



Jay S. Benet

Vice Chairman & Chief Financial Officer

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. Examples of our forward-looking statements include statements relating to our future financial condition and operating results, the sufficiency of our reserves, the impact of emerging claim issues and other litigation, reinsurance coverage, catastrophe losses, market conditions, our share repurchase plans, potential margins, potential returns, and our strategic initiatives.

We caution investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the company’s control, that could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following:

- Catastrophe losses;
- Financial market disruption or economic downturn;
- Changes to our claims and claim adjustment expense reserves;
- The performance of our investment portfolio;
- Asbestos and environmental claims and related litigation;
- Mass tort claims;
- Emerging claim and coverage issues;
- Competition, including the impact of competition on our strategic initiatives and new products;
- The collectability and availability of reinsurance coverage;
- Credit risk we face in insurance operations and investment activities, including under reinsurance or structured settlements;
- The federal, state and international regulatory environment;
- A downgrade in our claims-paying or financial strength ratings;
- The inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts;
- Disruptions to our relationships with our independent agents and brokers;
- Risks associated with developing new products, including in Personal Insurance, or expanding in targeted markets;
- Losses of or restrictions placed on the use of credit scoring or other underwriting criteria in the pricing and underwriting of insurance products;
- Risks associated with our use of pricing and capital models;
- Limits to the effectiveness of our information technology systems;
- Difficulties with our technology, data security and/or outsourcing relationships;
- Risks associated with our business outside of the United States, including regulatory risks;
- Risks associated with acquisitions, and integration of acquired businesses;
- Limits to the effectiveness of our compliance controls;
- Our ability to hire and retain qualified employees;
- Company may be unable to protect and enforce its own intellectual property or may be subject to claims infringing on intellectual property of others;
- Other changes in tax laws that adversely impact our investment portfolio or operating results;
- Changes to existing accounting standards;
- Factors impacting the operation of our repurchase plans; and
- The company may not achieve the anticipated benefits of its transactions, its new products or its strategic initiatives or complete a transaction that is subject to closing conditions.

For a more detailed discussion of these factors, see the information under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission. Our forward-looking statements speak only as of the date of this presentation or as of the date they are made, and we undertake no obligation to update those statements.

- Travelers Profile

- Data & Analytics

- Performance

Travelers Profile

- Property & casualty insurer – writer of primary business, mostly U.S. domestic with growing international presence
- Distribution primarily through independent agents and brokers
- Full year 2013 net written premiums: \$22.8 billion
 - 6th largest property & casualty insurer
 - #2 in commercial insurance, strong presence in small and middle market businesses
 - #9 in personal insurance (#2 - agency only)
- Focus on frequency driven product lines, not severity
- Top tier returns
- Financially strong and very highly rated
 - Total assets of \$105 billion
 - Investment portfolio of \$74 billion
 - Shareholders' equity of \$25.5 billion
- Investment operations support insurance operations, not the other way around
- Component of the Dow Jones Industrial Average

