other existing and future indebtedness and other liabilities that are not, by their terms, expressly subordinated in right of payment to the notes. We will issue notes in an aggregate initial principal amount of \$ . The indenture does not limit the amount of indebtedness which may be issued thereunder, and indebtedness may be issued under the indenture from time to time in separate series up to the aggregate amount from time to time authorized by THG. We will issue notes in denominations of \$1,000 and integral multiples thereof in excess thereof. The notes will mature on March 1, .

Interest on the notes will accrue from February , 2010 at the rate of % per annum. Interest will be payable semi-annually on March 1 and September 1, commencing on September 1, 2010. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. We will make each interest payment to the persons in whose names the notes are registered at the close of business on the February 15 or August 15 preceding the next interest payment date. Principal of and interest on the notes will be payable, and the transfer of the notes will be registrable, through the Depository as described under Book-Entry System.

Subject to certain restrictions relating to our and any of our restricted subsidiaries ability to incur, issue, assume or guarantee any indebtedness secured by a lien on (A) any shares of capital stock issued by a restricted subsidiary and held by us or another restricted subsidiary or (B) any indebtedness of a restricted subsidiary owing to and held by us or another restricted subsidiary, the indenture does not contain any provisions that would limit the ability of THG to incur additional indebtedness.

**Further Issuances**

We may, from time to time, without notice to or the consent of the holders of the notes, increase the principal amount of this series of notes under the indenture and issue such increased principal amount, in which case any additional notes so issued will have the same form and terms (other than the public offering price and date of issuance and, under certain circumstances, the date from which interest thereon will begin to accrue), and will carry the same right to receive accrued and unpaid interest, as the notes previously issued, and such additional notes will form a single series with the notes, provided, however, that no such additional notes may be issued unless such additional notes are fungible with the notes for U.S. federal income tax purposes.

**Optional Redemption**

The notes will be redeemable as a whole or in part, at our option at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued and unpaid to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year

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consisting of twelve 30-day months) at the Treasury Rate plus \_\_\_\_\_ basis points, plus, in each case, accrued and unpaid interest thereon to, but not including, the date of redemption. Further installments of interest on the notes to be redeemed that are due and payable on the interest payment dates falling on or prior to a redemption date shall be payable on the interest payment date to the registered holders as of the close of business on the relevant regular record date according to the notes and the indenture.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if we obtain fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Reference Treasury Dealer means each of Barclays Capital Inc., Goldman, Sachs & Co. or their affiliates that are primary U.S. Government securities dealers and two other primary U.S. Government securities dealers in the City of New York selected by us, and their respective successors; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. Government securities dealer in The City of New York, we shall substitute therefor another such primary U.S. Government securities dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of notes to be redeemed; *provided* that notice of redemption may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of notes. If fewer than all of the notes are to be redeemed, the notes to be redeemed shall be selected by the trustee by lot or any other such method as the trustee deems to be fair and appropriate.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions thereof called for redemption.

## **Sinking Fund**

The notes will not be entitled to the benefit of a sinking fund.

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### **Certain Covenants**

The following covenants apply to the notes.

*Restrictions on Issuance or Disposition of Stock of Restricted Subsidiaries.* THG will not, nor will it permit any Restricted Subsidiary to, issue, sell or otherwise dispose of any shares of Capital Stock (other than non-voting Preferred Stock) of any Restricted Subsidiary, except for:

(i) directors qualifying shares;

(ii) sales or other dispositions to THG or to one or more Subsidiaries that are Restricted Subsidiaries or that will become Restricted Subsidiaries immediately after the sale or disposition;

(iii) the disposition of all or any part of the Capital Stock of any Restricted Subsidiary for consideration which is at least equal to the fair value of such Capital Stock as determined by THG's or such Restricted Subsidiary's board of directors, as the case may be (acting in good faith), in any case in accordance with the laws of the jurisdiction of formation of such Person; *provided, however*, that any such Capital Stock issued, sold, granted, transferred or otherwise disposed of to any employee, officer, director, agent or consultant pursuant to any agreement, plan or arrangement approved by the board of directors of THG or such Restricted Subsidiary, as appropriate, shall be deemed to be issued, sold or otherwise disposed of at fair value; or

(iv) any issuance, sale, assignment, transfer or other disposition made in compliance with an order of a court or regulatory authority of competent jurisdiction, other than an order issued at the request of THG or any Restricted Subsidiary.

*Limitations on Liens.* Except as provided below, neither THG nor any Restricted Subsidiary may incur, issue, assume or guarantee any Indebtedness secured by a Lien on (A) any shares of Capital Stock issued by a Restricted Subsidiary and held directly or indirectly by THG or another Restricted Subsidiary or (B) any Indebtedness of a Restricted Subsidiary owing to and held directly or indirectly by THG or another Restricted Subsidiary, without effectively providing that the notes (together with, if THG shall so determine, any other Indebtedness which is not subordinated to the notes) shall be secured equally and ratably with (or prior to) such Indebtedness, so long as such Indebtedness shall be so secured; *provided, however*, that this covenant shall not apply to Indebtedness secured by:

(i) Liens in favor of, or required by, governmental authorities, including insurance regulatory authorities;

(ii) Liens existing on the issue date of the notes;

(iii) Liens on any shares of Capital Stock or Indebtedness of any corporation (including any Subsidiary) (a) existing at the time such corporation becomes a Restricted Subsidiary or merges into or consolidates with THG or a Restricted Subsidiary and (b) not incurred in contemplation thereof;

(iv) Liens in favor of THG or any Restricted Subsidiary;

(v) Liens, pledges or deposits to secure statutory obligations, including Liens and deposits required or provided for under state insurance laws and similar regulatory statutes;

(vi) materialmen's, mechanic's, carrier's, workmen's, repairmen's, or other like Liens, and pledges and deposits made in the ordinary course of business to obtain the release thereof; and

(vii) any extension, renewal or replacement as a whole or in part, of any Lien referred to in the foregoing clauses (i) to (vi) inclusive; provided, however, that (a) such extension, renewal or replacement Lien shall be limited to all or a part of the same shares of Capital Stock or the same Indebtedness that secured the Lien extended, renewed or replaced and (b) the Indebtedness secured by such Lien at such time is not so increased.

