

# The Travelers Companies, Inc.

**First Quarter 2011 Results** 

# **Long-Term Financial Strategy**



# **Create Shareholder Value**

Objective: Mid-Teens ROE Over Time



### First Quarter 2011 Highlights

- Net and operating income per diluted share of \$1.92 and \$1.89, an increase of 54% and 55%, respectively
  - EPS up as a result of significantly lower catastrophe losses, the impact of fewer outstanding shares and the favorable resolution of prior year tax matters
- ➤ Net and operating income of \$839 million and \$826 million, an increase of 30% and 31%, respectively
  - Net and operating income included \$104 million benefit from favorable resolution of prior year tax matters
  - After-tax net investment income increased 2% from prior year quarter
  - Solid underwriting performance across all three business segments; consolidated GAAP combined ratio of 94.7%
    - Catastrophe losses of \$122 million after-tax (\$186 million pre-tax), compared to \$312 million after-tax (\$471 million pre-tax) in prior year quarter
    - Net favorable prior year reserve development of \$155 million after-tax (\$237 million pre-tax), compared to \$192 million after-tax (\$294 million pre-tax) in prior year quarter
- > Return on equity and operating return on equity of 13.3% and 14.1%, respectively
- Total revenues of \$6.278 billion, up 3% from prior year quarter
- > Total net written premiums of \$5.437 billion, up nearly 4% and notably reflect overall gains in pricing and renewing Business Insurance customers purchasing more insurance
- Book value per common share of \$59.91
  - Increased 2% from December 31, 2010 after \$1.1 billion in common share repurchases and \$155 million in common stock dividends
  - Increased 12% from March 31, 2010 after \$4.7 billion in common share repurchases and \$657 million in common stock dividends



# **Consolidated Performance**

(\$ in millions, except per share amounts, after-tax)

| 19  | st Quar   | ter   |   |             |   |              |
|---|-----------|-------|---|-------------|---|--------------|
|   | 2         | 2011  |   | <br>2010    |   | Change       |
| Operating income  | \$        | 826   |   | \$<br>631   |   | 31 %         |
| per diluted share   | \$        | 1.89  |   | \$<br>1.22  |   | <i>5</i> 5 % |
| Included the following items:   |           |       |   |             |   |              |
| Net favorable prior year reserve development                                      | \$        | 155   |   | \$<br>192   |   |              |
| Catastrophes, net of reinsurance  |           | (122) |   | (312)       |   |              |
| Resolution of prior year tax matters  |           | 104   |   | -           |   |              |
| Total Items   | <b>\$</b> | 137   | ı | \$<br>(120) |   |              |
| Loss and loss adjustment ratio  |           | 62.1  | % | 64.0        | % |              |
| Underwriting expense ratio  |           | 32.6  |   | <br>32.4    |   |              |
| GAAP combined ratio <sup>1</sup>  |           | 94.7  | % | 96.4        | % | 1.7 pts      |
| GAAP combined ratio excluding incremental impact of direct to consumer initiative |           | 93.8  | % | 95.8        | % |              |
| Net favorable prior year reserve development                                      |           | 4.4   |   | 5.6         |   |              |
| Catastrophes, net of reinsurance  |           | (3.4) |   | (9.0)       |   |              |
| Adjusted GAAP combined ratio  |           | 95.7  | % | 93.0        | % | (2.7) pts    |



<sup>&</sup>lt;sup>1</sup>A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.

### **Very Strong Financial Position**

(\$ and shares in millions, except per share amounts)

|  | M  | arch 31,<br>2011 | Dec | ember 31,<br>2010 |
|--|----|------------------|-----|-------------------|
| Debt   | \$ | 6,611            | \$  | 6,611             |
| Preferred equity                                     |    | 66               |     | 68                |
| Common equity <sup>1</sup>                           |    | 23,361           |     | 23,549            |
| Total capital <sup>1</sup>                           | \$ | 30,038           | \$  | 30,228            |
| Debt-to-capital <sup>1</sup>                         |    | 22.0%            |     | 21.9%             |
| Common shares outstanding                            |    | 420.3            |     | 434.6             |
| Book value per common share                          | \$ | 59.91            | \$  | 58.47             |
| Adjusted book value per common share <sup>1</sup>    | \$ | 55.59            | \$  | 54.19             |
| Tangible book value per common share <sup>1, 2</sup> | \$ | 46.56            | \$  | 45.42             |
| Statutory surplus                                    | \$ | 20,588           | \$  | 20,066            |
| Holding company<br>liquidity                         | \$ | 2,864            | \$  | 3,609             |