Long-Term Financial Strategy

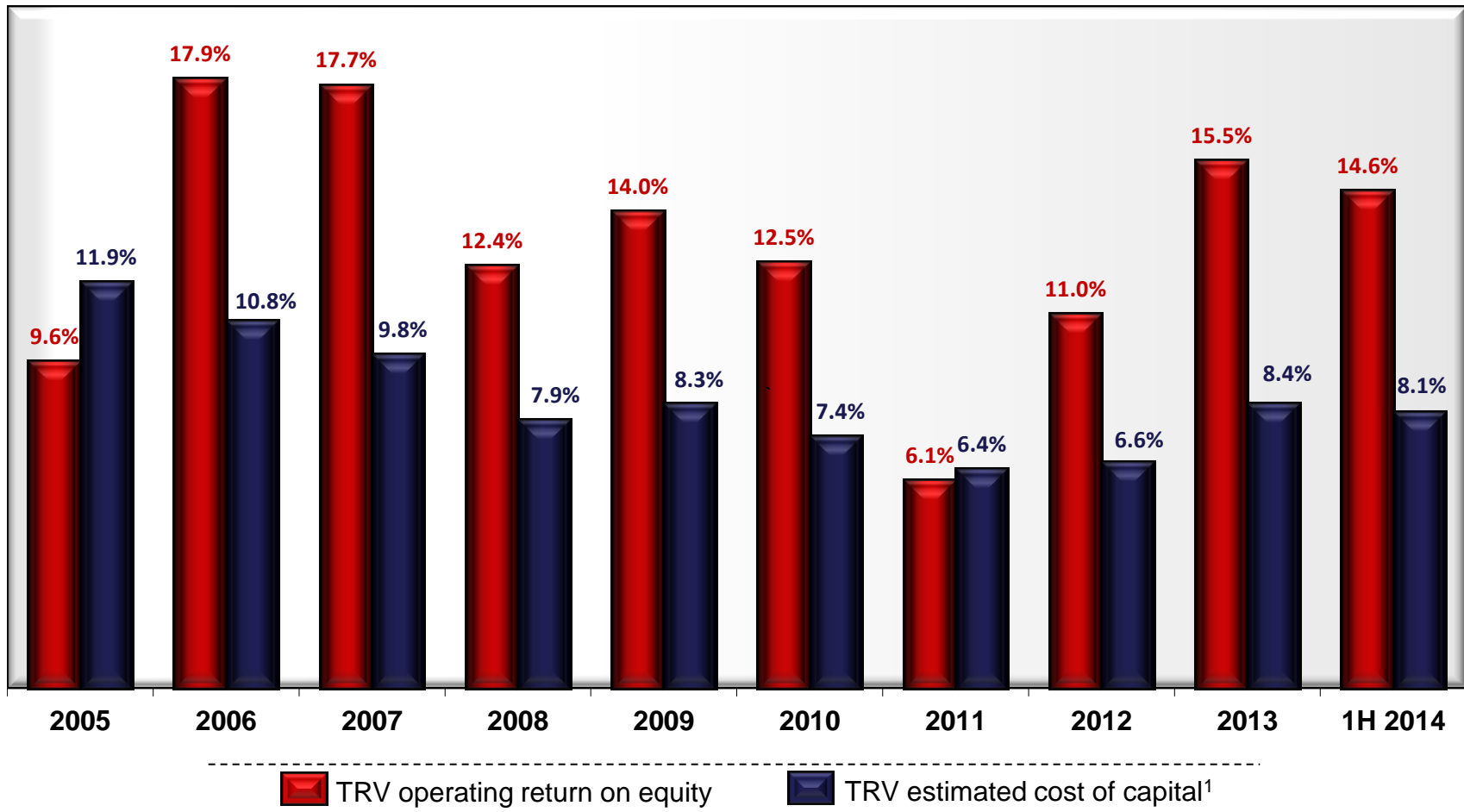


CREATE SHAREHOLDER VALUE

Objective: Mid-Teens Operating ROE *Over Time*

Return Focused Company

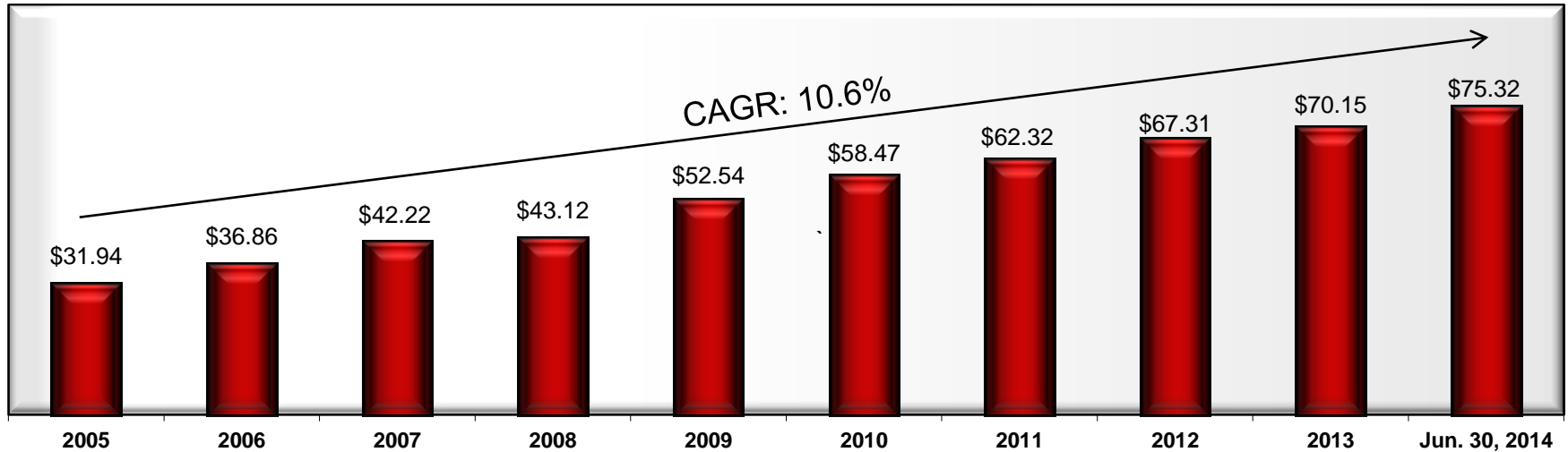
Operating Return on Equity vs. Estimated Cost of Capital¹



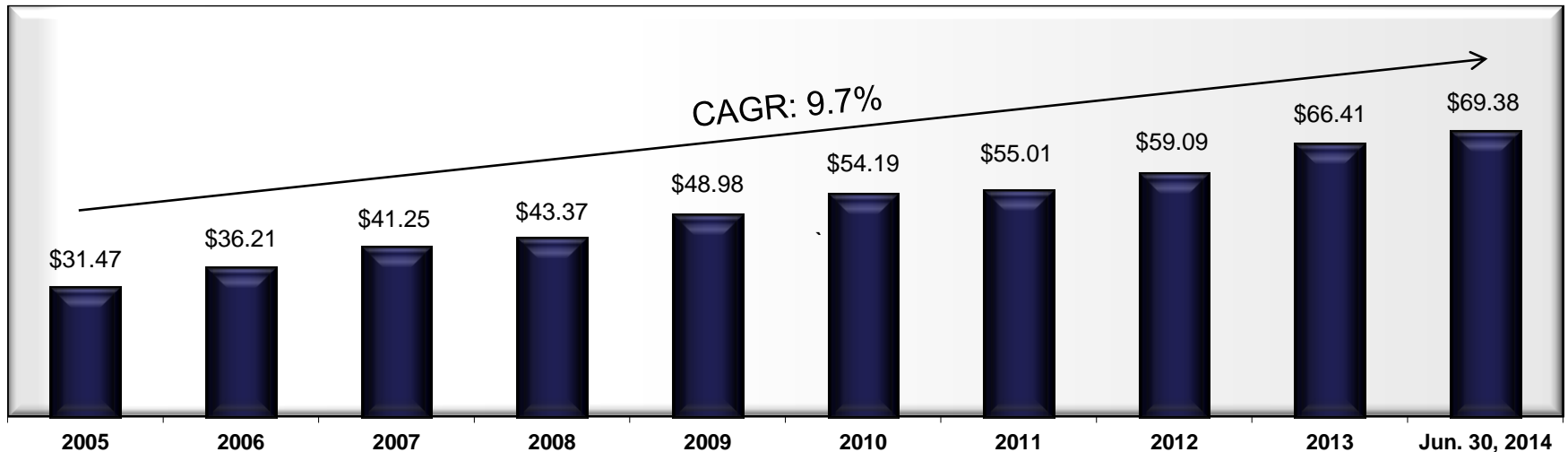
From Jan. 1, 2005 through Jun. 30, 2014, TRV's average annual operating ROE was approximately 13.2%

Consistently Growing Book Value Per Share

Book Value Per Share



Adjusted Book Value Per Share¹



¹ Adjusted book value per share is total common shareholders' equity excluding the after-tax impact of net unrealized investment gains and losses divided by the number of common shares outstanding.

- Travelers Profile

- Data & Analytics

- Performance

Data & Analytics - Role of Finance Organization at Travelers

- Major part of the company's culture -- finance fully embedded in our business units
- Knowledge, insight and judgment is the name of the game
- Modern, comprehensive financial systems streamline financial reporting processes and allow for extensive financial planning and analysis
- Highly effective systems of internal control and enterprise risk management in place -- crucial to data integrity at the granular level
- Detailed analytics drive business decisions

Financial information is a fully integrated continuum -- what are actual results telling you about actions you should take both now and in the future?