Any Lien that is granted to secure the notes pursuant to this covenant shall be deemed automatically and unconditionally released and discharged upon the release and discharge of each of the Liens described above that triggered the obligation to secure the notes.

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The indenture does not contain any provisions other than the foregoing that will restrict THG from incurring, assuming or becoming liable with respect to any indebtedness or other obligations, whether secured or unsecured, or from paying dividends or making other distributions on its capital stock or purchasing or redeeming its capital stock. The indenture does not contain any financial ratios or specified levels of net worth or liquidity which THG must maintain.

For purposes of the covenants described above, the following terms will be applicable:

**Capital Stock** for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that corporation.

**Consolidated Assets** mean our assets and the assets of our consolidated subsidiaries, to be determined as of the last day of the most recent fiscal quarter ended at least 30 days prior to the date of the determination, for which internal financial statements are available and have been prepared in accordance with generally accepted accounting principles in the United States as in effect on the last day of that fiscal quarter.

**Indebtedness** of any Person means indebtedness for borrowed money and indebtedness under purchase money mortgages or other purchase money liens, in each case where such indebtedness has been created, incurred, or assumed by such Person to the extent such indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with generally accepted accounting principles in the United States, guarantees by such Person of such indebtedness of others, and indebtedness for borrowed money secured by any mortgage, pledge or other lien or encumbrance upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness.

**Lien** means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement and any lease in the nature thereof).

**Person** means any individual, corporation, partnership, joint venture, association, joint-stock or limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof.

**Preferred Stock**, as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of the dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

**Restricted Subsidiary** means (i) any Subsidiary the assets of which, determined as of the last day of the most recent fiscal quarter ended at least 30 days prior to the date of determination, for which internal financial statements are available and have been prepared in accordance with generally accepted accounting principles in the United States as in effect on the last day of that fiscal quarter, exceed 15% of the Consolidated Assets, or (ii) any Subsidiary designated as a restricted subsidiary by the board of directors, or similar governing body, of such subsidiary, effective as of the date of such designation.

**Subsidiary** means (i) a corporation, a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is, at the date of determination, directly or indirectly owned by THG, by one or more Subsidiaries of THG or by THG and one or more Subsidiaries of THG, (ii) a partnership in which THG or a Subsidiary of THG holds a majority interest in the equity capital or profits of such partnership, or (iii) any other Person (other than a corporation or partnership) in which THG, a Subsidiary of THG or THG and one or more Subsidiaries of THG, directly or indirectly, at the date of determination, has (x) at least a majority ownership interest or (y) the power to elect or direct the election of a majority of the directors or other governing body of such Person.



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### **Defeasance**

The notes will be subject to defeasance and discharge, and the covenants set forth above under **Certain Covenants** **Restrictions on Issuance or Disposition of Stock of Restricted Subsidiaries** and **Limitations on Liens** will be subject to covenant defeasance as set forth in the indenture. See **Description of the Debt Securities** **Defeasance and Covenant Defeasance** in the accompanying prospectus.

### **Book-Entry System**

#### *Global Notes*

We will issue the notes in the form of one or more global notes in fully registered, book-entry form. The global notes will be deposited with or on behalf of DTC and registered in the name of Cede & Co., as nominee of DTC.

#### *DTC, Clearstream and Euroclear*

Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may hold interests in the global notes through either DTC, in the United States, Clearstream Banking, *société anonyme*, Luxembourg, which we refer to as **Clearstream**, or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as **Euroclear**, in Europe, either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their United States depositories, which in turn will hold such interests in customers' securities accounts in the United States depositories' names on the books of DTC.

We have obtained the information in this section concerning DTC, Clearstream and Euroclear and the book-entry system and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

We understand that:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Exchange Act.

DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.

DTC is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC and the Financial Industry Regulatory Authority, Inc. (successor to the National Association of Securities Dealers, Inc.).

Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

The rules applicable to DTC and its direct and indirect participants are on file with the Securities and Exchange Commission.



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We understand that Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between its customers through electronic book-entry changes in accounts of its customers, thereby eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Section. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream customer either directly or indirectly.

We understand that Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

We understand that the Euroclear Operator is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

We have provided the descriptions of the operations and procedures of DTC, Clearstream and Euroclear in this prospectus supplement solely as a matter of convenience, and we make no representation or warranty of any kind with respect to these operations and procedures. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. None of us, the underwriters or the trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream and Euroclear or their participants directly to discuss these matters.

We expect that under procedures established by DTC:

upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes

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represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or a global note.

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be solely responsible for those payments.

Distributions on the notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the United States depository for Clearstream.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions on the notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the United States depository for Euroclear.

### ***Clearance and Settlement Procedures***

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

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Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the United States depository. Such cross-market transactions, however, will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the United States depository to take action to effect final settlement on its behalf by delivering or receiving the notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their United States depositories.

