



Jay S. Fishman
Chairman & Chief Executive Officer

Goldman Sachs
Financial Services Conference
December 6, 2011

The Environment

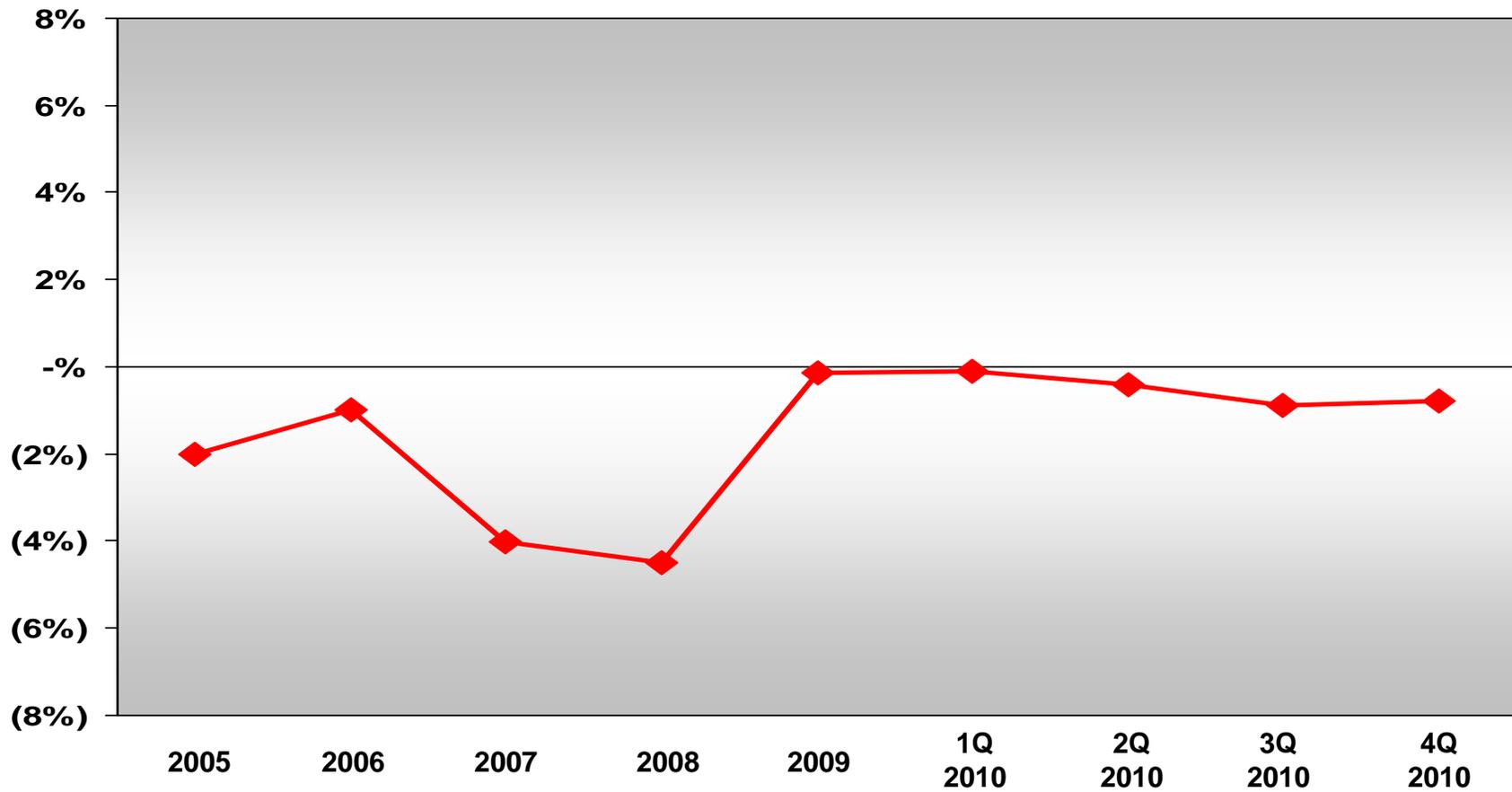
- Impact of lower rate on margin in Business Insurance over last several years
- Prospect of continued low investment yields
- Potential for abnormally high weather losses to continue