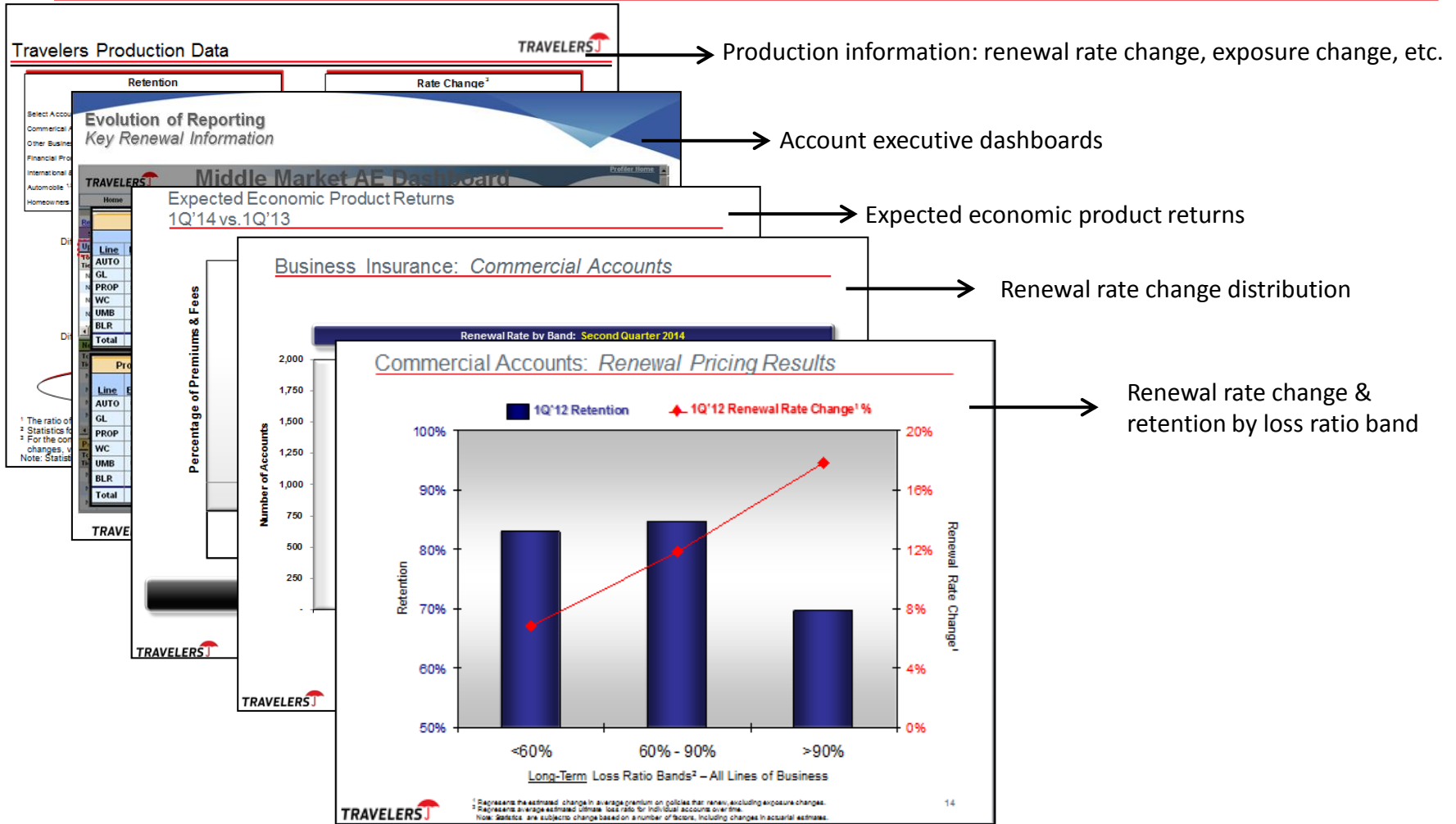
Data & Analytics - Knowledge, Insight and Judgment

- Worldwide general ledger¹
- Consolidated results available on fifth work day of each month
- Domestic field organization controllable income statements available on sixth work day of each month
- Consolidated GAAP results consistent with field results
- Fully integrated into corporate culture and business dialogue