Because of time-zone differences, credits of the notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in the notes settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of the notes by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

**Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated notes to be issued.**

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**CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following discussion summarizes certain of the U.S. federal tax consequences of the ownership and disposition of the notes. This summary:

is based on the Internal Revenue Code of 1986, as amended, or the Code, U.S. Treasury regulations issued under the Code, judicial decisions and administrative pronouncements, all of which are subject to different interpretation and to change. Any such change may be applied retroactively and may adversely affect the U.S. federal tax consequences described in this prospectus supplement;

addresses only tax consequences to investors that both (1) purchase the notes upon their original issuance for cash at their issue price (generally, the first price to the public, not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, at which a substantial amount of the notes is sold for money); and (2) hold the notes as capital assets within the meaning of Section 1221 of the Code (that is, generally, for investment purposes);

does not discuss all of the tax consequences that may be relevant to particular investors in light of their particular circumstances (such as the application of the alternative minimum tax);

does not discuss all of the tax consequences that may be relevant to investors that are subject to special treatment under U.S. federal income tax laws (such as insurance companies; financial institutions; tax-exempt organizations; retirement plans; regulated investment companies; dealers in securities; U.S. Holders (as defined below) whose functional currency for U.S. federal income tax purposes is not the U.S. dollar; holders holding the notes as part of a straddle or integrated transaction; former U.S. citizens or long-term residents subject to taxation as expatriates under Sections 877 or 877A of the Code; or traders in securities that have elected to use a mark-to-market method of accounting for their securities holdings);

does not discuss the effect of other U.S. federal tax laws (such as estate and gift tax laws), or of any state, local, or non-U.S. tax laws; and

does not discuss the tax consequences to a person holding notes through a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes), except to the limited extent specifically indicated below.

If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership holding notes, you should consult your tax advisor regarding the tax consequences of the ownership and disposition of the notes.

**Prospective investors should consult their own tax advisors with regard to the tax consequences to them in light of their particular situation and the application of any other U.S. federal as well as state, local, or non-U.S. tax laws, including gift and estate tax laws, and tax treaties.**

**Certain U.S. Federal Income Tax Consequences to U.S. Holders**

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of the notes by a U.S. Holder. For purposes of this summary, U.S. Holder means a beneficial owner of a note or notes that is for U.S. federal income tax purposes:

an individual citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the substantial presence test under Section 7701(b) of the Code;

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a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia;

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an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (within the meaning of the Code) have the authority to control all of its substantial decisions, or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

***Treatment of Stated Interest and Original Issue Discount***

Stated interest on the notes will be taxable to a U.S. Holder as ordinary income as the interest is paid or accrues in accordance with the U.S. Holder's method of tax accounting. Original issue discount, if any, on the notes is taxable according to detailed rules in the Treasury regulations.

An obligation generally is treated as having been issued with original issue discount, or "OID," for U.S. federal income tax purposes if its stated redemption price at maturity exceeds its issue price by more than a statutory *de minimis* amount. If the notes are issued with OID, a U.S. Holder generally will be required to include OID in income before such holder receives the associated cash payment, regardless of such holder's usual accounting method for tax purposes.

We will notify you in the final pricing supplement for this offering if the notes are being issued with more than a *de minimis* amount of OID. The rules regarding OID are complex. U.S. Holders are urged to consult their tax advisors regarding the application of these rules to their particular situation.

***Treatment of Taxable Dispositions of Notes***

Upon the sale, exchange, retirement, or other taxable disposition (each, a "disposition") of a note, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount received on such disposition (other than amounts received in respect of accrued and unpaid interest or OID, which will generally be taxable to that U.S. Holder as ordinary interest income at that time if not previously included in the U.S. Holder's income) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note will generally equal the cost of the note to such U.S. Holder, increased by any OID previously included in income and reduced by any payments (other than payments constituting qualified stated interest) received on the note. Gain or loss realized on the disposition of a note generally will be capital gain or loss to the U.S. Holder. Such gain or loss will be long-term capital gain or loss if, at the time of such disposition, the note has been held for more than one year, and otherwise generally will be short-term capital gain or loss. Long-term capital gain recognized by a non-corporate U.S. Holder generally is eligible for reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to significant limitations.

**Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders**

The following is a summary of certain U.S. federal income tax consequences of the ownership and disposition of the notes by a holder that is a Non-U.S. Holder. For purposes of this summary, "Non-U.S. Holder" means a beneficial owner of a note or notes, other than a partnership (or other entity or arrangement) classified as a partnership for U.S. federal income tax purposes, that is not a U.S. Holder.

Special rules may apply to Non-U.S. Holders that are subject to special treatment under the Code, including controlled foreign corporations and passive foreign investment companies, or under tax treaties to which the United States is a party. Such Non-U.S. Holders should consult their own tax advisors to determine the U.S. federal, state, local, and non-U.S. tax consequences that may be relevant to them.



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### ***Treatment of Interest***

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax in respect of interest income (including OID, if any) on a note if the interest income qualifies for the portfolio interest exemption. Interest income on a note will qualify for the portfolio interest exemption if each of the following requirements is satisfied:

the interest income is not effectively connected with the conduct of a trade or business in the United States;

the Non-U.S. Holder appropriately certifies its status as a non-U.S. person (as described below);

the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

the Non-U.S. Holder is not a controlled foreign corporation (within the meaning of the Code) that is actually or constructively related to us through stock ownership; and

the Non-U.S. Holder is not a bank that acquired the notes in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business.

The certification requirement referred to above generally will be satisfied if the Non-U.S. Holder provides us or our paying agent with a statement on IRS Form W-8BEN (or suitable substitute or successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder and stating, among other things, that the Non-U.S. Holder is not a U.S. person (within the meaning of the Code). If the Non-U.S. Holder holds its notes through a financial institution or other agent acting on the holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to that agent, and that agent will then be required to provide appropriate documentation to us or our paying agent (either directly or through other intermediaries). For payments made to foreign partnerships and certain other pass-through entities, the certification requirement will generally apply to the partners or other interest holders in addition to the partnership or other pass-through entity. Prospective Non-U.S. Holders should consult their tax advisors regarding this certification requirement, and alternative methods for satisfying the certification requirement.