Operating Return on Equity

	2005 - 2010 ¹	2011 YTD ²
Long-term fixed investment portfolio	8.5%	7.9%
Short-term fixed investment portfolio	0.4%	0.1%
Non-fixed investment portfolio	0.7%	1.1%
Total investment portfolio	9.6%	9.1%
Underwriting gain (ex. Catastrophes / PYD)	4.8%	2.1%
Prior year reserve development	2.0%	2.1%
Catastrophes	(2.3%)	(8.8%)
Total Underwriting	4.5%	(4.6%)
Total	14.1%	4.5%

Insurance Pricing Renewal Rate Change¹

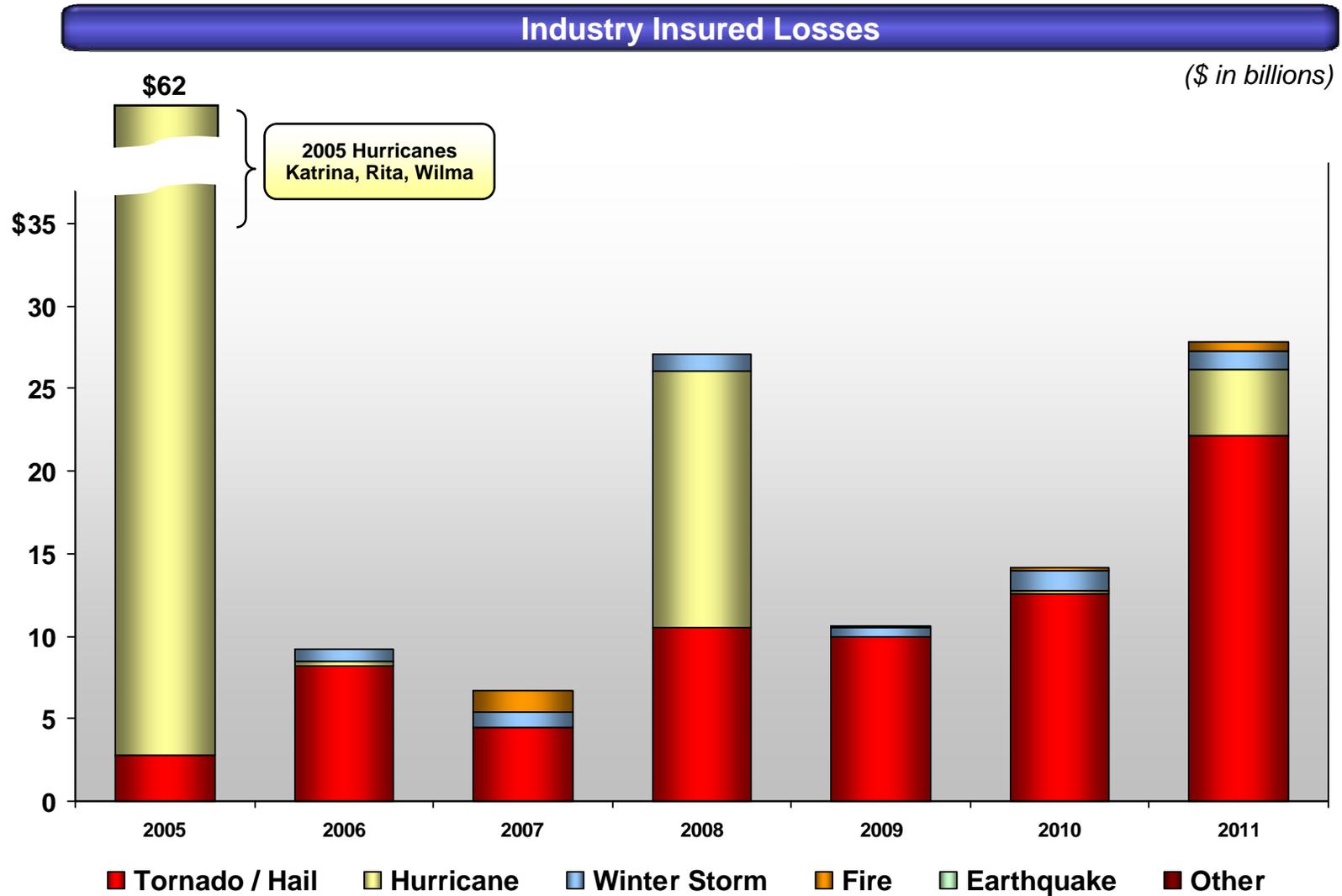
Travelers Business Insurance (Excluding National Accounts)



¹ 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.