Countrywide – CAG Field Controllable Income Statement																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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pts</td> </tr> <tr> <td colspan="2">Variable Expenses</td> <td></td> <td>Expense Ratio</td> <td></td> <td>Expense Ratio</td> <td></td> <td>Expense Ratio</td> <td></td> <td>Expense Ratio</td> </tr> <tr> <td>Regular Commissions</td> <td></td> <td>25,399</td> <td>11.5</td> <td>25,650</td> <td>11.5</td> <td>251</td> <td>0 pts</td> <td>251</td> <td>0 pts</td> </tr> <tr> <td>Contingent Commissions</td> <td></td> <td>5,149</td> <td>2.2</td> <td>7,144</td> <td>3.2</td> <td>1,995</td> <td>4.5 pts</td> <td>1,995</td> <td>4.5 pts</td> </tr> <tr> <td>Premium Tax</td> <td></td> <td>7,065</td> <td>3.2</td> <td>6,935</td> <td>3.1</td> <td>(131)</td> <td>(1.1) pts</td> <td>(131)</td> <td>(1.1) pts</td> </tr> <tr> <td>Assigned Risk</td> <td></td> <td>607</td> <td>3</td> <td>343</td> <td>2</td> <td>(265)</td> <td>(1.1) pts</td> <td>(265)</td> <td>(1.1) pts</td> </tr> <tr> <td>U/LAE</td> <td></td> <td>8,981</td> <td>4.1</td> <td>8,536</td> <td>3.8</td> <td>(445)</td> <td>(3.1) pts</td> <td>(445)</td> <td>(3.1) pts</td> </tr> <tr> <td>Subtotal Variable</td> <td></td> <td>48,202</td> <td>21.9</td> <td>48,677</td> <td>21.8</td> <td>475</td> <td>(1) pts</td> <td>475</td> <td>(1) pts</td> </tr> <tr> <td>Support OIE</td> <td></td> <td>13,290</td> <td>6.0</td> <td>12,339</td> <td>5.5</td> <td>(951)</td> <td>(5) pts</td> <td>(951)</td> <td>(5) pts</td> </tr> <tr> <td>Total Expenses</td> <td></td> <td>69,510</td> <td>31.1</td> <td>69,747</td> <td>31.2</td> <td>237</td> <td>1.1 pts</td> <td>237</td> <td>1.1 pts</td> </tr> <tr> <td>Controllable Income (BFIT)</td> <td></td> <td>61,863</td> <td>24.4 %</td> <td>57,979</td> <td>25.9 %</td> <td>(3,885)</td> <td>(2.5) pts</td> <td>(3,885)</td> <td>(2.5) pts</td> </tr> <tr> <td>Pri 2 Yr Loss/LAE-PriorRate Und.</td> <td></td> <td>35</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Prior Year Audit</td> <td></td> <td>1,274</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adjusted Controllable Income (BFIT)</td> <td></td> <td>53,152</td> <td>24.0 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Controllable Income (AFIT)</td> <td></td> <td>37,356</td> <td>16.9 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adjusted Controllable Income (AFIT)</td> <td></td> <td>38,298</td> <td>17.3 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Combined Ratio</td> <td></td> <td></td> <td>85.8</td> <td></td> <td>83.0</td> <td></td> <td>(2.8) pts</td> <td></td> <td>(2.8) pts</td> </tr> <tr> <td>Senior Account Executives/Mgrs</td> <td></td> <td></td> <td>33.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Account Managers</td> <td></td> <td></td> <td>25.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>58.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> 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pts	(1,774)	(4.0) pts	Umbrella		11,524	63.1	12,544	66.6	1,020	3.5 pts	1,020	3.5 pts	WC Guar Cost		13,312	49.5	6,952	37.0	(6,360)	(12.5) pts	(6,360)	(12.5) pts	WC Retro		9	150.0	0	0	(9)	(100.0) pts	(9)	(100.0) pts	WC Deo/Get Ins		24	77.4	107	64.9	83	7.5 pts	83	7.5 pts	CMP/Property		22,395	42.2	19,754	34.5	(2,642)	(7.6) pts	(2,642)	(7.6) pts	Subtotal Controllable Inc Loss/LAE		121,397	54.8	116,158	51.8	(5,239)	(3.0) pts	(5,239)	(3.0) pts	Dividends		0	0.0	0	0.0	0	0.0 pts	0	0.0 pts	Control. Inc Loss/LAE after Dividend		121,397	54.8	116,158	51.8	(5,239)	(3.0) pts	(5,239)	(3.0) pts	Fixed Expenses			Expense Ratio		Expense Ratio		Expense Ratio		Expense Ratio	Share & Benefits		4,907	2.2	5,379	2.4	472	2.2 pts	472	2.2 pts	Rent, Travel & Other OIE		872	4	1,120	5	248	1.5 pts	248	1.5 pts	Engineering		1,239	6	2,342	10	1,103	4.5 pts	1,103	4.5 pts	Subtotal Field		7,018	3.2	8,741	3.9	1,723	7.7 pts	1,723	7.7 pts	Variable Expenses			Expense Ratio		Expense Ratio		Expense Ratio		Expense Ratio	Regular Commissions		25,399	11.5	25,650	11.5	251	0 pts	251	0 pts	Contingent Commissions		5,149	2.2	7,144	3.2	1,995	4.5 pts	1,995	4.5 pts	Premium Tax		7,065	3.2	6,935	3.1	(131)	(1.1) pts	(131)	(1.1) pts	Assigned Risk		607	3	343	2	(265)	(1.1) pts	(265)	(1.1) pts	U/LAE		8,981	4.1	8,536	3.8	(445)	(3.1) pts	(445)	(3.1) pts	Subtotal Variable		48,202	21.9	48,677	21.8	475	(1) pts	475	(1) pts	Support OIE		13,290	6.0	12,339	5.5	(951)	(5) pts	(951)	(5) pts	Total Expenses		69,510	31.1	69,747	31.2	237	1.1 pts	237	1.1 pts	Controllable Income (BFIT)		61,863	24.4 %	57,979	25.9 %	(3,885)	(2.5) pts	(3,885)	(2.5) pts	Pri 2 Yr Loss/LAE-PriorRate Und.		35								Prior Year Audit		1,274								Adjusted Controllable Income (BFIT)		53,152	24.0 %							Controllable Income (AFIT)		37,356	16.9 %							Adjusted Controllable Income (AFIT)		38,298	17.3 %							Combined Ratio			85.8		83.0		(2.8) pts		(2.8) pts	Senior Account Executives/Mgrs			33.0							Account Managers			25.0							Total			58.0						
Revenue		Amount	Distribution	Amount	Distribution	Amount	Percent	Amount	Percent																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Auto		54,865	24.7 %	59,872	25.7 %	(5,007)	(8.7) %	(5,007)	(8.7) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
GL		69,547	30.9 %	70,177	31.3 %	(630)	(0.9) %	(630)	(0.9) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Umbrella		19,272	8.2 %	18,088	8.1 %	1,184	1.0 %	1,184	1.0 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Guar Cost		25,891	12.1 %	18,767	8.4 %	6,124	4.3 %	6,124	4.3 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Retro		5	0.0 %	0	0.0 %	5	0.0 %	5	0.0 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Deo/Get Ins		31	0.0 %	0	0.0 %	(31)	(75.4) %	(31)	(75.4) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
CMP/Property		53,104	24.0 %	57,154	25.5 %	(4,050)	(7.0) %	(4,050)	(7.0) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Subtotal Earned Premium		221,515	100.0 %	224,154	100.0 %	(2,639)	(1.2) %	(2,639)	(1.2) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Net investment income		19,952	9.0 %	19,620	8.8 %	332	1.6 %	332	1.6 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Other income		263	1.1 %	110	0.5 %	153	16.6 %	153	16.6 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Controllable Revenue		241,730		243,884		(2,054)	(0.9) %	(2,054)	(0.9) %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Incurred Loss/LAE			Loss Ratio		Loss Ratio		Loss Ratio		Loss Ratio																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Auto		29,409	53.8	34,352	57.4	4,943	3.6 pts	4,943	3.6 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
GL		44,723	65.2	42,949	61.2	(1,774)	(4.0) pts	(1,774)	(4.0) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Umbrella		11,524	63.1	12,544	66.6	1,020	3.5 pts	1,020	3.5 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Guar Cost		13,312	49.5	6,952	37.0	(6,360)	(12.5) pts	(6,360)	(12.5) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Retro		9	150.0	0	0	(9)	(100.0) pts	(9)	(100.0) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
WC Deo/Get Ins		24	77.4	107	64.9	83	7.5 pts	83	7.5 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
CMP/Property		22,395	42.2	19,754	34.5	(2,642)	(7.6) pts	(2,642)	(7.6) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Subtotal Controllable Inc Loss/LAE		121,397	54.8	116,158	51.8	(5,239)	(3.0) pts	(5,239)	(3.0) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Dividends		0	0.0	0	0.0	0	0.0 pts	0	0.0 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Control. Inc Loss/LAE after Dividend		121,397	54.8	116,158	51.8	(5,239)	(3.0) pts	(5,239)	(3.0) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Fixed Expenses			Expense Ratio		Expense Ratio		Expense Ratio		Expense Ratio																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Share & Benefits		4,907	2.2	5,379	2.4	472	2.2 pts	472	2.2 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Rent, Travel & Other OIE		872	4	1,120	5	248	1.5 pts	248	1.5 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Engineering		1,239	6	2,342	10	1,103	4.5 pts	1,103	4.5 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Subtotal Field		7,018	3.2	8,741	3.9	1,723	7.7 pts	1,723	7.7 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Variable Expenses			Expense Ratio		Expense Ratio		Expense Ratio		Expense Ratio																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Regular Commissions		25,399	11.5	25,650	11.5	251	0 pts	251	0 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Contingent Commissions		5,149	2.2	7,144	3.2	1,995	4.5 pts	1,995	4.5 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Premium Tax		7,065	3.2	6,935	3.1	(131)	(1.1) pts	(131)	(1.1) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Assigned Risk		607	3	343	2	(265)	(1.1) pts	(265)	(1.1) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
U/LAE		8,981	4.1	8,536	3.8	(445)	(3.1) pts	(445)	(3.1) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Subtotal Variable		48,202	21.9	48,677	21.8	475	(1) pts	475	(1) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Support OIE		13,290	6.0	12,339	5.5	(951)	(5) pts	(951)	(5) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Total Expenses		69,510	31.1	69,747	31.2	237	1.1 pts	237	1.1 pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Controllable Income (BFIT)		61,863	24.4 %	57,979	25.9 %	(3,885)	(2.5) pts	(3,885)	(2.5) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Pri 2 Yr Loss/LAE-PriorRate Und.		35																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Prior Year Audit		1,274																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Adjusted Controllable Income (BFIT)		53,152	24.0 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Controllable Income (AFIT)		37,356	16.9 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Adjusted Controllable Income (AFIT)		38,298	17.3 %																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Combined Ratio			85.8		83.0		(2.8) pts		(2.8) pts																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Senior Account Executives/Mgrs			33.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Account Managers			25.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Total			58.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