If the requirements of the portfolio interest exemption are not satisfied with respect to a Non-U.S. Holder, payments of interest (including OID, if any) to that Non-U.S. Holder will be subject to a 30% U.S. withholding tax, unless another exemption or a reduced withholding rate applies. For example, an applicable income tax treaty may reduce or eliminate such tax, in which event a Non-U.S. Holder claiming the benefit of such treaty must provide the withholding agent with a properly executed IRS Form W-8BEN (or suitable substitute or successor form) establishing that the holder is entitled to claim the benefit of the applicable tax treaty. Alternatively, an exemption applies to the 30% U.S. withholding if the interest (including OID, if any) is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States and the Non-U.S. Holder provides an appropriate statement to that effect on a properly executed IRS Form W-8ECI (or suitable substitute or successor form). In the latter case, such Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to all income from the notes in the same manner as a U.S. Holder, as described above, unless an applicable income tax treaty provides otherwise. In addition, Non-U.S. Holders that are corporations may be subject to a branch profits tax with respect to any such U.S. trade or business income at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

### ***Treatment of Taxable Dispositions of Notes***

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain realized upon the taxable disposition of a note unless:

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the Non-U.S. Holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or

the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if an income tax treaty applies, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States).

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If the first exception above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains allocable to U.S. sources (including gains from the taxable disposition of the note) exceed capital losses allocable to U.S. sources. If the second exception above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, as described above, unless an applicable income tax treaty provides otherwise. Additionally, Non-U.S. Holders that are corporations could be subject to a branch profits tax with respect to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

**Certain U.S. Information Reporting Requirements and Backup Withholding**

***U.S. Holders***

We (or, if a U.S. Holder holds notes through a broker or other securities intermediary, the intermediary) may be required to file information returns with the IRS with respect to payments of interest made to U.S. Holders, and, in some cases, disposition proceeds of the notes.

In addition, a U.S. Holder may be subject to backup withholding (currently at a rate of 28%) on those payments if the U.S. Holder does not provide its taxpayer identification number in the manner required, fails to certify that it is not subject to backup withholding, fails properly to report in full its dividend and interest income, or otherwise fails to comply with the applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability (or be refunded) provided the required information is timely furnished to the IRS. Prospective U.S. Holders should consult their tax advisors concerning the application of these information reporting and backup withholding rules.

***Non-U.S. Holders***

The U.S. rules concerning information reporting and backup withholding applicable to Non-U.S. Holders are as follows:

interest payments received by a Non-U.S. Holder will be exempt from backup withholding if such payments are subject to the 30% withholding tax on interest or if they are exempt from that tax by application of a tax treaty or the portfolio interest exemption where the Non-U.S. Holder satisfies the certification requirements described above under Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders Treatment of Interest. The exemption does not apply if the withholding agent or an intermediary knows or has reason to know that the Non-U.S. Holder should be subject to the usual information reporting or backup withholding rules. In addition, information reporting (on Form 1042-S) will apply to payments of interest even if certification is provided and the interest is exempt from the 30% withholding tax; and

sale proceeds received by a Non-U.S. Holder on a sale of notes through a broker may be subject to information reporting and/or backup withholding if the Non-U.S. Holder is not eligible for an exemption or does not provide the certification described above under Certain U.S. Federal Tax Consequences to Non-U.S. Holders Treatment of Interest. In particular, information reporting and backup withholding may apply if the Non-U.S. Holder uses the U.S. office of a broker, and information reporting (but generally not backup withholding) may apply if a Non-U.S. Holder uses the non-U.S. office of a broker that has one of certain connections to the United States.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a credit against the Non-U.S. Holder's U.S. federal income tax liability (or be refunded) provided the required information is timely furnished to the IRS. Prospective Non-U.S. Holders should consult their tax advisors concerning the application of these information reporting and backup withholding rules.

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**THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY, IS NOT TAX ADVICE AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER U.S. FEDERAL NON-INCOME, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS (AND ANY PROPOSED CHANGES IN APPLICABLE LAW).**

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**UNDERWRITING**

THG and the underwriters for the offering named below have entered into an underwriting agreement with respect to the notes. Subject to certain conditions, each underwriter has severally agreed to purchase the principal amount of notes indicated in the following table.

| Underwriters          | Principal Amount |
|-----------------------|------------------|
| Barclays Capital Inc. | \$               |
| Goldman, Sachs & Co.  |                  |
|                       |                  |
|                       |                  |
| <b>Total</b>          | <b>\$</b>        |

The underwriters are committed to take and pay for all of the notes being offered, if any are taken.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to % of the principal amount of notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to % of the principal amount of notes. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The notes are a new issue of securities with no established trading market. THG has been advised by the underwriters that the underwriters intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

THG estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ .

THG has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

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The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for THG, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of THG. In particular, Barclays Capital PLC is party to an accelerated share repurchase agreement with THG dated December 8, 2009, as described under *Recent Developments* *Common Stock Repurchases* of this prospectus supplement.

## **Offering Restrictions**

### *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- (d) in any other circumstances which do not require the publication by THG of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### *United Kingdom*

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

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Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA would not, if THG was not an authorised person, apply to THG; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

### ***Hong Kong***

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### ***Japan***

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

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**VALIDITY OF THE NOTES**

The validity of the notes will be passed upon for us by Ropes & Gray LLP and for the underwriters by Davis Polk & Wardwell LLP.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP (which contains an explanatory paragraph on the effectiveness of internal control over financial reporting due to the exclusion of the acquisition of AIX Holdings, Inc., which the registrant acquired on November 28, 2008, from PricewaterhouseCoopers LLP's audit of internal control over financial reporting), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**PROSPECTUS**

**Debt Securities**

The Hanover Insurance Group, Inc. may offer debt securities from time to time in one or more offerings. This prospectus describes some of the general terms of these securities. The specific terms of the debt securities to be offered and other information as to the terms and matters related to a specific offering will be described in one or more prospectus supplements to this prospectus. The prospectus supplements may also add to, update or change the information contained in this prospectus. This prospectus may not be used to offer or sell any debt securities unless accompanied by a prospectus supplement. You should read carefully both this prospectus and any prospectus supplement before making your investment decision.