<sup>&</sup>lt;sup>1</sup> Excludes net unrealized investment gains, net of taxes

#### Capital

- At or above target levels for all rating agencies
- Continued to generate excess capital and repurchase common shares
  - \$1.1 billion of common share repurchases in first quarter 2011

#### Leverage

- ➤ Debt-to-capital ratio¹ of 22.0%, comfortably within target range
- > Low level of maturing debt

#### Liquidity

Holding company liquidity was more than two times the company's target level

#### Very high quality investment portfolio

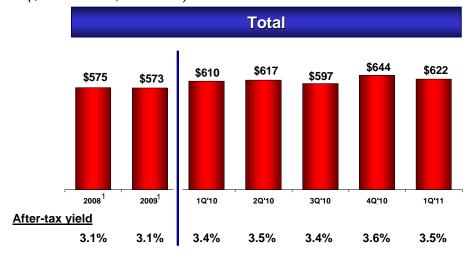
Net unrealized investment gains of \$1.8 billion after-tax (\$2.8 billion pre-tax) at end of first quarter 2011

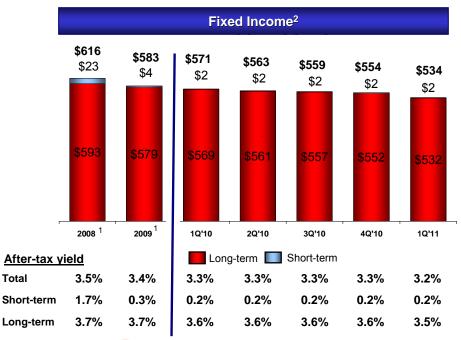


<sup>&</sup>lt;sup>2</sup> Excludes the after-tax value of goodwill and other intangible assets

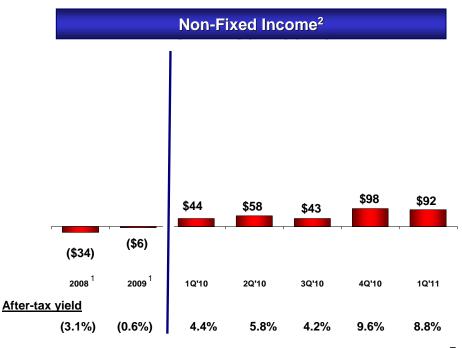
#### **Net Investment Income**

(\$ in millions, after-tax)





- Net investment income from the long-term fixed income portfolio declined modestly from a year ago due to lower average invested assets and lower reinvestment rates
- Net investment income from the short-term portion of fixed income portfolio continued to be impacted by very low interest rates
- Non-fixed income portfolio (primarily private equity funds, real estate partnerships and hedge funds) had a strong first quarter