Deeply rooted analytic culture in place since early 1990's

Data & Analytics – “Ever Better” Financial Insight



Continually expanding business analytics for better decision making

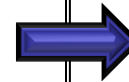
Highly Detailed Reserve Setting Process

- Actuarial fully embedded in our business units
- Highly detailed analyses performed quarterly at the business unit level to test carried reserves
- Involves a high degree of judgment informed by historical data, detailed knowledge of the business, econometric trends and extensive communication across the organization

Construction Business Unit

Workers' Compensation, Guaranteed Cost, Indemnity, Incurred Losses

DQ \ AY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	1,201,721	1,268,760	1,540,523	2,593,681	2,739,620	3,276,398	2,978,892	5,161,053	4,037,770	3,619,872	3,466,610
5	9,869,952	14,229,343	20,433,492	26,978,839	29,843,753	29,953,796	42,562,272	47,622,681	44,341,319	49,712,967	
9	14,517,446	20,184,405	26,993,669	38,140,249	43,090,395	49,198,732	63,407,442	72,848,085	69,181,894		
13	18,300,937	21,998,748	27,721,816	41,046,534	51,037,555	56,617,378	75,765,992	88,873,922			
17	18,437,939	21,940,901	27,646,103	42,257,010	52,501,113	61,087,992	81,364,179				
21	17,720,369	22,729,596	28,263,667	43,726,209	53,392,097	63,120,937					
25	17,881,724	22,214,684	28,403,761	44,735,661	54,764,994						
29	17,882,433	22,503,920	28,552,468	45,507,284							
33	17,415,253	22,565,067	28,571,719								
37	16,877,048	22,716,013									
41	17,113,279										



- One of 35 triangles used to test Construction WC-GC reserve -- represents 6.6% of total workers' compensation reserves
- Over 500 triangles exist for enterprise workers' compensation reserves analysis alone

Data is Travelers companies only. St. Paul accounts were renewed into Travelers companies after the 2004 merger

Detailed analyses of reserves *each quarter* is crucial to product pricing

Reserve Analyses Subject to Extensive Review and Oversight

Corporate Actuarial

- Facilitates cross business unit communication -- quarterly meetings of reserving actuaries, pricing actuaries, claim managers and product managers across business units for:
 - Workers' Compensation
 - General Liability
 - Auto
 - Property
- Evaluates reasonability and consistency of business unit reserve analyses, including underlying assumptions
- Monitors reasonability of carried reserves -- quarterly reserve meetings with business unit, business segment and corporate actuarial and finance leaders, including CFO
- Reports to Audit Committee each quarter as to reserve adequacy in total and by reporting segment
- Communicates with external auditors, regulators, rating agencies & IRS

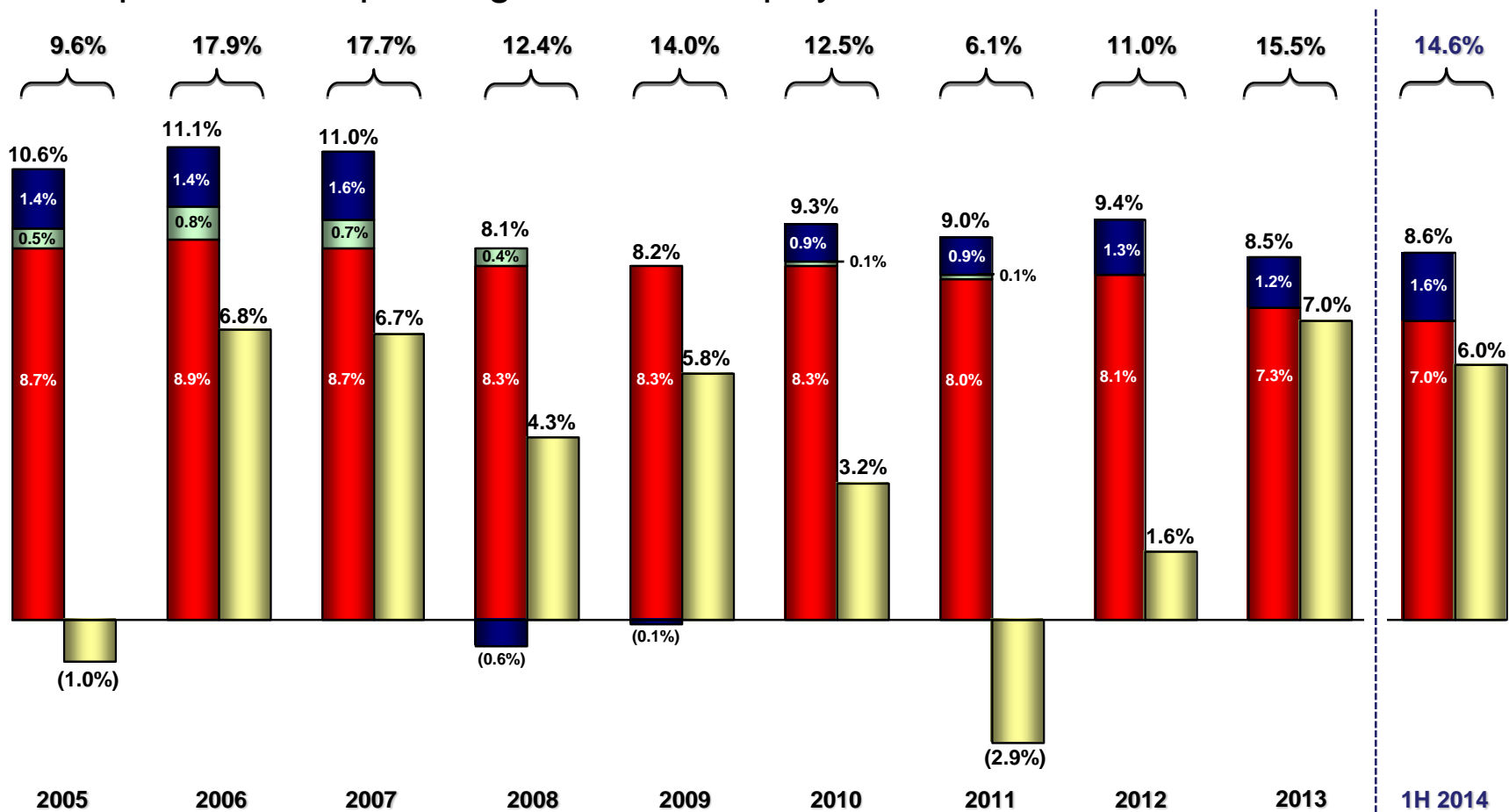
- Travelers Profile

- Data & Analytics

- Performance

Return Focused Company

Components of Operating Return on Equity



Full Year

- Long-term fixed net investment portfolio investment income less holding company interest expense
- Short-term fixed net investment portfolio investment income
- Non-fixed net investment portfolio investment income / (loss)
- Underwriting gain / (loss) and other