Adverse Weather

U.S. Historical Catastrophes



Travelers' Focus

- Drive for improved rate and terms & conditions
- Manage operating costs
- Maintain high credit quality investment portfolio
- Return excess capital to shareholders (no change in philosophy)

Travelers' Focus: Seek Rate

Pricing Environment – Business Insurance

2011 Renewal Rate Change¹ by Month

	<u>Business Insurance</u> (ex. National Accounts)	<u>Commercial</u> <u>Accounts</u>
July	3.0%	3.4%
August	2.3%	3.5%
September	4.2%	5.6%
October	5.2%	6.9%
November	5.8%	8.2%

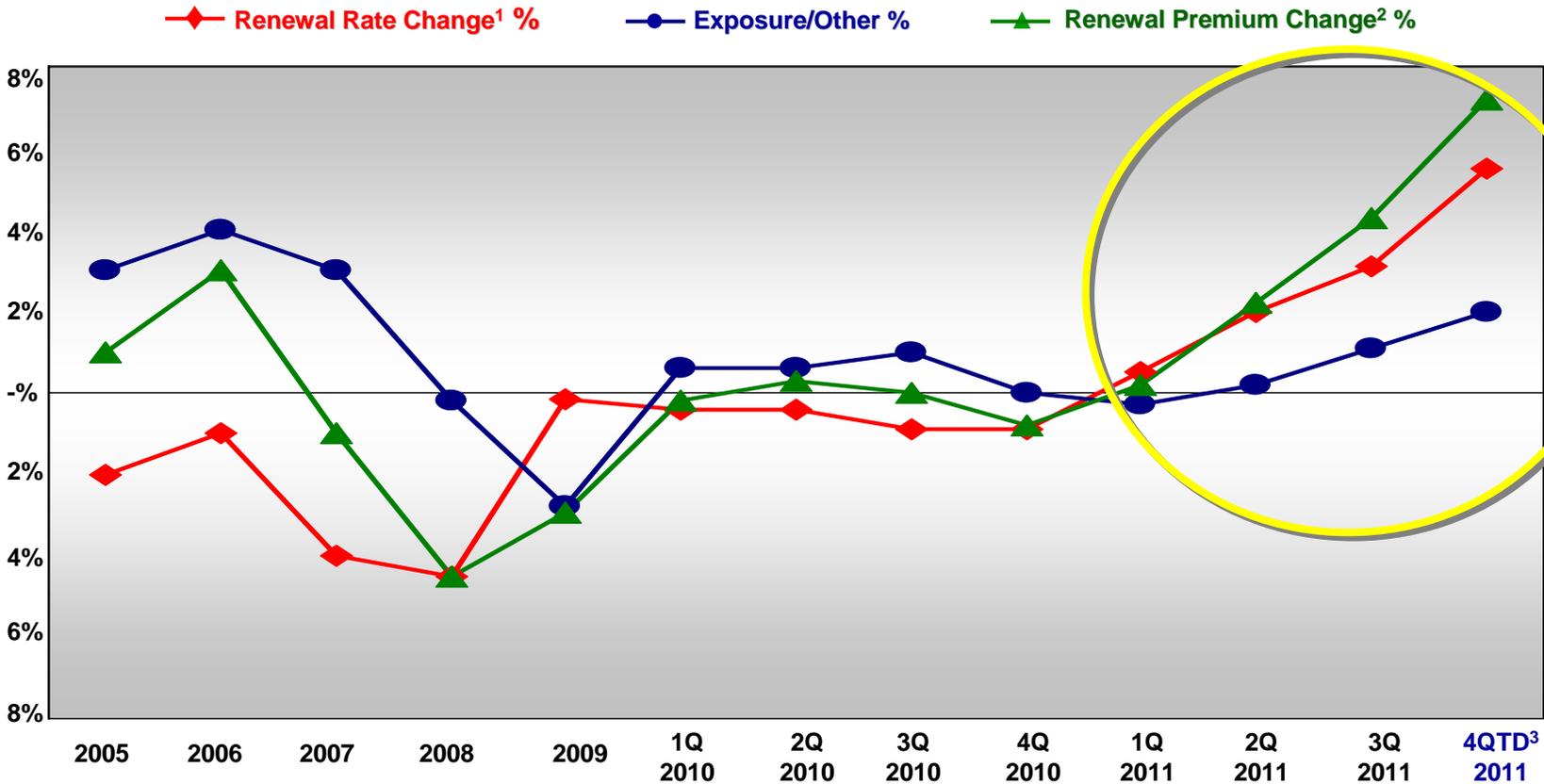
¹ Represents the estimated change in average premium on policies that renew, excluding exposure changes.

