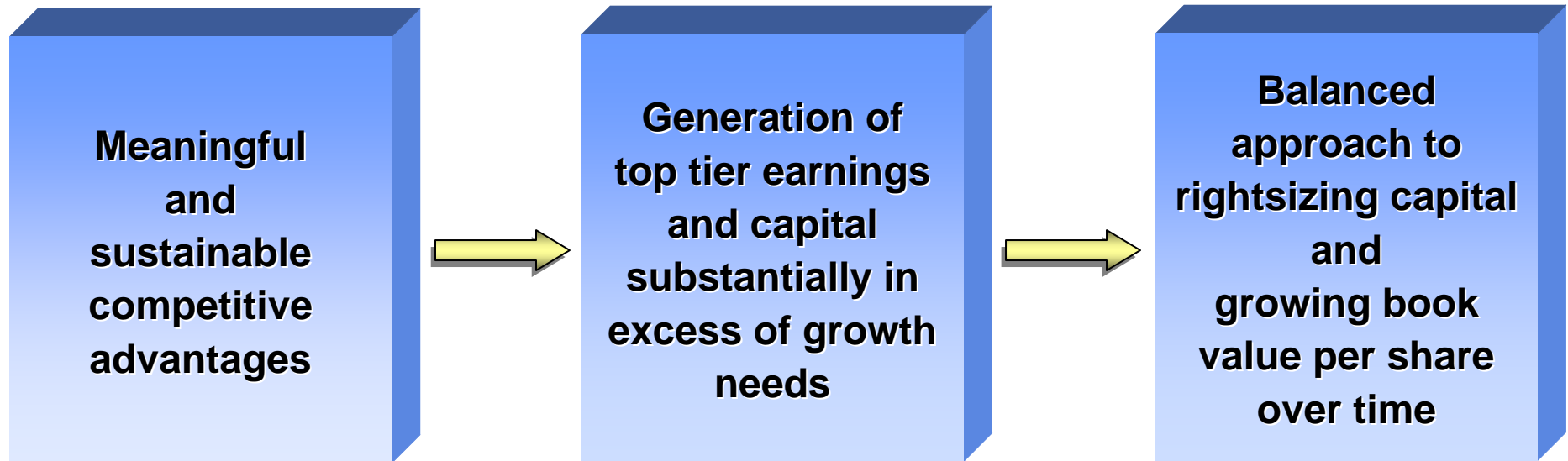




The Travelers Companies, Inc.

First Quarter 2012 Results

Long-Term Financial Strategy



Create Shareholder Value
Objective: Mid-Teens ROE *Over Time*

First Quarter 2012 Overview

- Net and operating income per diluted share of \$2.02 and \$2.01, an increase of 5% and 6%, respectively, from the prior year quarter
- Net and operating income of \$806 million and \$801 million, respectively, compared to \$839 million and \$826 million in the prior year quarter
 - Underwriting performance reflected GAAP combined ratio of 92.2%, an improvement of 2.5 points from the prior year quarter and 3.7 points from the fourth quarter
 - Net investment income, while down modestly from the prior year quarter as a result of continuing low fixed reinvestment yields, remained strong
- Return on equity and operating return on equity of 13.1% and 14.7%, respectively
- Total revenues of \$6.392 billion, up 2% from the prior year quarter
- Net written premiums of \$5.497 billion, up 1% from the prior year quarter
 - Price increases accelerated in all segments
- Book value per common share of \$63.81, up 7% from the prior year quarter and 2% from year-end 2011
- Repurchased \$350 million of common shares and common stock dividends were \$162 million in first quarter 2012

Consolidated Performance

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

First Quarter			
	2012	2011	Change
Operating income	\$ 801	\$ 826	(3) %
<i>per diluted share</i>	\$ 2.01	\$ 1.89	6 %
<u>Included the following items:</u>			
Net favorable prior year reserve development	\$ 200	\$ 155	
Catastrophes, net of reinsurance	(109)	(122)	
Resolution of prior year tax matters	-	104	
Total Items	\$ 91	\$ 137	
Loss and loss adjustment ratio	60.1 %	62.1 %	
Underwriting expense ratio	32.1	32.6	
GAAP combined ratio ¹	92.2 %	94.7 %	2.5 pts
<i>GAAP combined ratio excluding incremental impact of direct to consumer initiative</i>	91.4 %	93.8 %	
Net favorable prior year reserve development	5.5	4.4	
Catastrophes, net of reinsurance	(3.1)	(3.4)	
Adjusted GAAP combined ratio	94.6 %	95.7 %	1.1 pts

Very Strong Financial Performance

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

	March 31, 2012	December 31, 2011
Debt	\$ 6,606	\$ 6,605
Common equity ¹	22,034	21,606
Total capital ¹	\$ 28,640	\$ 28,211
Debt-to-capital ¹	23.1%	23.4%
Common shares outstanding	389.8	392.8
Book value per common share	\$ 63.81	\$ 62.32
Adjusted book value per common share ¹	\$ 56.53	\$ 55.01
Tangible book value per common share ^{1, 2}	\$ 46.95	\$ 45.46
Statutory surplus	\$ 19,867	\$ 19,174
Holding company liquidity	\$ 2,217	\$ 2,387