From Jan. 1, 2005 through Jun. 30, 2014, TRV's average annual operating ROE was approximately 13.2%

Capital Management Strategy

Operating company capital maintained at levels needed to support current business profile and growth opportunities consistent with AA rating objective

Excess capital in operating companies transferred to holding company

Holding company leverage maintained at level consistent with AA rating objective

Holding company liquidity maintained in excess of amount equal to one year's dividends and interest

Unneeded capital returned to shareholders

Travelers Very Highly Rated

Financial Strength / Claims Paying Ratings

	A. M. Best	S&P	Moody's	Fitch
Berkshire Hathaway	A++	AA+	Aa1	AA+
Travelers	A++	AA	Aa2	AA
Chubb	A++	AA	Aa2	AA
ACE	A++	AA	A1	AA
Progressive	A+	AA	Aa2	AA
Zurich - U.S.	A+	AA-	Aa3	AA-
Allstate	A+	AA-	Aa3	A+
Cincinnati Financial	A+	A	A1	A+
AIG	A	A+	A1	A
XL Group	A	A+	A2	A+
Hartford	A	A	A2	NR
Liberty Mutual	A	A	A2	A-
CNA	A	A	A3	A

Very Strong Financial Position

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

	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Debt	\$ 6,347	\$ 6,346
Common equity ¹	<u>23,519</u>	<u>23,474</u>
Total capital ¹	<u>\$ 29,866</u>	<u>\$ 29,820</u>
<i>Debt-to-capital</i> ¹	<i>21.3%</i>	<i>21.3%</i>
Common shares outstanding	339.0	353.5
Book value per common share	\$ 75.32	\$ 70.15
Adjusted book value per common share ¹	\$ 69.38	\$ 66.41
Tangible book value per common share ^{1,2}	\$ 57.86	\$ 55.29
Statutory surplus	\$ 21,036	\$ 21,123
Holding company liquidity	\$ 1,827	\$ 1,587

Capital

- At or above target levels for all rating agencies
- Repurchased 9.5 million shares during the second quarter 2014 and 18.0 million shares year-to-date at a total cost of \$876 million and \$1.581 billion, respectively
- Dividends in the second quarter and year-to-date were \$190 million and \$367 million, respectively

Leverage

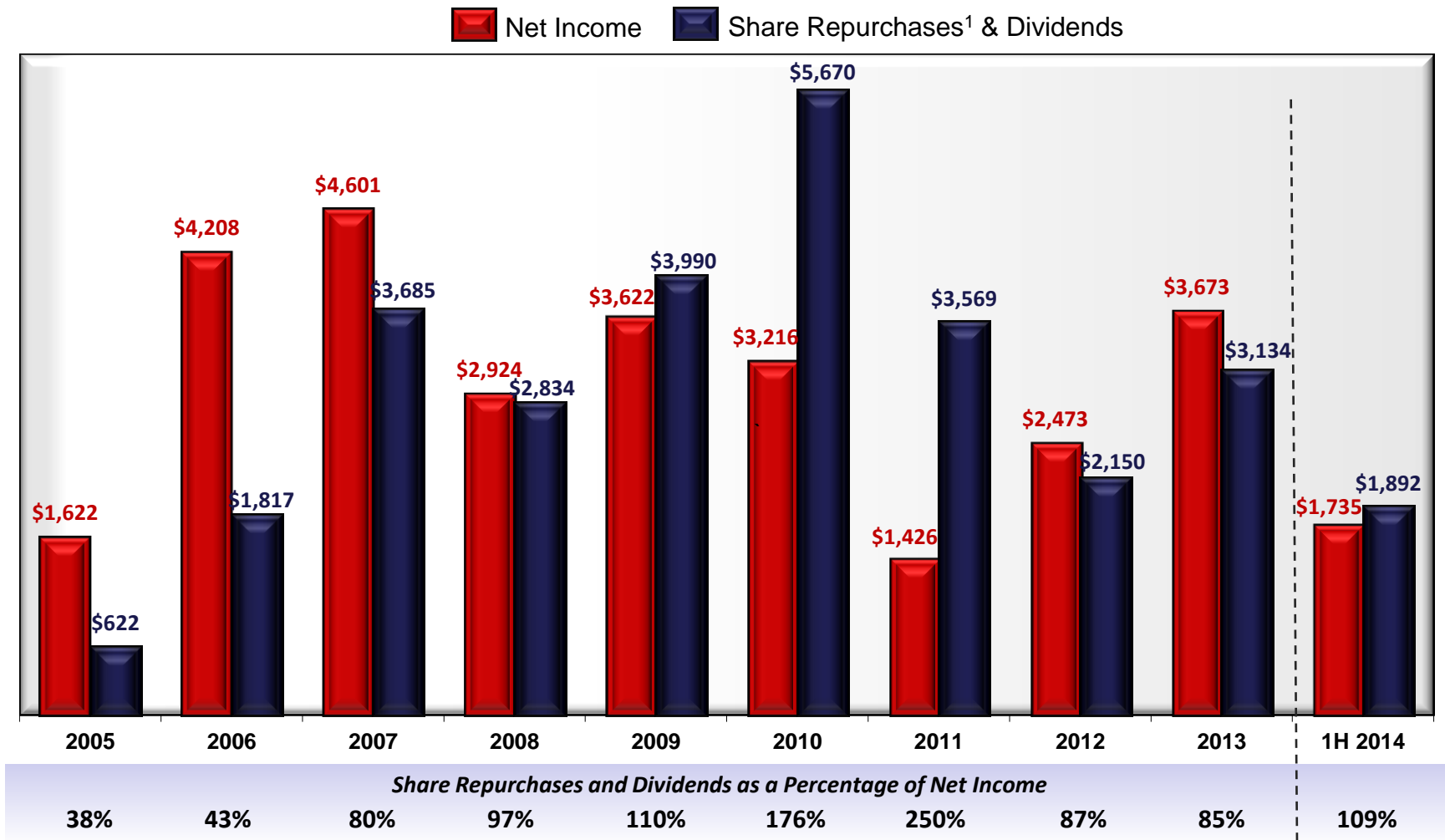
- Debt-to-capital ratio¹ of 21.3%, comfortably within target range
- Low level of maturing debt.
 - 2015 \$400 million
 - 2016 \$400 million
 - 2017 \$450 million