We may offer and sell the debt securities on an immediate, continuous or delayed basis directly to investors or through underwriters, dealers or agents, or through a combination of these methods at prices and on terms determined at the time of offering. If agents, underwriters or dealers are used to sell the securities, we will name them and describe their compensation in a prospectus supplement.

**Investing in these securities involves risks that will be described in Risk Factors in the applicable prospectus supplement.**

The address of our principal executive offices is 440 Lincoln Street, Worcester, Massachusetts, 01653, and our telephone number is (508) 855-1000.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is January 21, 2010.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC. By using a shelf registration statement, we may, at any time and from time to time, in one or more offerings, sell the debt securities described in this prospectus. Each time we offer debt securities using this prospectus, we will provide the specific terms and offering prices and will describe the specific manner in which we will offer these securities in a supplement to this prospectus. Therefore, if there is any inconsistency between the information in this prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement.

The applicable prospectus supplement also may contain important information about certain U.S. federal income tax consequences if you acquire the debt securities being offered by that prospectus supplement. You should read carefully this prospectus, any prospectus supplement and the additional information described under the heading **Where You Can Find More Information**.

We are not making an offer of these debt securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any applicable prospectus supplement is accurate as of any date other than the date of the document. We have not authorized anyone to provide you with different information.

In this prospectus, unless otherwise stated or the context otherwise requires, references to **THG**, **we**, **us** and **our** refer to The Hanover Insurance Group, Inc. and its subsidiaries.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials that we file with the SEC at its Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) 732-0330. Our filings are also available to the public from the website maintained by the SEC at <http://www.sec.gov>.

The SEC's rules allow us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file subsequently with the SEC will automatically update and supersede the information included and/or incorporated by reference in this prospectus. We incorporate by reference into this prospectus the documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, (other than documents or information deemed to have been furnished and not filed in accordance with SEC rules) after the initial filing of the registration statement that contains this prospectus and prior to the time that we sell all of the securities offered by this prospectus:

our Proxy Statement on Schedule 14A filed on March 27, 2009 (with respect to information contained in such proxy statement that is incorporated into Part III of our Annual Report on Form 10-K only);

our Annual Report on Form 10-K for the year ended December 31, 2008;

our Quarterly Reports on Form 10-Q for each of the three months ended March 31, 2009, June 30, 2009 and September 30, 2009; and

our Current Reports on Form 8-K filed on January 7, 2009, March 23, 2009, May 15, 2009, September 25, 2009, September 25, 2009, October 21, 2009, December 8, 2009, December 9, 2009 and January 8, 2010.

You may obtain documents incorporated by reference into this prospectus at no cost by requesting them in writing or telephoning us at the following address:

The Hanover Insurance Group, Inc.

Attn: Investor Relations

440 Lincoln Street

Worcester, Massachusetts 01653

(508) 855-1000

Copies of these filings are also available, without charge, on our website at <http://www.hanover.com>. The contents of our website have not been, and shall not be deemed to be, incorporated by reference into this prospectus.

This prospectus constitutes a part of a registration statement on Form S-3, referred to herein, including all amendments and exhibits, as the Registration Statement, that we have filed with the SEC under the Securities Act of 1933, as amended, or the Securities Act. This prospectus does not contain all of the information contained in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. We refer you to the Registration Statement and related exhibits for further information regarding us and our debt securities. The Registration Statement may be inspected at the public reference facilities maintained by the SEC at the address set forth above or from the SEC's website at <http://www.sec.gov>. Statements contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein concerning the provisions of any document filed as an exhibit to the Registration Statement are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise

filed with the SEC. Each such statement is qualified in its entirety by such reference.

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**THE HANOVER INSURANCE GROUP, INC.**

THG is a holding company organized as a Delaware corporation in 1995. The Hanover Insurance Company ( Hanover Insurance ) and Citizens Insurance Company of America ( Citizens ) are our principal property and casualty subsidiaries.

Our primary business operations include insurance products and services in three property and casualty segments: Personal Lines, Commercial Lines and Other Property and Casualty. We underwrite personal and commercial property and casualty insurance through Hanover Insurance, Citizens and other THG subsidiaries, primarily through an independent agent network concentrated in the Northeast, Southeast and Midwest United States. Additionally, our Other Property and Casualty segment consists of: Opus Investment Management, Inc., which markets investment management services to institutions, pension funds and other organizations; earnings on holding company assets; and a voluntary pools business in which we have not actively participated since 1999.

Our principal executive offices are located at 440 Lincoln Street, Worcester, Massachusetts, 01653 and our telephone number is (508) 855-1000.