¹ Excludes net unrealized investment gains, net of taxes

² Excludes the after-tax value of goodwill and other intangible assets

Capital

- At or above target levels for all rating agencies
- Repurchased \$350 million of common shares and common stock dividends were \$162 million in first quarter 2012

Leverage

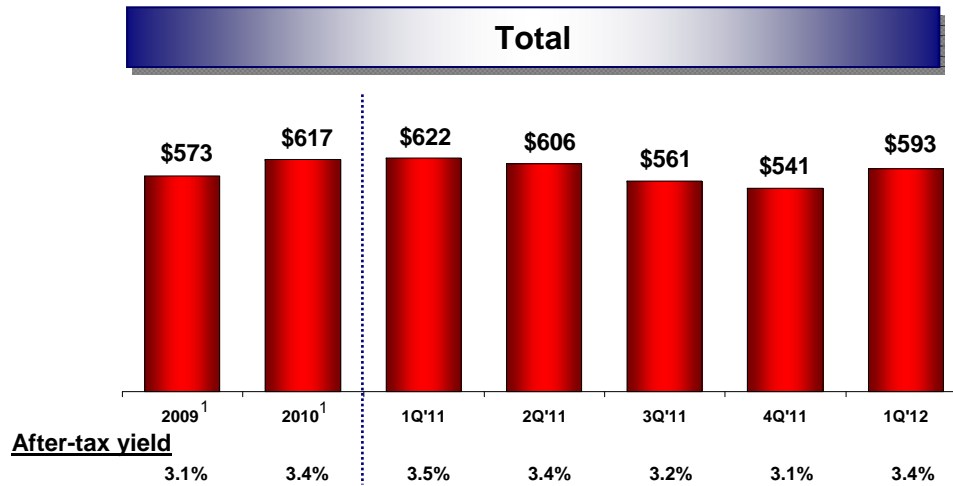
- Debt-to-capital ratio¹ of 23.1%, comfortably within target range
- Low level of maturing debt
 - 2012 \$250 million
 - 2013 \$500 million
 - 2014 -
 - 2015 \$400 million

Very high quality investment portfolio

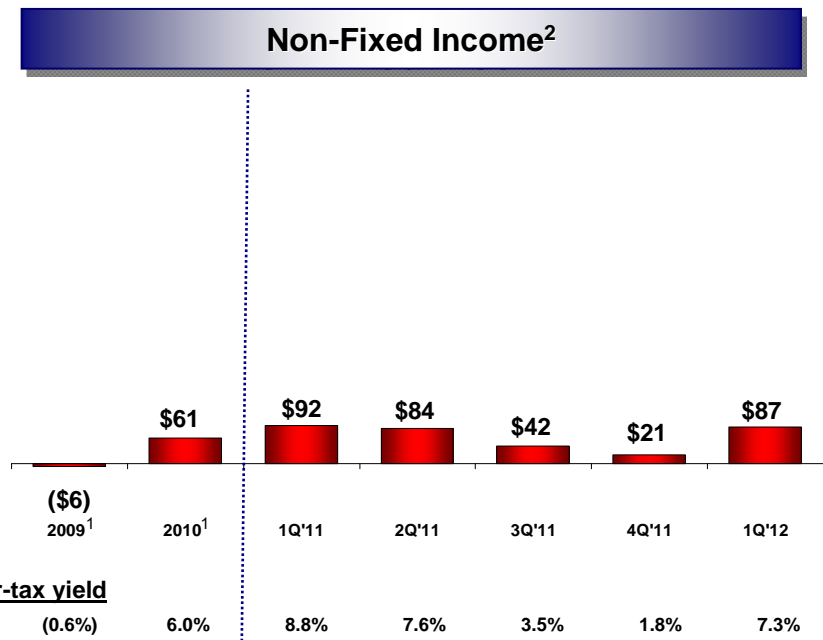
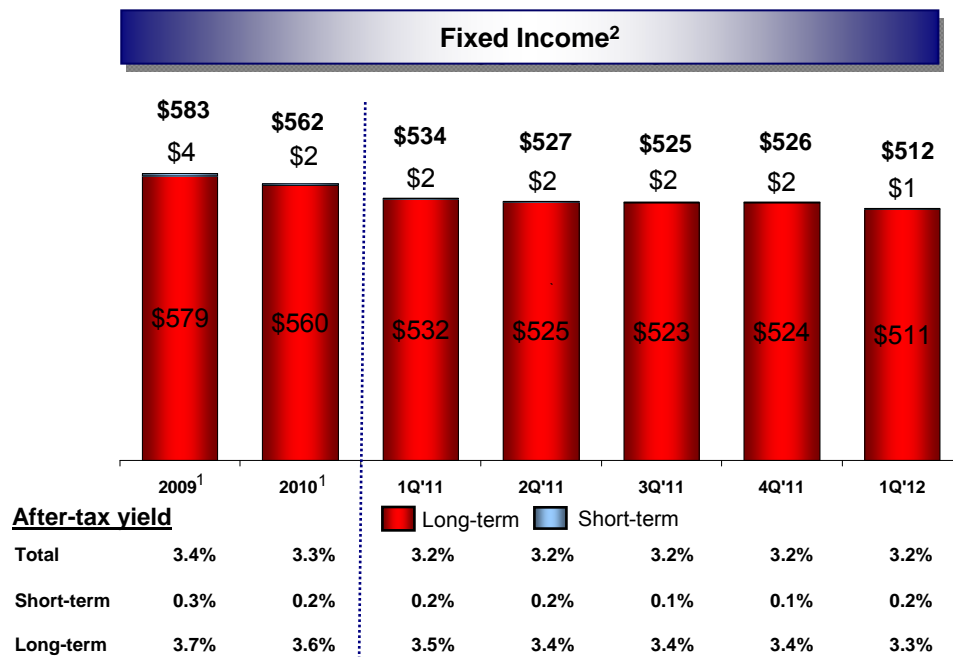
- Net unrealized investment gains of \$2.8 billion after tax (\$4.3 billion pre tax) at the end of first quarter 2012