Very high quality investment portfolio

- Net unrealized investment gains of \$2.013 billion after-tax (\$3.088 billion pre-tax) at June 30, 2014

Excess Capital Returned to Shareholders

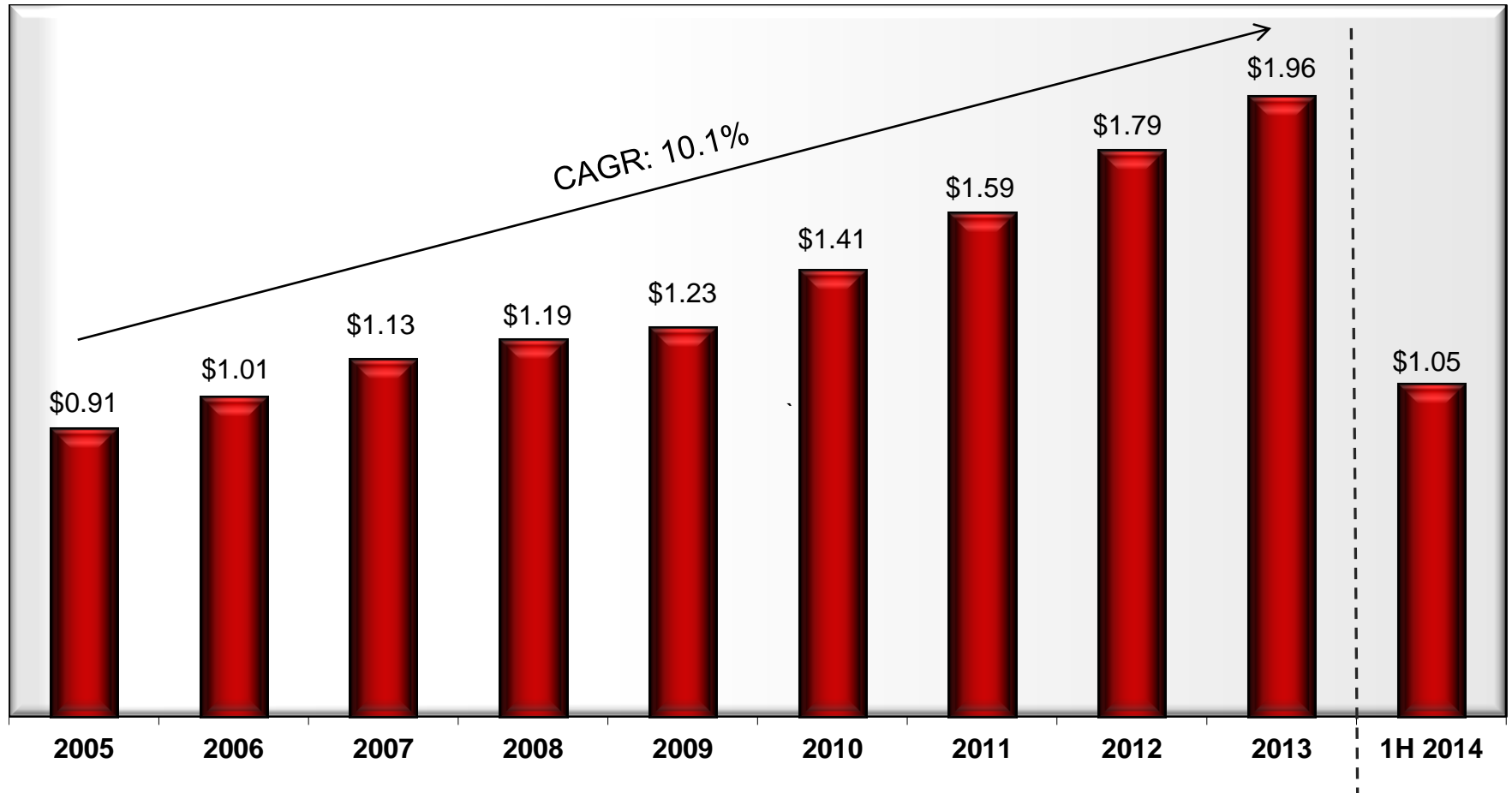
(\$ in millions)



Since the initial share repurchase authorization granted by the Board on May 2, 2006, TRV has returned \$28.6 billion² in share repurchases and dividends or 95% of the market capitalization on that day

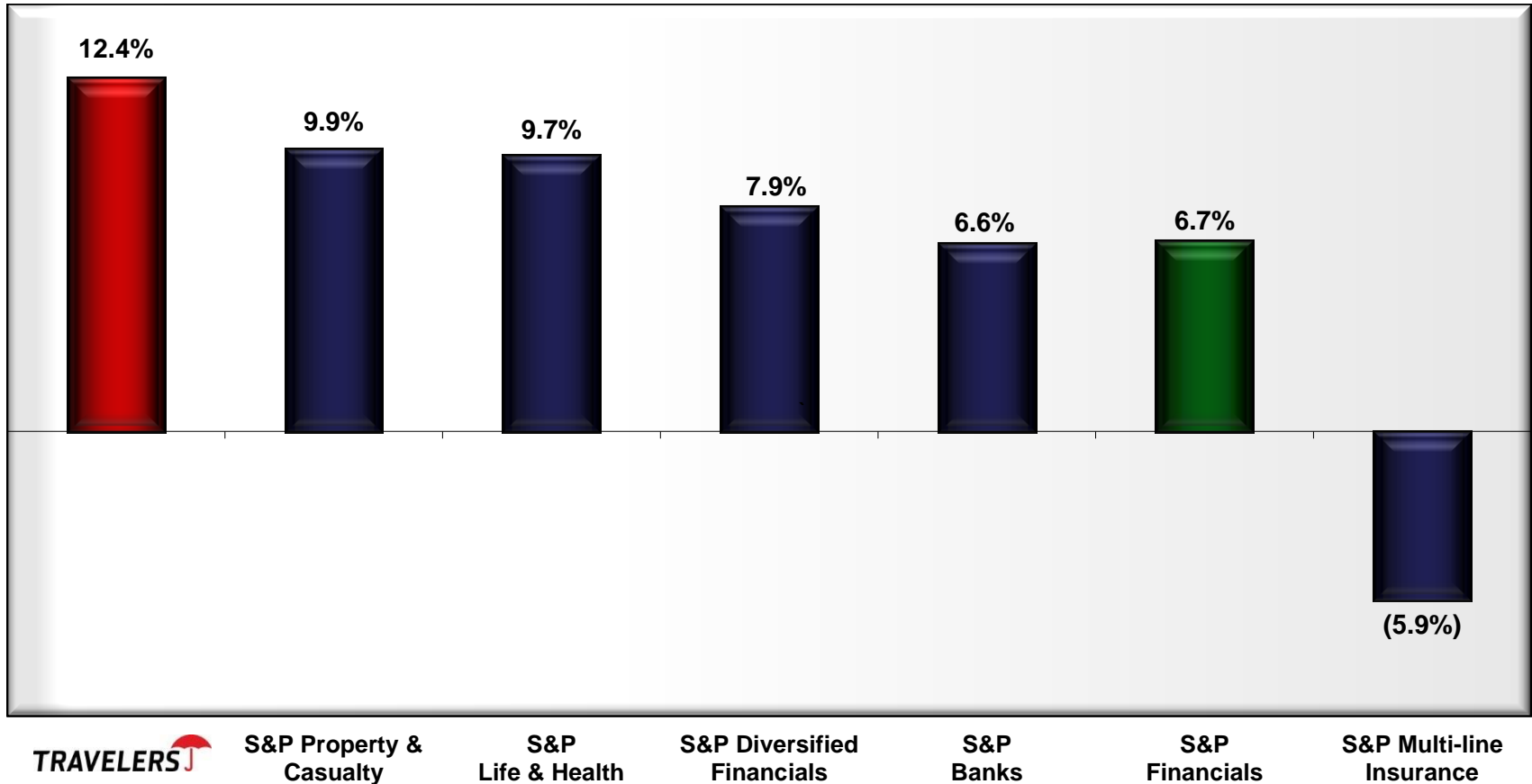
Consistently Increased Dividends Per Share

