

HANOVER INSURANCE GROUP, INC.  
Form 11-K  
June 22, 2007

**FORM 11-K**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended: December 31, 2006**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: to \_\_\_\_\_

Commission file number: 1-13754

**THE ALLMERICA FINANCIAL  
AGENTS RETIREMENT PLAN**

(Full title of the plan)

**THE HANOVER INSURANCE GROUP, INC.**

(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction  
of incorporation)

04-3263626  
(I.R.S. Employer  
Identification No.)

440 Lincoln Street, Worcester, Massachusetts 01653

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (508) 855-1000

# **The Allmerica Financial Agents Retirement Plan**

Financial Statements

and Additional Information

December 31, 2006 and 2005

**The Allmerica Financial Agents' Retirement Plan**

**December 31, 2006 and 2005**

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\* Other schedules required by the Department of Labor Rules and Regulations on reporting and disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable.

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of

The Allmerica Financial Agents' Retirement Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of The Allmerica Financial Agents' Retirement Plan (the Plan) at December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Schedule of Assets (Held at End of Year) as of December 31, 2006 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 5 to the financial statements, the Board of Directors of First Allmerica Financial Life Insurance Company, the Plan's sponsor, voted to terminate the Plan. The request for termination was approved by the Internal Revenue Service on March 29, 2007.

Boston, Massachusetts

June 22, 2007

**The Allmerica Financial Agents' Retirement Plan****Statements of Net Assets Available for Benefits****At December 31,**

	<b>2006</b>		<b>2005</b>	
<b>Assets</b>				
Investments, at fair value:				
Non-affiliated mutual funds:				
Fidelity Equity Income Fund Investor Class	<b>\$3,592,491</b>	*	\$3,351,076	*
Spartan U.S. Equity Index Fund	<b>1,507,689</b>	*	1,664,102	*
American Funds Growth Fund of America Class R4	<b>1,005,920</b>	*	1,005,629	*
PIMCO Total Return Fund Administrative Shares	<b>813,596</b>	*	1,177,602	*
Artisan Mid Cap Fund Investor Class	<b>783,624</b>	*	976,357	*
Fidelity Diversified International Fund	<b>764,632</b>	*	569,428	
Fidelity Retirement Money Market Portfolio	<b>693,594</b>	*	790,856	*
Fidelity Low - Priced Stock Fund	<b>513,643</b>		574,511	
Fidelity Small Cap Stock Fund	<b>418,564</b>		459,963	
Fidelity Freedom Income Fund	<b>29,370</b>		5,467	
Fidelity Freedom 2000 Fund	<b>16,526</b>		16,278	
Fidelity Freedom 2040 Fund	<b>1,224</b>		1,078	
Fidelity Freedom 2010 Fund	<b>10,140,873</b>		10,594,025	
Commingled Pool:				
Fidelity Managed Income Portfolio II				
Class 2	<b>1,853,906</b>	*	1,829,873	*
The Hanover Insurance Group Stock Fund:				
The Hanover Insurance Group, Inc. Common Stock	<b>511,101</b>		603,472	
Cash and equivalents	<b>20,067</b>		24,075	
	<b>531,168</b>		627,547	
Net assets available for benefits at fair value	<b>12,525,947</b>		13,051,445	
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit -responsive contracts	<b>22,229</b>		27,222	
Net assets available for benefits	<b>\$12,548,176</b>		\$13,078,667	

\*Amount represents 5% or more of net assets available for benefits at December 31, 2006 and 2005, respectively.

The accompanying notes are an integral part of these financial statements.

**The Allmerica Financial Agents' Retirement Plan****Statements of Changes in Net Assets Available for Benefits****For the Years Ended December 31,**

	<b>2006</b>		<b>2005</b>
Net investment gains:			
Net appreciation of:			
Non-affiliated mutual funds	<b>\$ 728,905</b>		\$ 233,070
The Hanover Insurance Group Stock			
Fund	<b>100,705</b>		171,214
Interest and dividend income	<b>711,429</b>		533,957
Total net investment gains	<b>1,541,039</b>		938,241
Distributions to participants	<b>(2,071,530)</b>	)	(4,155,563)
Net decrease during year	<b>(530,491)</b>	)	(3,217,322)
Net assets available for benefits, beginning of year	<b>13,078,667</b>		16,295,989
Net assets available for benefits, end of year	<b>\$ 12,548,176</b>		\$ 13,078,667



The accompanying notes are an integral part of these financial statements.

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## The Allmerica Financial Agents' Retirement Plan

### Notes to Financial Statements

#### NOTE 1 - Description of plan

The following description of The Allmerica Financial Agents' Retirement Plan (the Plan) is provided for general informational purposes only. More complete information is provided in the Summary Plan Description, which is available from the Plan Administrator.

##### General

The Plan is a qualified defined contribution plan for certain common-law employees and statutory insurance agents previously employed by or contracted with First Allmerica Financial Life Insurance Company (FAFLIC, the Sponsor or the Company) and Allmerica Financial Life Insurance and Annuity Company (AFLIAC). FAFLIC is a wholly-owned subsidiary of The Hanover Insurance Group, Inc. (THG). Prior to the sale of AFLIAC to The Goldman Sachs Group, Inc. on December 30, 2005, AFLIAC was also a wholly-owned subsidiary of THG. The sale of AFLIAC did not result in any changes in the obligations or administration of this Plan.

On June 22, 2004, the Board of Directors of FAFLIC voted to terminate the Plan as a result of a decision to terminate all agents contracts in 2002. This 2002 initiative resulted in a partial Plan termination. On March 29, 2007, the Plan Sponsor received approval from the Internal Revenue Service (IRS) to terminate the Plan and distribute all assets (see Note 5 - Plan termination).

The Recordkeeper of the Plan is Fidelity Investments Institutional Operations Company, Inc., and the Trustee of the Plan is Fidelity Management Trust Company. In addition, the Plan is administered by the Sponsor (the Plan Administrator) and is subject to the provisions of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

##### Eligibility

The Company no longer employs any eligible insurance agents (see Note 5 - Plan termination).

##### Employer contributions

No contributions were made for the 2006 or 2005 Plan years pursuant to the provisions of the Plan's partial termination (see Note 5 - Plan termination).

##### Reallocated forfeitures

In accordance with rules and procedures that were approved by the IRS, forfeitures of employer contributions which related to non-vested participants were reallocated among eligible Plan participants.

**The Allmerica Financial Agents' Retirement Plan**

**Notes to Financial Statements**

**NOTE 1 - Description of plan (continued)**

**Participant accounts**

Due to the partial termination of the Plan (see Note 5 - Plan termination), participants in the Plan were not eligible to make 401(k) contributions during 2006 and 2005.

For existing accounts that remain in the Plan, each participant has the ability to continue to monitor and