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Travelers' Focus: Seek Rate

Pricing Environment - Business Insurance

Travelers Business Insurance (Excluding National Accounts)



¹ Represents the estimated change in average premium on policies that renew, excluding exposure changes.

² Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

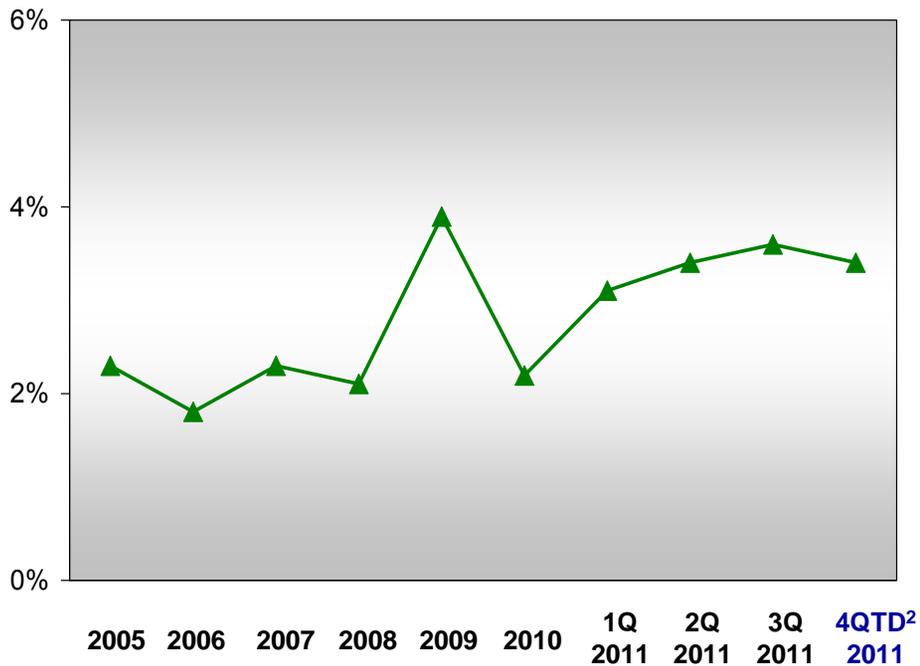
³ Through November 30, 2011.