Net Investment Income

(\$ in millions, after-tax)



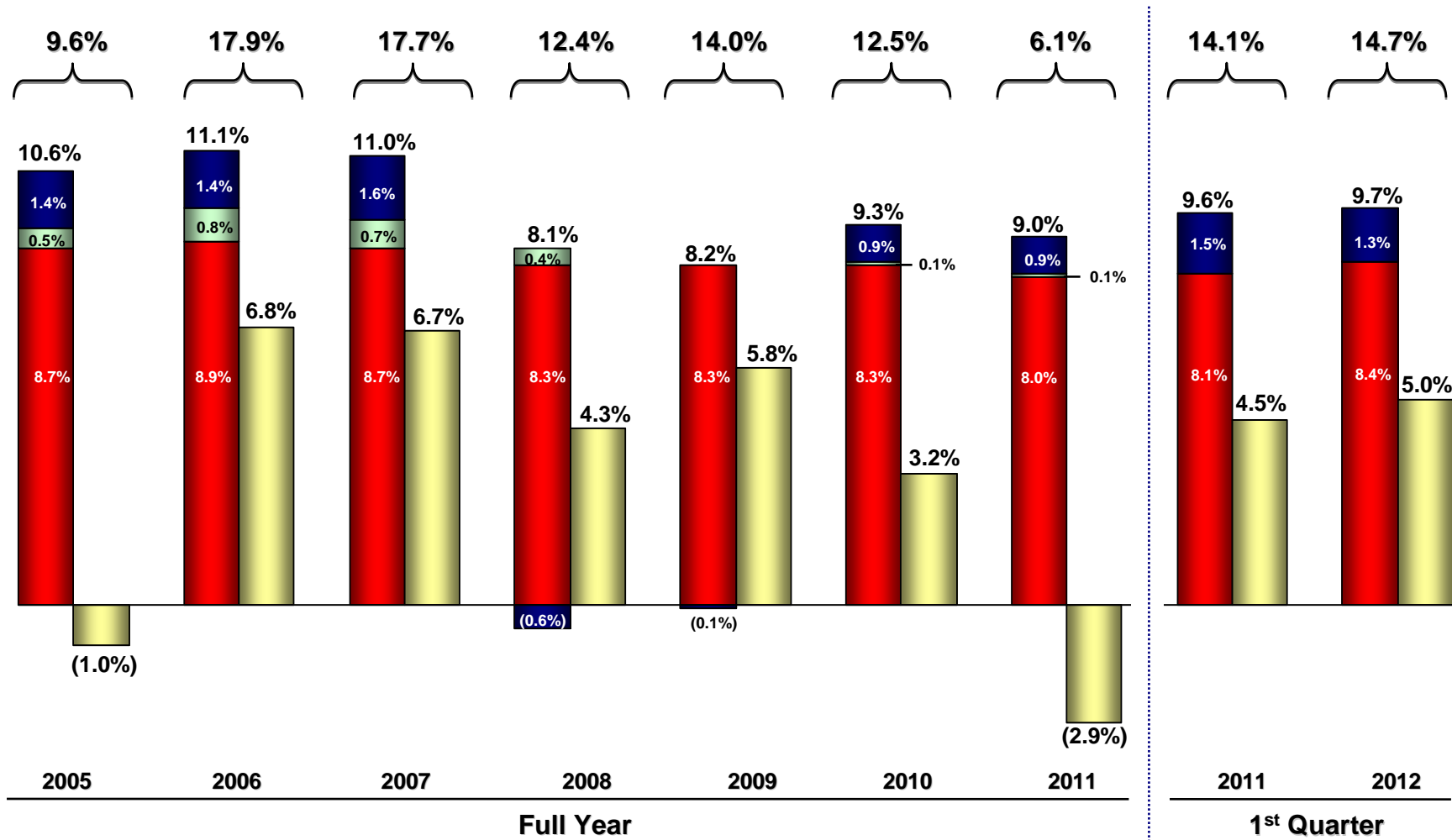
- Net investment income from the long-term fixed income portfolio declined modestly from a year ago due to lower reinvestment rates
- Short-term portion of fixed income portfolio continued to be impacted by very low interest rates
- Non-fixed income portfolio had a strong first quarter