**USE OF PROCEEDS**

Unless otherwise indicated in the applicable prospectus supplement, we will use the net proceeds from the sale of our debt securities offered by this prospectus for general corporate and working capital purposes. General corporate and working capital purposes may include repurchase of shares of our common stock, capital expenditures, possible acquisitions and any other purposes that may be stated in any prospectus supplement.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

Our consolidated ratio of earnings to fixed charges for each of the periods indicated are as follows:

|                                    | <b>Nine Months Ended</b> |                     | <b>Fiscal Years Ended</b> |                     |                     |                     |
|------------------------------------|--------------------------|---------------------|---------------------------|---------------------|---------------------|---------------------|
|                                    | <b>September 30,</b>     | <b>December 31,</b> | <b>December 31,</b>       | <b>December 31,</b> | <b>December 31,</b> | <b>December 31,</b> |
|                                    | <b>2009</b>              | <b>2008</b>         | <b>2007</b>               | <b>2006</b>         | <b>2005</b>         | <b>2004</b>         |
| Ratio of Earnings to Fixed Charges | 7.287x                   | 4.528x              | 8.360x                    | 6.879x              | 2.171x              | 4.170x              |

For purposes of the ratio of earnings to fixed charges, earnings consist of income from continuing operations before federal income taxes, minority interest, extraordinary items and cumulative effect of accounting changes plus appropriate fixed charges. Fixed charges consist of interest expense on debt and the portion of operating lease rental expense representative of an interest factor.

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**DESCRIPTION OF THE DEBT SECURITIES**

The following description of the debt securities sets forth the material terms and provisions of the debt securities. In the description that follows, we, us and our refers only to The Hanover Insurance Group, Inc. and not to any of its subsidiaries. The debt securities will be issued under an Indenture (as amended and supplemented from time to time, the Indenture), dated as of January 21, 2010, between us and U.S. Bank National Association, a copy of which is an exhibit to the registration statement that contains this prospectus. The specific terms applicable to a particular issuance of debt securities and any variations from the terms set forth below will be set forth in the applicable prospectus supplement.

The following is a summary of the material terms and provisions of the Indenture and the debt securities. You should refer to the Indenture and the applicable prospectus supplement for complete information regarding the terms and provisions of the Indenture and the debt securities.

**General**

The debt securities will be our senior unsecured obligations and will rank equal in right of payment to all of our other existing and future indebtedness and other liabilities that are not, by their terms, expressly subordinated in right of payment to the debt securities.

A prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. Under the Indenture, the specific terms of a particular series of debt securities will include the following:

the title of the debt securities;

any limit on the amount(s) that may be issued;

the person to whom any interest on the debt securities shall be payable, if other than the registered holder;

the maturity date(s) or the method by which this date or these dates will be determined;

the interest rate, if any, or the method of computing the interest rate;

the date or dates from which interest will accrue, or how this date or these dates will be determined, and the interest payment date or dates, if any, and any related record dates;

the place(s) where payments, if any, will be made on the debt securities and the place(s) where debt securities may be presented for transfer or exchange;

the period or periods within which, the price or prices at which, and the terms and conditions on which, we may redeem the debt securities;

the period or periods within which, the price or prices at which, and the terms and conditions on which, we may be required to redeem the debt securities;



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any mandatory or optional sinking fund or similar provisions;

if other than denominations of \$1,000 and integral multiples thereof, the denominations in which any debt securities shall be issuable;

if other than the full principal amount, the portion of the principal amount, or the method by which the portion will be determined, of the debt securities that will be payable upon declaration of acceleration of the maturity of the debt securities;

if other than United States dollars, the foreign currency or units of two or more foreign currencies in which payment of the principal of (and premium, if any) or interest on the debt securities shall be payable;

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if the principal of (and premium, if any) or interest on the debt securities is payable, at our election or election of the holders, in a currency or units of two or more currencies other than that in which the debt securities are stated to be payable, the period or periods within which, and the terms and conditions, upon which, such election may be made;

any index used to determine the amount of payment of the principal of (and premium, if any) or interest on the debt securities;

whether the debt securities will not be subject to defeasance or covenant defeasance in advance of the date for redemption or the stated maturity date;

whether the debt securities will be issued in the form of one or more global securities and, if so, the identity of the depository for the global security or securities;

any additional or different events of default and any change in the right of the trustee or the holders to declare principal due and payable;

any additional or different covenants;

the form of debt securities; and

any other terms of the debt securities.

We will have the ability under the Indenture to reopen a previously issued series of debt securities and issue additional debt securities of that series or establish additional terms of that series.

Unless otherwise indicated in the applicable prospectus supplement, the covenants contained in the Indenture may not protect holders of the debt securities in the event of a highly leveraged or other transaction involving us or our subsidiaries that may adversely affect the holders of the debt securities.

Debt securities may be issued under the Indenture as original issue discount securities. An original issue discount security is a security, including any zero-coupon security, that under applicable U.S. federal income tax law has a stated redemption price at maturity that exceeds its issue price by more than a *de minimis* amount. If a series of debt securities is issued as original issue discount securities, the special U.S. federal income tax, accounting and other considerations applicable to original issue discount securities will be discussed in the applicable prospectus supplement.

## **Form, Exchange and Transfer**

The debt securities will be issuable as registered securities. The ownership or transfer of debt securities will be listed in the security register described in the Indenture.

The Indenture provides that debt securities may be issuable in global form which will be deposited with, or on behalf of, a depository, identified in an applicable prospectus supplement. If debt securities are issued in global form, one certificate will represent a large number of outstanding debt securities which may be held by separate persons, rather than each debt security being represented by a separate certificate.

If the purchase price, or the principal of, or any premium or interest on any debt securities is payable in, or if any debt securities are denominated in, one or more foreign currencies, the restrictions, elections, certain U.S. federal income tax considerations, specific terms and other information will be set forth in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, debt securities denominated in U.S. dollars will be issued only in denominations of \$1,000 and integral multiples thereof.



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Debt securities may be presented for registration of transfer with the applicable form of transfer duly executed, at the office of the Security Registrar, as defined in the Indenture, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. This registration of transfer or exchange will be effected upon the Security Registrar being satisfied with the documents of title and identity of the person making the request.