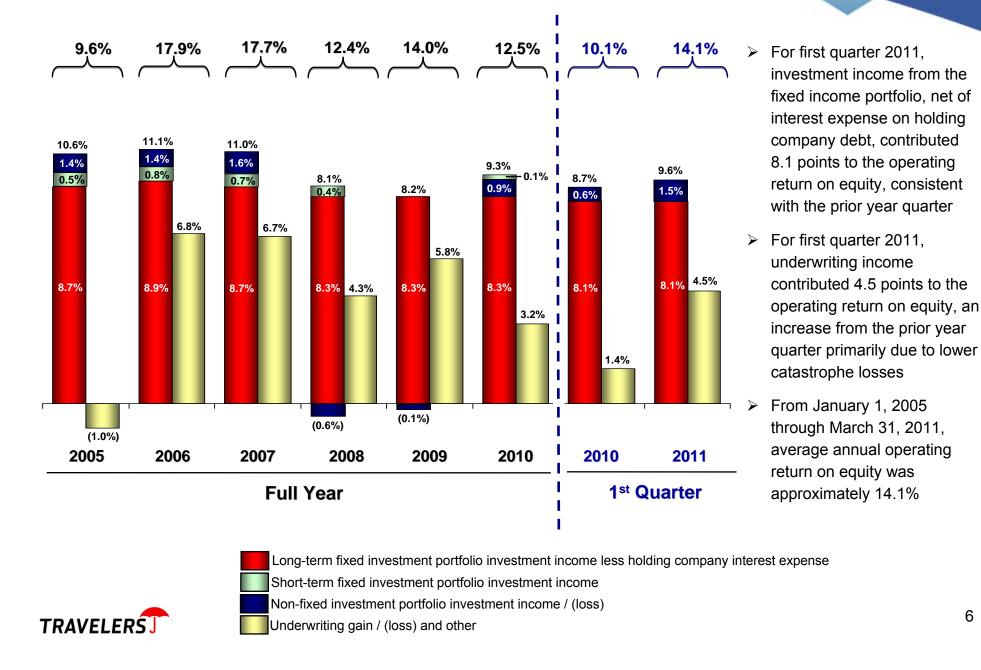




<sup>12008</sup> and 2009 data equals quarterly average

<sup>&</sup>lt;sup>2</sup> Excludes investment expenses

## **Components of Operating Return on Equity**



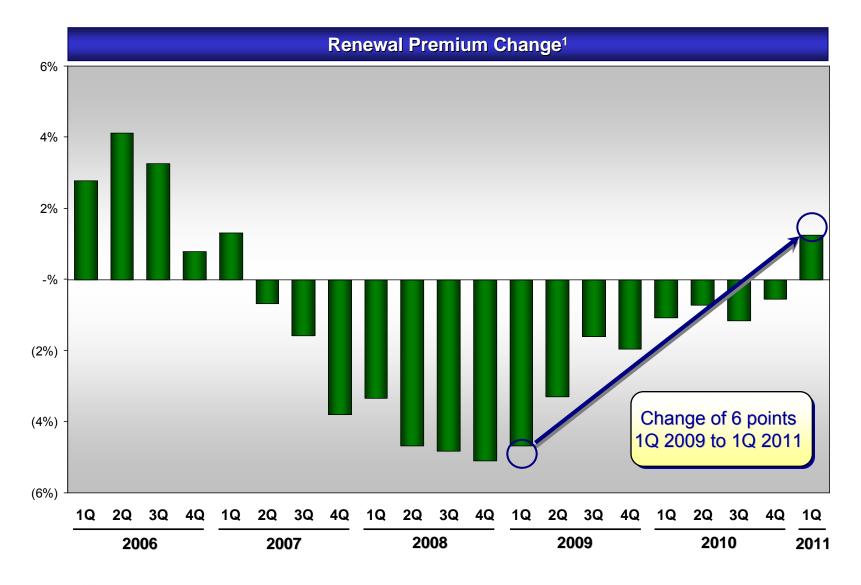
# **Business Insurance**: Performance

(\$ in millions)

|  | 1st Qua | arter  |             |           |
|--|---------|--------|-------------|-----------|
|  |         | 2011   | <br>2010    | Change    |
| Operating income                             | \$      | 604    | \$<br>567   | 7 %       |
| Loss and loss adjustment ratio               |         | 63.1 % | 58.7 %      |           |
| Underwriting expense ratio                   |         | 31.8   | <br>32.7    |           |
| GAAP combined ratio <sup>1</sup>             |         | 94.9 % | 91.4 %      | (3.5) pts |
| Net favorable prior year reserve development |         | 5.2    | 9.2         |           |
| Catastrophes, net of reinsurance             |         | (4.1)  | (5.1)       |           |
| Adjusted GAAP combined ratio                 | _       | 96.0 % | 95.5 %      | (0.5) pts |
| Net Written Premiums                         |         |        |             |           |
| Select Accounts                              | \$      | 732    | \$<br>702   | 4 %       |
| Commercial Accounts                          |         | 822    | 706         | 16        |
| National Accounts                            |         | 211    | 226         | (7)       |
| Industry-Focused Underwriting                |         | 628    | 569         | 10        |
| Target Risk Underwriting                     |         | 413    | 412         | -         |
| Specialized Distribution                     |         | 209    | 215         | (3)       |
| <b>Business Insurance Core</b>               |         | 3,015  | 2,830       | 7 %       |
| Business Insurance Other                     |         | 5      | 4           |           |
| Total Business Insurance                     | \$      | 3,020  | \$<br>2,834 | 7 %       |