¹ 2009 and 2010 data equals quarterly average

² Excludes investment expenses

Components of Operating Return on Equity



- 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 January 1, 2005 through March 31, 2012, average annual operating ROE was approximately 13.1%

Business Insurance

Performance

First Quarter			
(\$ in millions)	2012	2011	Change
Operating income	\$ 612	\$ 604	1 %
Loss and loss adjustment ratio	57.8 %	63.1 %	
Underwriting expense ratio	31.8	31.8	
GAAP combined ratio ¹	89.6 %	94.9 %	5.3 pts
Net favorable prior year reserve development	8.6	5.2	
Catastrophes, net of reinsurance	(1.8)	(4.1)	
Adjusted GAAP combined ratio	96.4 %	96.0 %	(0.4) pts
Net Written Premiums			
Select Accounts	\$ 718	\$ 732	(2) %
Commercial Accounts	861	822	5
National Accounts	235	211	11
Industry-Focused Underwriting	648	628	3
Target Risk Underwriting	429	413	4
Specialized Distribution	208	209	-
Business Insurance Core	3,099	3,015	3 %
Business Insurance Other	1	5	
Total Business Insurance	\$ 3,100	\$ 3,020	3 %

Business Insurance

Net Written Premium (NWP) Roll Forward

(\$ in million)

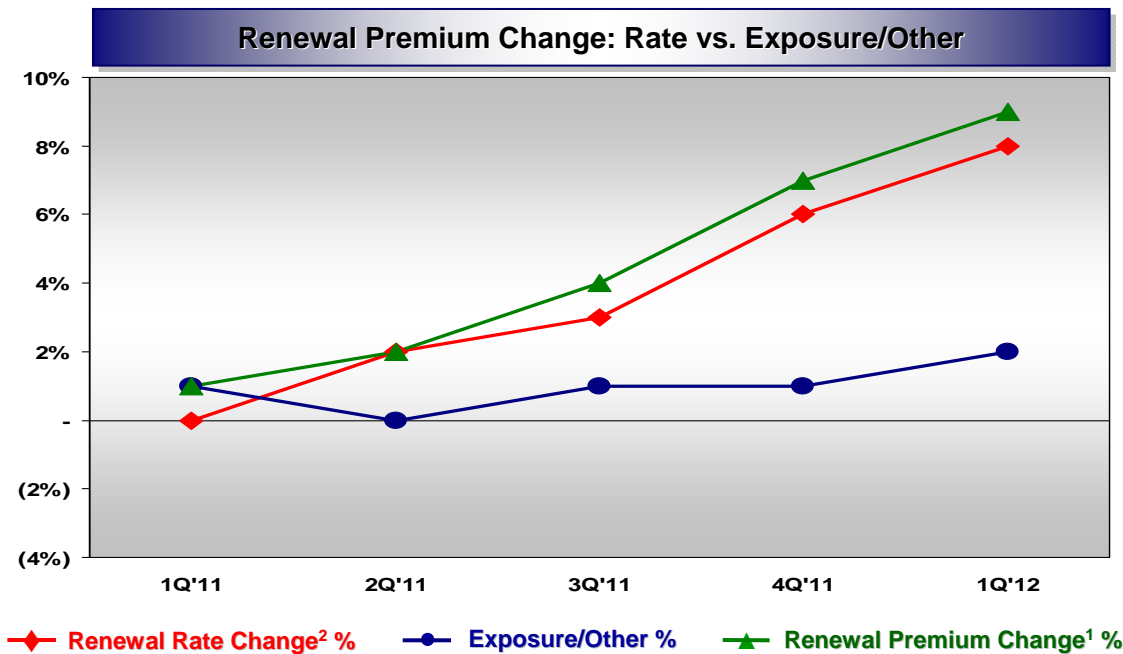
1Q 2011 Net Written Premiums		\$ 3,020
Business not retained	\$ (624)	
Exposure / other on retained business	44	
Change in audit premiums & valuation	47	
New business	<u>423</u>	(110)
Rate on retained business		169
Increase in National Accounts NWP		24
Other (incl. Business Insurance-Other NWP)		<u>(3)</u>
1Q 2012 Net Written Premiums		<u><u>\$ 3,100</u></u>

Business Insurance (Ex. National Accounts)

Illustrative Business Statistics

(\$ in millions)	2011				2012
	1Q	2Q	3Q	4Q	1Q
Retention	84%	81%	83%	78%	79%
Renewal premium change ¹	1%	2%	4%	7%	9%
New business	\$ 542	\$ 518	\$ 500	\$ 431	\$ 423