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

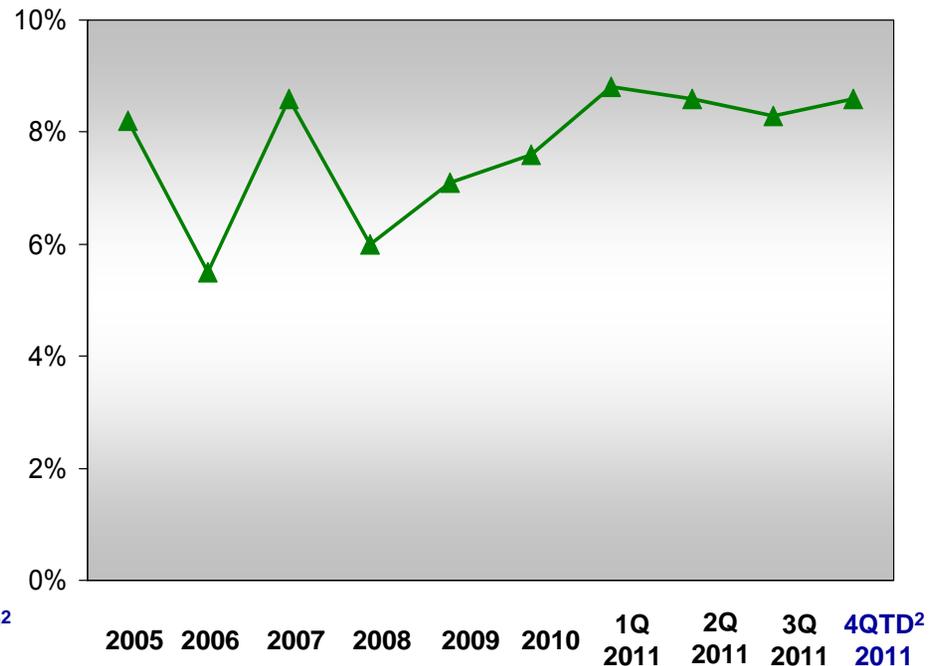
Travelers' Focus: Seek Rate

Pricing Environment - Personal Insurance

**Travelers Automobile
Renewal Premium Change¹**



**Travelers Homeowners & Other
Renewal Premium Change¹**



Have consistently achieved increases in Personal Insurance renewal premium

¹ Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

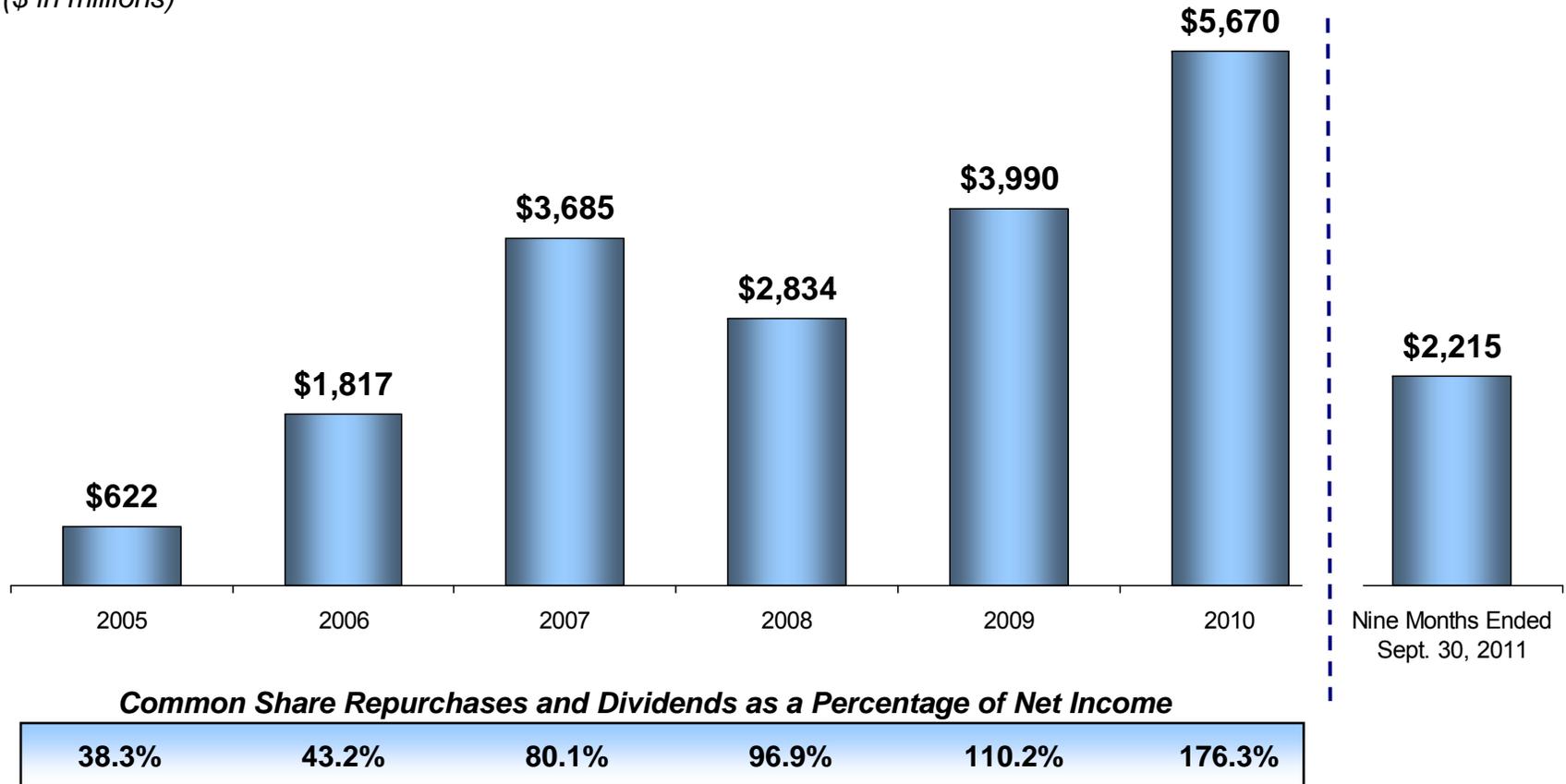
² Through November 30, 2011.

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

Return Excess Capital to Shareholders

Common Share Repurchases and Dividends

(\$ in millions)



4th quarter 2011 share repurchases of **\$803 million** through December 5th

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;
- the impact of emerging claims issues as well as other insurance and non-insurance litigation;
- 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 information and 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 presentation 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 earnings press releases and financial supplements which are available on the Travelers website under the investor section (www.travelers.com) 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, 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;
- 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, our ability to conduct business 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 our 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, funding of our qualified pension plan, share price, 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 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 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>



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