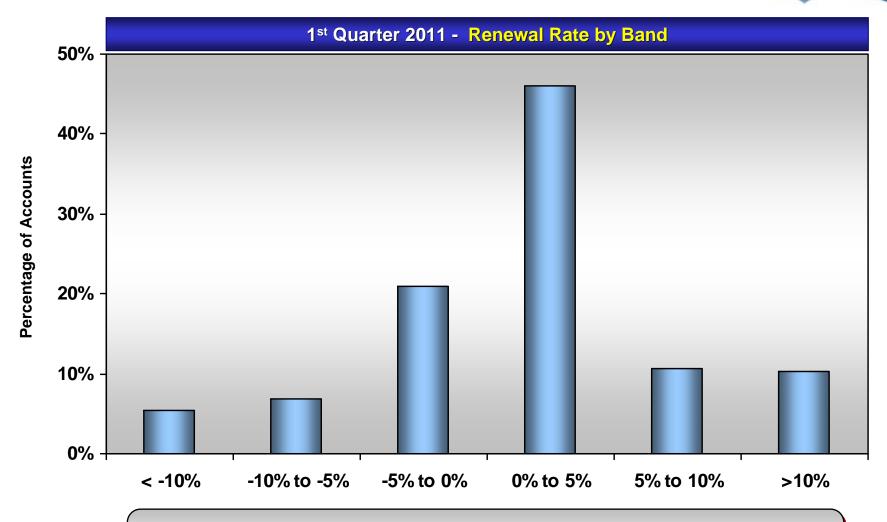
# Business Insurance (ex. National Accounts)





<sup>&</sup>lt;sup>1</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes. Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

### **Business Insurance:** Commercial Accounts<sup>1</sup>



Two-thirds of accounts renewing in the quarter had a rate increase

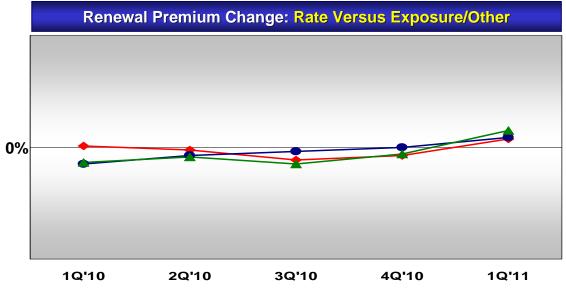


### Business Insurance (Ex. National Accounts)

#### Illustrative Business Statistics

| (\$ in millions)                    |        | 20     | 10     |        | 2011   |
|-------------------------------------|--------|--------|--------|--------|--------|
|                                     | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     |
| Retention                           | 82%    | 82%    | 83%    | 82%    | 84%    |
| Renewal premium change <sup>1</sup> | (1%)   | (1%)   | (1%)   | (1%)   | 1%     |
| New business                        | \$ 545 | \$ 562 | \$ 555 | \$ 528 | \$ 537 |

Renewal premium change was positive, while retention remained strong and improved from recent quarters



Renewal rate and exposure trends continued to improve





<sup>&</sup>lt;sup>1</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

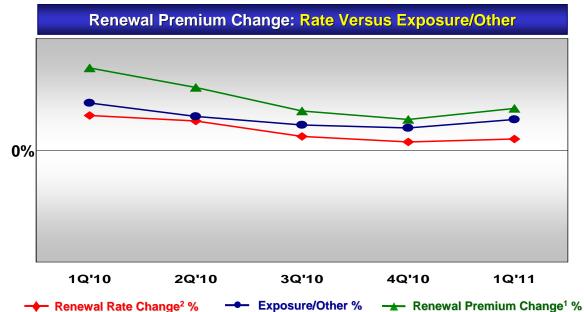
<sup>&</sup>lt;sup>2</sup> Represents the estimated change in average premium on policies that renew, excluding exposure changes. Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