- Renewal rate change increase attributable to higher price gains across all product lines
- Retention was strong and stable
- New business down due to the company's approach to improving returns on new accounts



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

² 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*

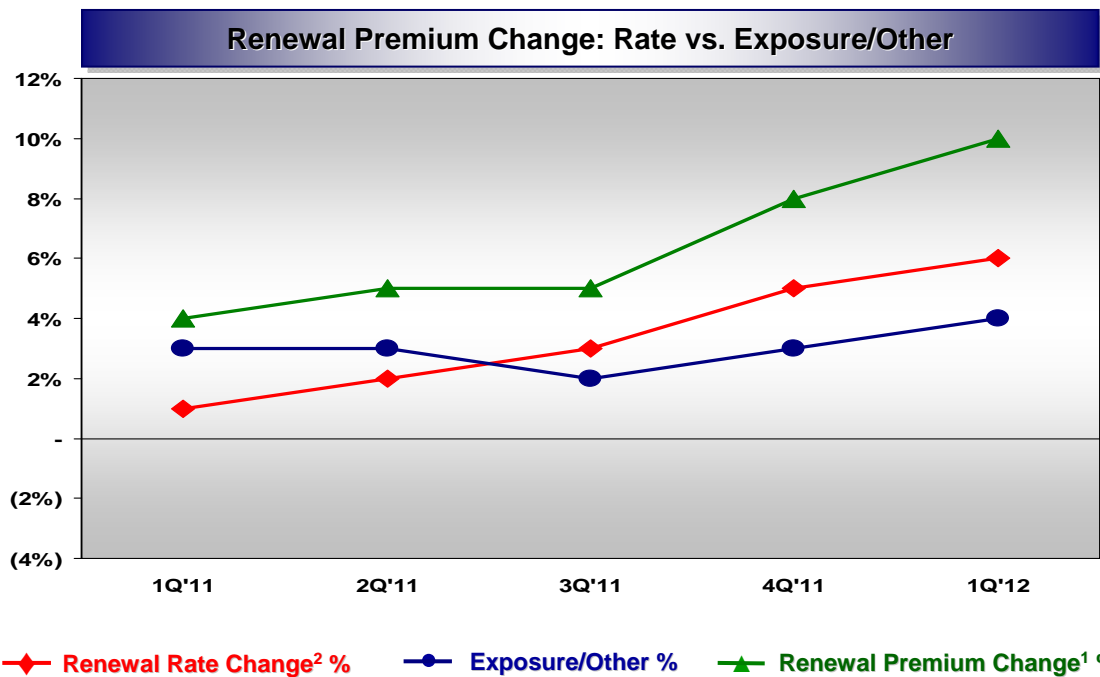
Illustrative Business Statistics

(\$ in millions)	2011				2012
	1Q	2Q	3Q	4Q	1Q
Retention	81%	80%	79%	76%	75%
Renewal premium change ¹	4%	5%	5%	8%	10%
New business	\$ 143	\$ 128	\$ 117	\$ 108	\$ 118

- Components of Select retention:

	1Q11	1Q12
Express	81%	78%
Plus	81%	71%

- Renewal premium change was positive for the twelfth consecutive quarter and increased to the highest level since first quarter 2004



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

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

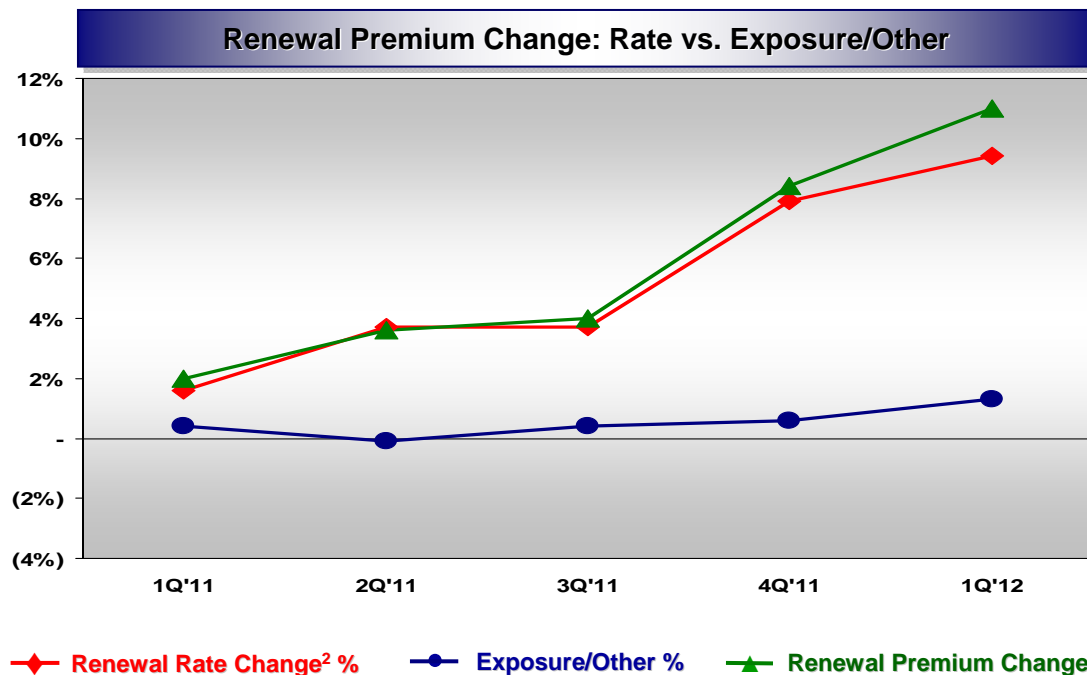
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