Dividends Per Share



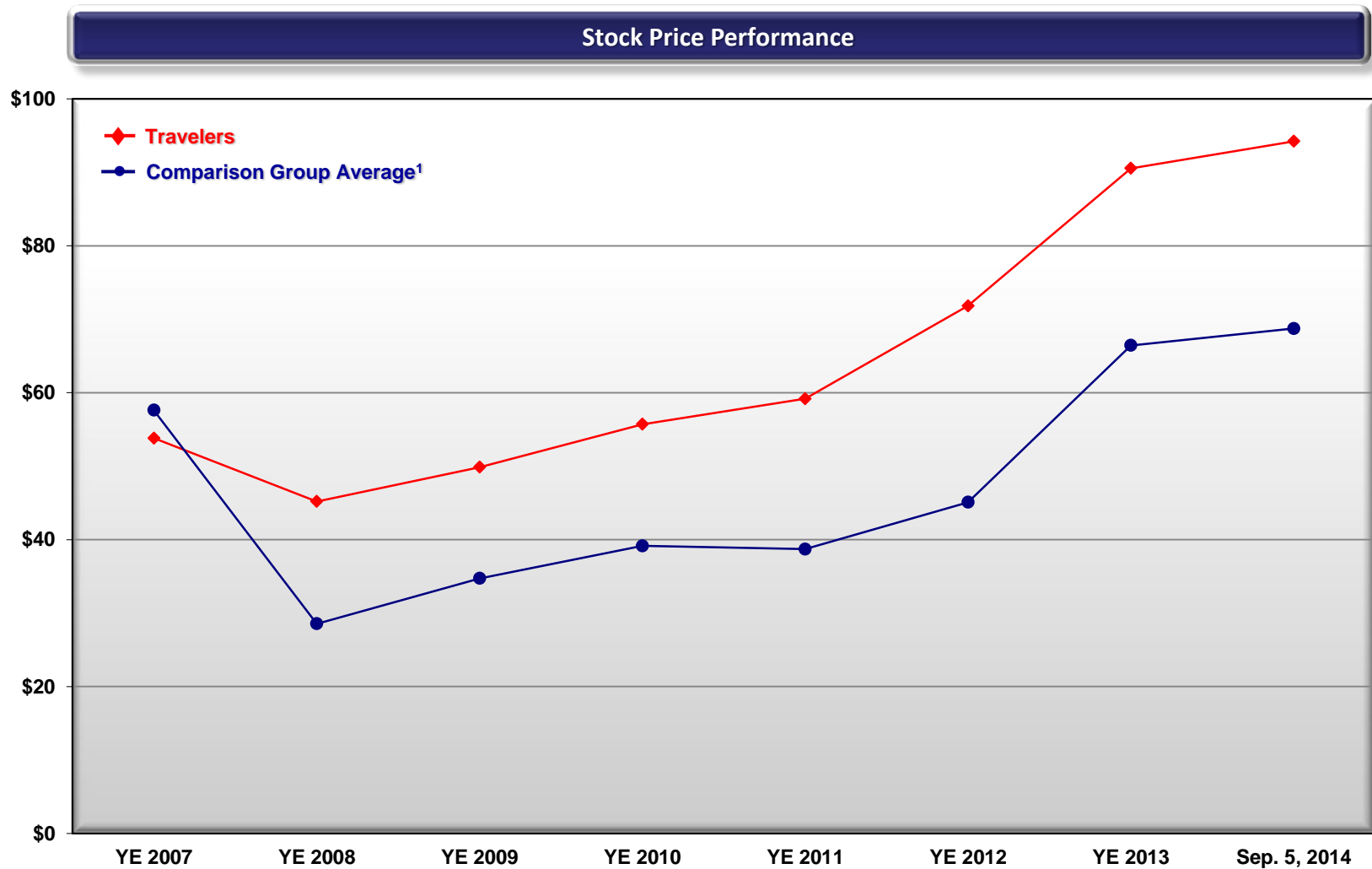
TRV Return on Equity vs. Other Financials¹ 2005 - 1H 2014

Average Return on Equity: 2005 - 1H 2014



Return on capital focus has resulted in top tier returns in P&C industry and financial services industry broadly

TRV Significantly Outperformed Comparison Group Over Time





Questions?

Disclosure

In this presentation or in the discussion that follows, 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 our press releases and financial supplements that we have made available in connection with our earnings releases, the annex section of our most recent investor day presentation and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission (SEC), as updated by our Form 10Q for the quarter ended June 30, 2014. See the “For Investors” section at Travelers.com.

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 the accompanying webcast are publicly available on the Travelers website (www.travelers.com). This presentation should be read with the accompanying webcast.

From time to time, Travelers may use its website and/or social media outlets, such as Facebook and Twitter, as distribution channels of material company information. Financial and other important information regarding the company is routinely accessible through and posted on our website at <http://investor.travelers.com>, our Facebook page at <https://www.facebook.com/travelers> and our Twitter account (@TRV_Insurance) at https://twitter.com/TRV_Insurance. In addition, you may automatically receive email alerts and other information about Travelers when you enroll your email address by visiting the “Email Alert Service” section at <http://investor.travelers.com>.



The Travelers Companies, Inc.