### **Business Insurance:** Select Accounts

#### Illustrative Business Statistics

| (\$ in millions)                    |        |        |        |        |        |  |  |  |  |
|-------------------------------------|--------|--------|--------|--------|--------|--|--|--|--|
|                                     | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     |  |  |  |  |
| Retention                           | 77%    | 78%    | 80%    | 79%    | 81%    |  |  |  |  |
| Renewal premium change <sup>1</sup> | 6%     | 5%     | 3%     | 2%     | 3%     |  |  |  |  |
| New business                        | \$ 122 | \$ 138 | \$ 134 | \$ 131 | \$ 142 |  |  |  |  |

Improved results driven by both business through Travelers Express as well as larger accounts served by Select



Renewal premium change improved slightly after moderating in recent quarters





<sup>&</sup>lt;sup>1</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes.



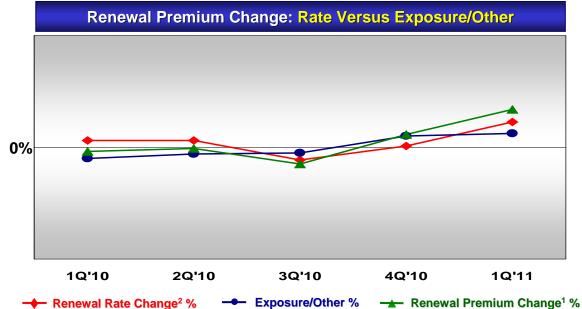
<sup>&</sup>lt;sup>2</sup> Represents the estimated change in average premium on policies that renew, excluding exposure changes. Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

### **Business Insurance:** Commercial Accounts

#### Illustrative Business Statistics

| (\$ in millions)                    |        | 20     | 10     |        | 2011   |
|-------------------------------------|--------|--------|--------|--------|--------|
|                                     | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     |
| Retention                           | 84%    | 86%    | 87%    | 86%    | 88%    |
| Renewal premium change <sup>1</sup> | -%     | -%     | (1%)   | 1%     | 3%     |
| New business                        | \$ 152 | \$ 126 | \$ 141 | \$ 133 | \$ 160 |

Retention and new business were strong and improved from prior year quarter



Renewal premium change was positive for second consecutive quarter



<sup>&</sup>lt;sup>1</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes.



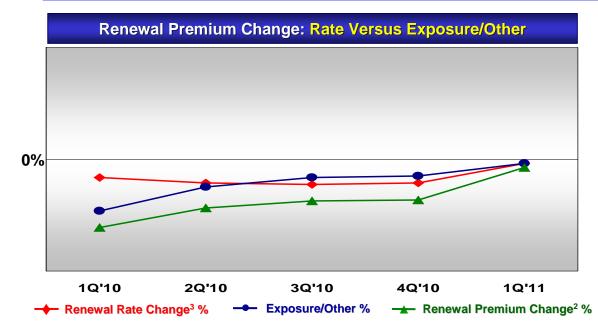
<sup>&</sup>lt;sup>2</sup> Represents the estimated change in average premium on policies that renew, excluding exposure changes. Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

### Business Insurance: Other Business Insurance<sup>1</sup>

#### Illustrative Business Statistics

| (\$ in millions)                    |   | 20     | 10     |        | 2011   |  |
|-------------------------------------|---|--------|--------|--------|--------|--|
|                                     | 1Q     2Q     3Q     4Q       82%     83%     83%     82% |        |        |        |        |  |
| Retention                           | 82%   | 83%    | 83%    | 82%    | 83%    |  |
| Renewal premium change <sup>2</sup> | (5%)  | (4%)   | (3%)   | (3%)   | (1%)   |  |
| New business                        | \$ 271  | \$ 298 | \$ 280 | \$ 264 | \$ 235 |  |

Retention remained strong, but market conditions impacted new business in some business units



Renewal premium change continued to trend less negatively



<sup>&</sup>lt;sup>1</sup> Includes Industry-Focused Underwriting, Target Risk Underwriting and Specialized Distribution.

Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

<sup>&</sup>lt;sup>2</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

<sup>&</sup>lt;sup>3</sup> Represents the estimated change in average premium on policies that renew, excluding exposure changes.

# Financial, Professional & International Insurance (FP&II)

Performance

(\$ in millions)

| 1st Quarter   |    |       |          |    |        |    |       |           |  |  |
|---|----|-------|----------|----|--------|----|-------|-----------|--|--|
|   | 2  | 011   | _        |    | 2010   | _  | Chang | <u>e_</u> |  |  |
| Operating income  | \$ | 120   | =        | \$ | 86     | =  | 40    | %         |  |  |
| Loss and loss adjustment ratio                                  |    | 55.6  | %        |    | 62.3   | %  |       |           |  |  |
| Underwriting expense ratio                                      |    | 39.7  | _        |    | 36.6   | _  |       |           |  |  |
| GAAP combined ratio <sup>1</sup>                                |    | 95.3  | %        |    | 98.9   | %  | 3.6   | pts       |  |  |
| Net favorable prior year reserve development                    |    | 5.1   |          |    | 4.2    |    |       |           |  |  |
| Catastrophes, net of reinsurance                                |    | (2.7) |          |    | (10.4) |    |       |           |  |  |
| Adjusted GAAP combined ratio                                    |    | 97.7  | <b>%</b> |    | 92.7   | _% | (5.0) | pts       |  |  |
| Net Written Premiums  |    |       |          |    |        |    |       |           |  |  |
| Bond & Financial Products                                       | \$ | 369   |          | \$ | 362    |    | 2     | %         |  |  |
| International   |    | 255   | _        |    | 319    | _  | (20)  | )         |  |  |
| Total FP&II   | \$ | 624   | =        | \$ | 681    | =  | (8)   | %         |  |  |
| Total FP&II - Adjusted for the impact of foreign exchange rates |    |       |          |    |        |    | (9)   | %         |  |  |



# Financial, Professional & International Insurance

(\$ in millions)

| Illu                                | strative Bus | siness Stati | stics |       |              |
|-------------------------------------|--------------|--------------|-------|-------|--------------|
|                                     |              | 20           | 10    |       | 2011         |
|                                     | 1Q           | 2Q           | 3Q    | 4Q    | 1Q           |
| Surety                              |              |              |       |       |              |
| Gross written premium               | \$247        | \$239        | \$253 | \$217 | <b>\$235</b> |
| Management Liability                |              |              |       |       |              |
| Retention                           | 81%          | 82%          | 84%   | 83%   | 84%          |
| Renewal premium change <sup>1</sup> | -%           | (2%)         | (2%)  | (2%)  | -%           |
| New business                        | \$37         | \$39         | \$40  | \$40  | \$41         |
| International <sup>2</sup>          |              |              |       |       |              |
| Retention                           | 76%          | 79%          | 71%   | 75%   | 71%          |
| Renewal premium change <sup>1</sup> | 3%           | (1%)         | -%    | 1%    | (3%)         |
| New business                        | \$84         | \$64         | \$54  | \$58  | \$48         |

<sup>&</sup>lt;sup>1</sup> Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

<sup>&</sup>lt;sup>2</sup> Excludes the surety line of business as surety products are sold on a non-recurring, project specific basis.



Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

### Personal Insurance: Performance

(\$ in millions)