Business Insurance: *Commercial Accounts*

Illustrative Business Statistics

(\$ in millions)	2011				2012
	1Q	2Q	3Q	4Q	1Q
Retention	88%	84%	86%	80%	81%
Renewal premium change ¹	2%	4%	4%	8%	11%
New business	\$ 158	\$ 134	\$ 135	\$ 102	\$ 110

• Renewal premium change was positive for the sixth consecutive quarter and increased to the highest level since second quarter 2003



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

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

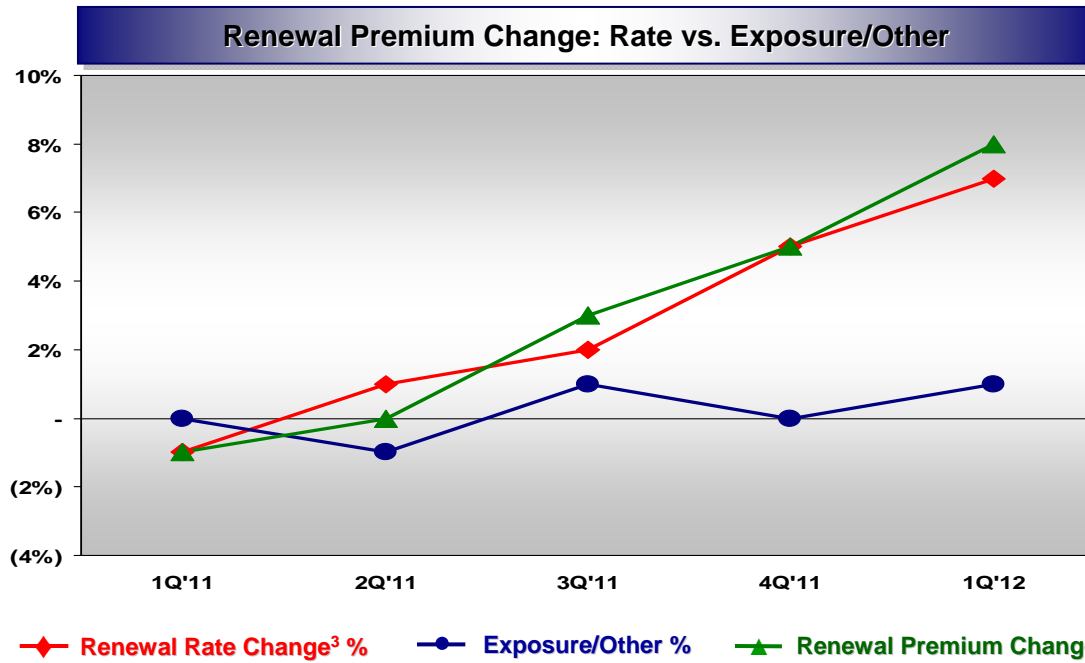
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

Business Insurance: *Other Business Insurance*¹

Illustrative Business Statistics

(\$ in millions)	2011				2012
	1Q	2Q	3Q	4Q	1Q
Retention	83%	80%	82%	79%	79%
Renewal premium change ²	(1%)	-%	3%	5%	8%
New business	\$ 241	\$ 256	\$ 248	\$ 221	\$ 195

• Renewal premium change was positive for a third consecutive quarter and accelerated from recent quarters