A debt security in global form may not be transferred except as a whole by or between the depositary for the debt security and any of its nominees or successors. A debt security in global form may be exchanged for definitive debt securities only if the depositary notifies us that it is unwilling or unable to continue as depositary, we decide to issue definitive securities, or an event of default shall have occurred and is continuing with respect to the series of debt securities issued in global form. If any debt security of a series is issuable in global form, the applicable prospectus supplement will describe:

the manner of payment of principal, premium and interest, if any, on that global debt security, and

the specific terms of the depositary arrangement with respect to that global debt security.

### **Payment and Paying Agents**

Unless otherwise specified in an applicable prospectus supplement, we will pay principal, any premium and interest on debt securities at the office of the paying agents we have designated, except that we may pay interest by check mailed to, or wire transfer to the account of, the holder. Unless otherwise specified in any applicable prospectus supplement, payment of any installment of interest on debt securities will be made to the person in whose name the debt security is registered at the close of business on the record date for this interest payment.

The paying agents outside the United States initially appointed by us for a series of debt securities will be named in the applicable prospectus supplement. In addition, we will be required to maintain at least one paying agent in each place of payment for the series.

### **Consolidation, Merger or Conveyance**

We have the ability to merge or consolidate with, or convey, transfer or lease all or substantially all of our property, to another corporation, provided that:

in the event we consolidate with or merge into another corporation or convey, transfer or lease our properties and assets substantially as an entirety to any person, the corporation formed by such consolidation or into which we are merged or the person which acquires by conveyance or transfer, or which leases, our properties and assets substantially as an entirety is a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and expressly assumes, by a supplemental indenture, executed and delivered to the trustee, in form reasonably satisfactory to the trustee, the due and punctual payment of the principal of (and premium, if any) and interest on all the debt securities and the performance and observance of every covenant in the Indenture on the part of us to be performed or observed;

immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of ours or a subsidiary as a result of such transaction as having been incurred by us or such subsidiary at the time of such transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, has happened and is continuing; and

we have delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with all requirements of the Indenture and that all conditions precedent provided for in the Indenture relating to the transaction have been complied with.

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### **Events of Default**

The following are events of default with respect to any series of debt securities issued:

default in the payment of any interest upon any security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;

default in the payment of the principal of (or premium, if any, on) any security of that series at its maturity;

default in the deposit of any sinking fund payment, when and as due by the terms of any security of that series;

default in the performance, or breach, of any covenant or warranty in the Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in the Indenture specifically dealt with or which has expressly been included in the Indenture solely for the benefit of a series of securities other than the series in respect of which the event of default is being determined), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the outstanding securities of that series a written notice specifying such default or breach and requiring it to be remedied;

a default under any bond, debenture, note or other evidence of or agreement for indebtedness of ours for money borrowed (including a default with respect to securities of any series other than that series) or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of ours for money borrowed (including the Indenture), whether such indebtedness exists now or is created in the future, and either (1) such default results from the failure to pay the aggregate outstanding principal of such indebtedness in excess of \$50,000,000 at the final stated maturity of such indebtedness or (2) such default results in such indebtedness in an aggregate principal amount of \$50,000,000 or more becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, in each case, without such indebtedness having been discharged or such acceleration having been rescinded or annulled, within a period of 10 business days after given, by registered or certified mail, to us by the trustee or to us and the trustee by the holders of at least 25% in principal amount of the outstanding securities of that series a written notice specifying such default and requiring us to cause such indebtedness to be discharged or such acceleration to be rescinded or annulled;

specified events of our bankruptcy, insolvency or reorganization; or

any other events of default provided with respect to debt securities of that series.

If an event of default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series may declare each debt security of that series due and payable immediately by a notice in writing to us, and to the trustee if given by holders. If an event of default occurs because of specified events of bankruptcy, insolvency or reorganization, the principal amount of each series of debt securities will be automatically accelerated, without any action by the trustee or any holder thereof.

A holder of the debt securities of any series will only have the right to institute a proceeding under the Indenture or to seek other remedies if:

the holder has given written notice to the trustee of a continuing event of default;

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the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made written request;

these holders have offered indemnity reasonably satisfactory to the trustee to institute proceedings as trustee;

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the trustee does not institute a proceeding within 60 days; and

the trustee has not received written directions inconsistent with the request from the holders of a majority of the principal amount of the outstanding debt securities of that series during that 60 day period.

We will annually file statements with the trustee regarding our compliance with the covenants in the Indenture. The trustee will generally give the holders of debt securities notice within 90 days of the occurrence of an event of default known to the trustee.

### **Waiver, Modifications and Amendment**

The holders of a majority of the principal amount of the outstanding debt securities of any particular series may, on behalf of the holders of all debt securities of the series, waive past defaults with respect to that particular series, except for:

the payment of the principal of (or premium, if any) or interest on any security of such series; or

defaults relating to any covenants of the Indenture which cannot be changed without the consent of each holder of a debt security directly affected by the change.

The holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected may, on behalf of the holders of all debt securities of the series, waive our compliance with some of the restrictive provisions of the Indenture.

We and the trustee may amend the Indenture with the consent of the holders of a majority of the principal amount of the outstanding debt securities of each series that is affected. However, without the consent of each directly affected holder, such changes shall not include the following with respect to debt securities held by a non-consenting holder:

change the stated maturity of, the principal of, or any installment of principal of or interest on, any security, or reduce the principal amount, the rate of interest or any premium payable upon the redemption, or reduce the amount of the principal due and payable upon a declaration of acceleration of maturity of a discount security, or change any place of payment where, or currency in which, any security or any premium or the interest is payable, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity (or, in the case of redemption, on or after the redemption date);

reduce the percentage in principal amount of the outstanding securities of any series, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults provided for in the Indenture; or

modify any of the above requirements or the ability to waive certain past defaults or covenants, except to increase any percentage or to provide that certain other provisions of the Indenture cannot be modified or certain past defaults cannot be waived without the consent of the holder of each outstanding security directly affected.