| 1st  | d Quart | ter   |           |    |        |          |         |
|--|---------|-------|-----------|----|--------|----------|---------|
|  |         | 2011  |           |    | 2010   | Change   |         |
| Operating income   | \$      | 170   | =         | \$ | 59     | =        | 188 %   |
| Loss and loss adjustment ratio   |         | 63.4  | %         |    | 72.5   | %        |         |
| Underwriting expense ratio   |         | 30.8  | _         |    | 30.1   | _        |         |
| GAAP combined ratio <sup>1</sup>   |         | 94.2  | %         |    | 102.6  | %        | 8.4 p   |
| GAAP combined ratio excluding incremental<br>impact of direct to consumer initiative |         | 91.4  | %         |    | 100.9  | %        |         |
| Net favorable prior year reserve development   |         | 3.0   |           |    | 1.0    |          |         |
| Catastrophes, net of reinsurance   |         | (2.8) | )<br>_    |    | (14.0) | <u> </u> |         |
| Adjusted GAAP combined ratio   |         | 94.4  | <u></u> % |    | 89.6   | _%       | (4.8) p |
| Net Written Premiums - Agency <sup>2</sup>   |         |       |           |    |        |          |         |
| Automobile   | \$      | 918   |           | \$ | 913    |          |         |
| Homeowners & Other   |         | 845   | _         |    | 803    | _        |         |
| Total  | \$      | 1,763 | _         | \$ | 1,716  | _        | 3 %     |



<sup>&</sup>lt;sup>1</sup> A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.

<sup>&</sup>lt;sup>2</sup> Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer.

## Personal Insurance: Performance

(\$ in millions)

| 1st                                      | Quai | rter |          |    |       |           |           |
|--|------|------|----------|----|-------|-----------|-----------|
|  | 20   | 011  | _        | 2  | 2010  | _         | Change    |
| Agency Automobile 1                      |      |      |          |    |       |           |           |
| Net Written Premiums                     | \$   | 918  | =        | \$ | 913   | =         | 1 %       |
| Loss and loss adjustment ratio           |      | 69.2 | %        |    | 68.7  | %         |           |
| Underwriting expense ratio               |      | 26.6 | _        |    | 26.7  | _         |           |
| GAAP combined ratio                      |      | 95.8 | <b>%</b> |    | 95.4  | <u></u> % | (0.4) pts |
| Impact of catastrophes on combined ratio |      | 0.1  | %        |    | 0.8   | %         |           |
| Agency Homeowners and Other <sup>1</sup> |      |      |          |    |       |           |           |
| Net Written Premiums                     | \$   | 845  | =        | \$ | 803   | =         | 5 %       |
| Loss and loss adjustment ratio           |      | 57.1 | %        |    | 76.1  | %         |           |
| Underwriting expense ratio               |      | 30.0 | _        |    | 30.6  | _         |           |
| GAAP combined ratio                      |      | 87.1 | <b>%</b> |    | 106.7 | <u></u> % | 19.6 pts  |
| Impact of catastrophes on combined ratio |      | 5.6  | %        |    | 27.9  | %         |           |



### **Personal Insurance**

(\$ in millions)

#### **Illustrative Business Statistics**

|  |       | 20    | 10    |       | 2011      |
|--|-------|-------|-------|-------|-----------|
|  | 1Q    | 2Q    | 3Q    | 4Q    | <b>1Q</b> |
| Agency Automobile <sup>1</sup>           | -     |       |       |       |           |
| Retention <sup>2,3</sup>                 | 82%   | 83%   | 83%   | 83%   | 83%       |
| Renewal premium change 3,4               | 2%    | 2%    | 2%    | 2%    | 3%        |
| PIF growth over prior year quarter       | (2%)  | -%    | 1%    | 2%    | 2%        |
| New business                             | \$171 | \$198 | \$211 | \$183 | \$171     |
| Agency Homeowners and Other <sup>1</sup> |       |       |       |       |           |
| Retention <sup>2</sup>                   | 86%   | 86%   | 86%   | 87%   | 86%       |
| Renewal premium change <sup>4</sup>      | 7%    | 7%    | 9%    | 9%    | 9%        |
| PIF growth over prior year quarter       | 3%    | 4%    | 4%    | 3%    | 3%        |
| New business                             | \$114 | \$142 | \$135 | \$115 | \$100     |

<sup>&</sup>lt;sup>1</sup> Represents business sold through agents, brokers and other intermediaries and excludes direct to consumer.

<sup>&</sup>lt;sup>4</sup> Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes. Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.



<sup>&</sup>lt;sup>2</sup> The ratio of expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.

<sup>&</sup>lt;sup>3</sup> Statistics for standard voluntary automobile.