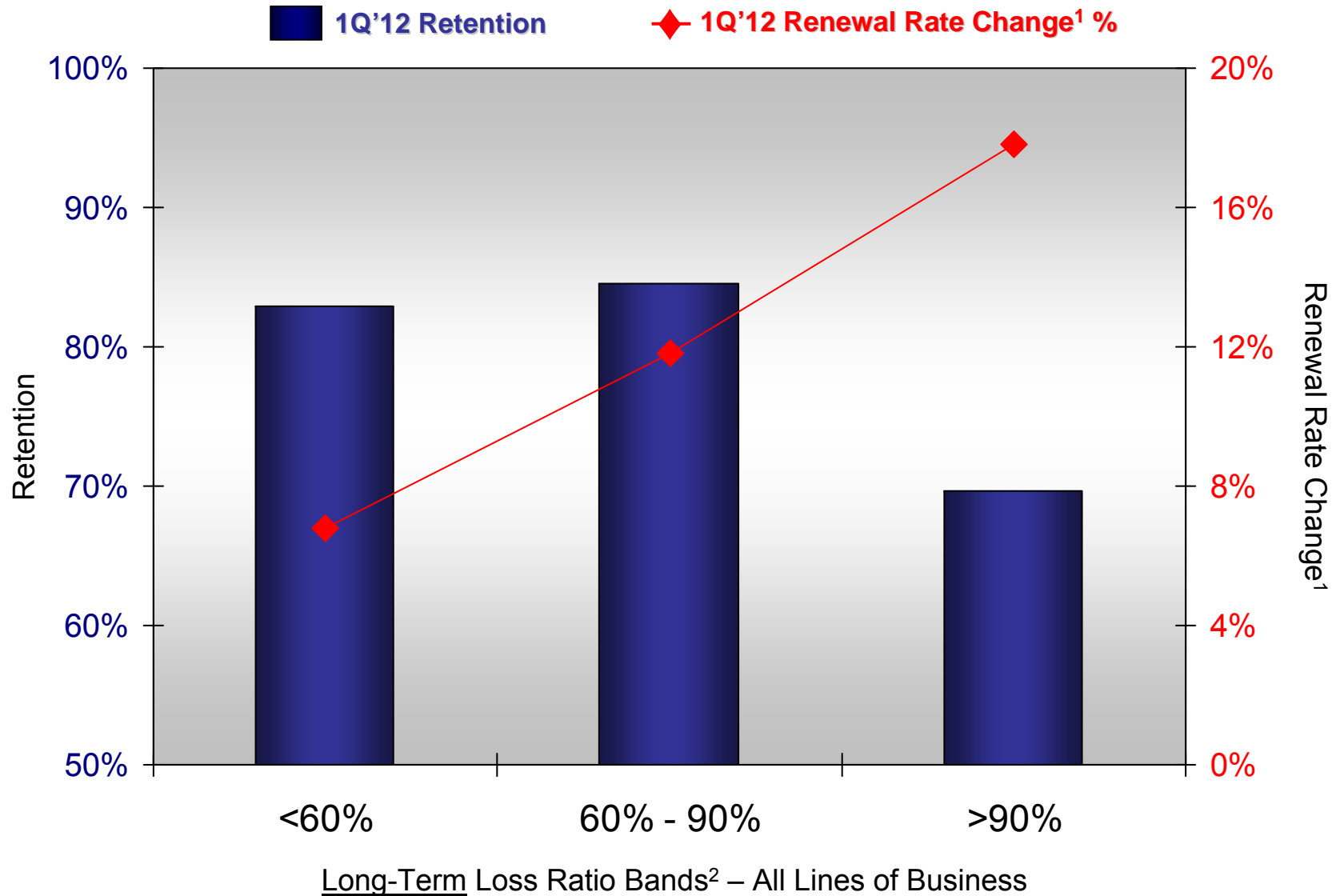
¹ Includes Industry-Focused Underwriting, Target Risk Underwriting and Specialized Distribution.

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

³ 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.

Commercial Accounts: *Renewal Pricing Results*



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

² Represents average estimated ultimate loss ratio for individual accounts over time.

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

Financial, Professional & International Insurance Performance

First Quarter

(\$ in millions)

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Operating income	\$ 149	\$ 120	24 %
Loss and loss adjustment ratio	46.0 %	55.6 %	
Underwriting expense ratio	41.8	39.7	
GAAP combined ratio ¹	87.8 %	95.3 %	7.5 pts
Net favorable prior year reserve development	6.1	5.1	
Catastrophes, net of reinsurance	-	(2.7)	
Adjusted GAAP combined ratio	93.9 %	97.7 %	3.8 pts

Net Written Premiums

Bond & Financial Products	\$ 357	\$ 369	(3) %
International	247	255	(3)
Total FP&I	\$ 604	\$ 624	(3) %
Total FP&I - Adjusted for the impact of foreign exchange rates			(3) %

Financial, Professional & International Insurance

(\$ in millions)

Illustrative Business Statistics					
	2011				2012
	1Q	2Q	3Q	4Q	1Q
Surety					
Gross written premium	\$235	\$235	\$250	\$209	\$202
Management Liability²					
Retention	84%	85%	87%	85%	87%
Renewal premium change ¹	-%	-%	-%	1%	4%
New business	\$41	\$45	\$46	\$42	\$45
International²					
Retention	72%	73%	70%	75%	77%
Renewal premium change ¹	(2%)	1%	3%	-%	-%
New business	\$50	\$69	\$52	\$51	\$56

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

² Excludes the surety line of business as surety products are generally 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

First Quarter			
(\$ in millions)	<u>2012</u>	<u>2011</u>	<u>Change</u>
Operating income	\$ 108	\$ 170	(36) %
Loss and loss adjustment ratio	68.8 %	63.4 %	
Underwriting expense ratio	<u>29.0</u>	<u>30.8</u>	
GAAP combined ratio ¹	97.8 %	94.2 %	(3.6) pts
<i>GAAP combined ratio excluding incremental impact of direct to consumer initiative</i>	95.7 %	91.4 %	
Net favorable prior year reserve development	0.5	3.0	
Catastrophes, net of reinsurance	<u>(6.0)</u>	<u>(2.8)</u>	
Adjusted GAAP combined ratio	<u>92.3 %</u>	<u>94.4 %</u>	2.1 pts
<hr/>			
Net Written Premiums - Agency ²			
Automobile	\$ 900	\$ 918	
Homeowners & Other	<u>855</u>	<u>845</u>	
Total	<u>\$ 1,755</u>	<u>\$ 1,763</u>	- %

¹ A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.

