

EPPINGER FREDERICK H
Form 4
February 08, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
EPPINGER FREDERICK H

2. Issuer Name and Ticker or Trading Symbol
HANOVER INSURANCE GROUP, INC. [THG]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

(Last) (First) (Middle)
THE HANOVER INSURANCE GROUP, INC., 440 LINCOLN ST
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/29/2008

WORCESTER, MA 01653

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 01/29/2008 | | M ⁽¹⁾ | 300 | A | \$ 23.58 | 45,560 D |
| Common Stock | 01/29/2008 | | S ⁽¹⁾ | 300 | D | \$ 48 | 45,260 D |
| Common Stock | 02/07/2008 | | A ⁽²⁾ | 30,000 | A | 2 | 75,260 D |
| Common Stock | 02/07/2008 | | A ⁽³⁾ | 18,407 | A | 3 | 93,667 ⁽⁴⁾ D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option (Right to Buy) | \$ 23.58 | 01/29/2008 | | M ⁽¹⁾ | 300 | ⁽⁵⁾ 08/28/2013 | Common Stock | 300 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| EPPINGER FREDERICK H THE HANOVER INSURANCE GROUP, INC. 440 LINCOLN ST WORCESTER, MA 01653 | X | | President & CEO | |

Signatures

Walter H. Stowell pursuant to Confirming Statement 02/08/2008

 **Signature of Reporting Person

____ Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The option exercise and sale reported in this filing was affected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on May 16, 2007.
- (2) On March 15, 2005, Reporting Person was granted 20,000 (target) performance-based restricted stock units (the "2005 PBRsUs") pursuant to Issuer's Amended Long-Term Stock Incentive Plan (the "1996 Plan"). Provided the Issuer's property and casualty operations achieved a specified return on equity for the year 2007 (the "2007 ROE Target") and Reporting Person remains continuously employed

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by the Issuer until such date, the 2005 PBRsUs vest three years after the grant date (3/15/08). The actual 2005 PBRsU award could be as low as zero, and as high as 150% of the target, based on the return on equity actually achieved. On February 7, 2008, the Issuer determined that the 2007 ROE Target had been achieved at a level that entitled holders of the 2005 PBRsUs to 150% of their target award. Accordingly, provided Reporting Person remains employed by the Issuer on the vesting date (3/15/08), Reporting Person will be issued 30,000 shares of common stock.

- On 2/14/06, Reporting Person was granted 12,500 (target) performance-based restricted stock units (the "2006 PBRsUs") pursuant to Issuers 1996 Plan. Provided the Issuer's property and casualty operations achieved a specified average return on equity for the years 2006 and 2007 (the "ROE Target") and Reporting Person remains continuously employed by the Issuer until such date, 50% of the 2006 PBRsUs vest two years after the grant date and the remaining 50% of the 2006 PBRsUs vest three years after the grant date. The actual 2006 PBRsU award could be as low as zero, and as high as 175% of the target, based on the return on equity actually achieved. On 2/7/08, the Issuer determined that the ROE Target had been achieved at a level that entitled holders of the 2006 PBRsUs to 147.25% of their target award. Accordingly, provided Reporting Person remains employed by the Issuer on the applicable vesting dates, Reporting Person will be issued an aggregate of 18,407 shares of common stock.
- (3) Additional 52,452 shares held indirectly pursuant to deferral agreement.
 - (4) Option to purchase granted under Issuer's 1996 Plan, which became exercisable at a rate of 25% on 8/28/04; 25% on 8/28/05; and 50% on 8/28/06.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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