### **Explanatory Note**

This presentation contains, and management may make, certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates" and similar expressions are used to identify these forward-looking statements. Specifically, statements about our share repurchase plans and statements about the potential impact of investment markets and other economic conditions on our investment portfolio and underwriting results, among others, are forward looking, and we may also make forward-looking statements about, among other things:

- our results of operations and financial condition (including, among other things, premium volume, premium rates, net and operating income, investment income and performance, return on equity, and expected current returns and combined ratios);
- the sufficiency of our asbestos and other reserves (including, among other things, asbestos claim payment patterns);
- the impact of emerging claims issues;
- the cost and availability of reinsurance coverage;
- catastrophe losses;
- the impact of investment, economic and underwriting market conditions; and
- strategic initiatives.

We caution investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. For a more detailed discussion of these factors, see the information on the next page and under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and quarterly report on Form 10-Q filed with the Securities and Exchange Commission.

Our forward-looking statements speak only as of the date of this report or as of the date they are made, and we undertake no obligation to update forward-looking statements.

In this presentation, we may refer to some non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of financial measures, we refer you to the press release and financial supplement that we have made available in connection with this presentation which is available on the Travelers website under the investor section (<a href="https://www.travelers.com">www.travelers.com</a>) and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission



### **Explanatory Note (continued)**

As noted above, this presentation contains, and management may make, certain "forward-looking statements". Some of the factors that could cause actual results to differ from those expressed in, or implied or projected by, the forward-looking statements include, but are not limited to, the following:

- catastrophe losses could materially and adversely affect our results of operations, financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance;
- during or following a period of financial market disruption or economic downturn, our business could be materially and adversely affected;
- if actual claims exceed our loss reserves, or if changes in the estimated level of loss reserves are necessary, our financial results could be materially and adversely affected;
- our investment portfolio may suffer reduced returns or material realized or unrealized losses;
- our business could be harmed because of its potential exposure to asbestos and environmental claims and related litigation;
- we are exposed to, and may face adverse developments involving, mass tort claims such as those relating to exposure to potentially harmful products or substances;
- the effects of emerging claim and coverage issues on our business are uncertain;
- the intense competition that we face could harm our ability to maintain or increase our business volumes and profitability;
- we may not be able to collect all amounts due to us from reinsurers and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all:
- we are exposed to credit risk in certain of our business operations;
- our businesses are heavily regulated and changes in regulation may reduce our profitability and limit our growth;
- a downgrade in our claims-paying and financial strength ratings could adversely impact our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs:
- the inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts would harm our ability to meet our obligations, pay future shareholder dividends or make future share repurchases;
- disruptions to our relationships with our independent agents and brokers could adversely affect us;
- our efforts to develop new products or expand in targeted markets may not be successful and may create enhanced risks;
- our net deferred tax assets could be adversely affected by a reduction in the U.S. Federal corporate income tax rate;
- we may be adversely affected if our pricing and capital models are inaccurate;
- we are subject to a number of risks associated with our business outside the United States;
- our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology;
- if we experience difficulties with technology, data security and/or outsourcing relationships we could be negatively impacted;
- acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences;
- we could be adversely affected if out controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective;
- our businesses may be adversely affected if we are unable to hire and retain qualified employees;
- loss of or significant restriction on the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce our future profitability; and
- our repurchase plans depend on a variety of factors, including our financial position, earnings, capital requirements of our operating subsidiaries, legal
  requirements, regulatory constraints, catastrophe losses, other investment opportunities (including mergers and acquisitions), market conditions and
  other factors.

For a more detailed discussion of these factors, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and quarterly report on Form 10-Q filed with the Securities and Exchange Commission.



#### **Disclosure**

- For further information, please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (www.sec.gov).
- Copies of this presentation and related financial supplement, and the accompanying webcast are publicly available on the Travelers website (www.travelers.com). This presentation should be read with the accompanying webcast and the related press release and financial supplement.
- From time to time, Travelers may use its website as a channel of distribution of material company information. Financial and other material information regarding the company is routinely posted on and accessible at http://investor.travelers.com. In addition, you may automatically receive email alerts and other information about Travelers by enrolling your email by visiting the "E-mail Alert Service" section at http://investor.travelers.com.