² Represents business sold through agents, brokers and other intermediaries and excludes direct to consumer.

Personal Insurance

Performance

First Quarter			
	<u>2012</u>	<u>2011</u>	<u>Change</u>
<u>Agency Automobile</u> ¹			
Loss and loss adjustment ratio	71.1 %	69.2 %	
Underwriting expense ratio	25.4	26.6	
GAAP combined ratio ²	96.5 %	95.8 %	(0.7) pts
Net favorable prior year reserve development	0.2	0.1	
Catastrophes, net of reinsurance	(1.0)	(0.1)	
Adjusted GAAP combined ratio	95.7 %	95.8 %	0.1 pts
<u>Agency Homeowners and Other</u> ¹			
Loss and loss adjustment ratio	66.0 %	57.1 %	
Underwriting expense ratio	29.0	30.0	
GAAP combined ratio ²	95.0 %	87.1 %	(7.9) pts
Net favorable prior year reserve development	1.1	6.1	
Catastrophes, net of reinsurance	(10.7)	(5.6)	
Adjusted GAAP combined ratio	85.4 %	87.6 %	2.2 pts

¹ Represents business sold through agents, brokers and other intermediaries and excludes direct to consumer.

² A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.

Personal Insurance

(\$ in millions)

Illustrative Business Statistics					
	2011				2012
	1Q	2Q	3Q	4Q	1Q
Agency Automobile ¹					
Retention ^{2,3}	83%	83%	83%	84%	83%
Renewal premium change ^{3,4}	3%	4%	4%	3%	4%
PIF growth over prior year quarter	2%	1%	1%	-%	(1%)
New business	\$171	\$166	\$161	\$142	\$135
Agency Homeowners and Other ¹					
Retention ²	86%	86%	86%	87%	86%
Renewal premium change ⁴	9%	9%	8%	8%	10%
PIF growth over prior year quarter	3%	2%	1%	1%	-%
New business	\$100	\$118	\$120	\$99	\$78

¹ Represents business sold through agents, brokers and other intermediaries and excludes direct to consumer.

² 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.

³ Statistics for standard voluntary automobile.

⁴ 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.

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, our share repurchase plans, expected margin improvement, the sufficiency of our reserves and our strategic initiatives, among others.

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, such forward-looking statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following: (1) 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; (2) during or following a period of financial market disruption or economic downturn, our business could be materially and adversely affected; (3) if actual claims exceed our claims and claim adjustment reserves, or if changes in the estimated level of our claims and claim adjustment reserves are necessary, our financial results could be materially and adversely affected; (4) our investment portfolio may suffer reduced returns or material realized or unrealized losses; (5) our business could be harmed because of its potential exposure to asbestos and environmental claims and related litigation; (6) 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; (7) the effects of emerging claim and coverage issues on our business are uncertain; (8) the intense competition that we face could harm our ability to maintain or increase our business volumes and profitability; (9) 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; (10) we are exposed to credit risk in certain of our business operations; (11) within in the United States, our businesses are heavily regulated by the states in which it conducts business, including licensing and supervision, and changes in regulation may reduce our profitability and limit our growth; (12) changes in federal regulation could impose significant burdens on us and otherwise adversely affect our results; (13) 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; (14) 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; (15) disruptions to our relationships with our independent agents and brokers could adversely affect us; (16) our efforts to develop new products or expand in targeted markets may not be successful and may create enhanced risks; (17) any net deferred tax asset could be adversely affected by a reduction in the U.S. federal corporate income tax rate; (18) we may be adversely affected if our pricing and capital models provide materially different indications than actual results; (19) we are subject to a number of risks associated with our business outside the United States; (20) new regulations outside the U.S., including in the European Union, could adversely impact our results of operations and limit our growth; (21) our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; (22) if we experience difficulties with technology, data security and/or outsourcing relationships, our ability to conduct business could be negatively impacted; (23) acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences; (24) changes to existing accounting standards may adversely impact our reported results; (25) we could be adversely affected if our controls designed to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; (26) our businesses may be adversely affected if we are unable to hire and retain qualified employees; (27) 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 (28) our repurchase plans depend on a variety of factors, including our financial position, earnings, share price, catastrophe losses, funding of our qualified pension plan, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints, 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. 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 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 (www.travelers.com) and our most recent annual report on Form 10-K 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>.



The Travelers Companies, Inc.