For purposes of computing the required consents referred to above, the aggregate principal amount of any outstanding debt securities not payable in U.S. dollars is the amount of U.S. dollars that could be obtained for this principal amount based on the market rate of exchange for the applicable foreign currency or currency unit as determined by the trustee in accordance with the terms of the Indenture.

We and the trustee may amend the Indenture without the consent of the holders for any of the following purposes:

to evidence the succession of another person succeeding us and the assumption by any such successor of our covenants in the Indenture and in the debt securities;

to add to our covenants for the benefit of the holders of all or any series of debt securities (and if such covenants are to be for the benefit of less than all series of debt securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power conferred upon us in the Indenture;



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to add any additional events of default with respect to all or any series of debt securities (and if such events of default are to be for the benefit of less than all series of debt securities, stating that such events of default are expressly being included solely for the benefit of such series);

to add to or change any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the issuance of debt securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of debt securities in uncertificated form;

to change or eliminate any of the provisions of the Indenture, provided that any such change or elimination shall become effective only when there is no security outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;

to make a change to the debt securities of any series that does not adversely affect the rights of any holder of the debt securities of such series;

to establish the form or terms of debt securities of any series as permitted by the Indenture;

to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the debt securities of one or more series or to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one trustee;

to cure any ambiguity, to correct or supplement any provision therein which may be defective or inconsistent with any other provision in the Indenture, or to make any other provisions with respect to matters or questions arising under the Indenture, provided such action shall not adversely affect the interests of the holders of debt securities of any series in any material respect; or

to comply with any requirement of the Securities and Exchange Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act of 1939, as amended from time to time.

## **Defeasance and Covenant Defeasance**

Unless otherwise specified in the prospectus supplement relating to a series of debt securities, subject to certain conditions, we may elect either:

defeasance for a series of debt securities, whereby we are discharged from any and all obligations with respect to the debt securities of that series, except as may be otherwise provided in the Indenture; or

covenant defeasance for a series of debt securities, whereby we are released from our obligations with respect to certain covenants that apply to that series.

We may do so by depositing with the trustee money, and/or certain government securities which through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal and any premium and interest on the applicable series of debt securities, and any mandatory sinking fund or analogous payments on their scheduled due dates. This type of a trust may only be established if, among other things, we have delivered to the trustee an opinion of counsel meeting the requirements set forth in the Indenture.

## **Governing Law**

The Indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

**Information Concerning the Trustee**

U.S. Bank National Association is the trustee under the Indenture. We may, from time to time, borrow from or maintain deposit accounts and conduct other banking transactions with U.S. Bank National Association or its affiliates in the ordinary course of business.

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**PLAN OF DISTRIBUTION**

**General**

The debt securities may be sold:

to or through one or more underwriting syndicates represented by managing underwriters;

to or through one or more underwriters without a syndicate;

through one or more dealers or agents; or

to investors directly in negotiated sales or in competitively bid transactions.

The prospectus supplement for each series of debt securities we sell will describe, to the extent required, information with respect to that offering, including:

the name or names of any underwriters or agents and the respective amounts underwritten;

the purchase price and the proceeds to us from that sale;

any underwriting discounts and other items constituting underwriters' compensation;

any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers;

any securities exchanges on which the securities may be listed; and

any material relationships with the underwriters.

**Underwriters**

If underwriters are used in the sale, we will execute an underwriting agreement with those underwriters relating to the debt securities that we will offer. Unless otherwise set forth in the applicable prospectus supplement, the obligations of the underwriters to purchase these debt securities will be subject to conditions and the underwriters will be obligated to purchase all of these debt securities if any are purchased.

The debt securities subject to the underwriting agreement will be acquired by the underwriters for their own account and may be resold by them from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may be deemed to have received compensation from us in the form of underwriting discounts or commissions and may also receive commissions from the purchasers of these debt securities for whom they may act as agent. Underwriters may sell these debt securities to or through dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agent. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. Underwriters, dealers and agents that participate in the distribution of the offered debt securities may be underwriters as defined in the Securities Act and any discounts or commissions received by

them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act.

**Agents**

We may also sell any of the debt securities through agents designated by us from time to time. We will name any agent involved in the offer or sale of these debt securities and will list commissions payable by us to these agents in the applicable prospectus supplement. These agents will be acting on a best efforts basis to solicit purchases for the period of its appointment, unless we state otherwise in the applicable prospectus supplement.

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**Direct sales**

We may sell any of the debt securities directly to purchasers. In this case, we will not engage underwriters or agents in the offer and sale of the applicable securities.

**Indemnification**

We may indemnify underwriters, dealers or agents who participate in the distribution of debt securities against certain liabilities, including liabilities under the Securities Act, and agree to contribute to payments which these underwriters, dealers or agents may be required to make.

**Certain relationships**

Agents, underwriters and dealers may engage in transactions with, or perform services for, us and our respective subsidiaries in the ordinary course of business.

**No assurance of liquidity**

The debt securities registered hereby may be a new issue of debt securities with no established trading market. Any underwriters that purchase debt securities from us may make a market in these debt securities. The underwriters will not be obligated, however, to make a market and may discontinue market-making at any time without notice to holders of the debt securities. We cannot assure you that there will be liquidity in the trading market for any debt securities of any series.

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**VALIDITY OF DEBT SECURITIES**

The validity of the debt securities offered by this prospectus and any prospectus supplement will be passed upon for us by Ropes & Gray LLP.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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% Notes due

Prospectus Supplement

February , 2010

*Joint Book-Running Managers*

**Barclays Capital**

**Goldman, Sachs & Co.**