

THE TRAVELERS COMPANIES, INC.

A Minnesota corporation
(the “Company”)

Related Person Transaction Policy

Adopted December 13, 2006

Introduction

This Policy was created and adopted by the Board of Directors of the Company to:

- assist the Board in reviewing, approving and ratifying related person transactions; and
- assist the Company in preparing the disclosure that the Securities and Exchange Commission rules require to be included in the Company’s applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and their related rules.

This Policy is intended to supplement, and not to supersede, our other policies that may be applicable to or involve transactions with related persons, such as our policies for determining director independence, our Board of Directors Governance Guidelines, and our Code of Business Conduct and Ethics.

Policy

All Related Person Transactions are prohibited, unless approved or ratified by the Committee in accordance with this Policy. A Related Person Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, as long as the transaction is brought to the Committee as promptly as reasonably practical after it is entered into. Every Related Person Transaction to which the Company or any of its subsidiaries or affiliates is a party shall be deemed to include as a condition that it be approved in accordance with this Policy.

Transactions Covered By This Policy

Transactions covered by this Policy include any Transaction which is or could be a Related Person Transaction, as defined herein.

For purposes of this Policy, the following definitions apply:

“**Immediate Family Member**” means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any other person sharing the household (other than a tenant or employee).

“Related Person” means:

- any director or executive officer of the Company;
- any Immediate Family Member of a director or executive officer of the Company;
- any nominee for director and the Immediate Family Members of such nominee; and
- a beneficial owner or 5% or more of the Company’s voting securities or any Immediate Family Member of such owner.

“Related Person Transaction” means any Transaction that would be required to be disclosed pursuant to Item 404(a) of Regulation S-K.¹

“Transaction” means any financial transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships. The term also includes indebtedness and guarantees of indebtedness.

Person Responsible For Applying This Policy

Any Related Person Transaction must be approved or ratified by the Board of Directors or a designated committee thereof consisting solely of independent directors (the **“Committee”**). Until further notice, the Board of Directors has designated the Nominating and Governance Committee to serve as the Committee.

Reporting and Review

Each director, director nominee and executive officer shall promptly notify the Corporate Secretary of any purported Related Person Transaction, which notice shall include a complete description of the Transaction including:

- the name of the Related Person and the basis on which the person is a Related Person,
- the Related Person’s interest in the Transaction with the Company, including the Related Person’s position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the Transaction,
- the approximate dollar value of the amount involved in the Transaction,

¹ Currently, Item 404(a) of Regulation S-K generally requires disclosure of any transaction, since the beginning of the Company’s fiscal year, or any currently proposed transaction, in which the Company was or is to be a participant and the amount involved exceeds \$120,000, and in which any related person had or will have a direct or indirect material interest, subject to certain relevant exceptions.

- the approximate dollar value of the amount of the Related Person’s interest in the Transaction, which shall be computed without regard to the amount of profit or loss, and
- any other information regarding the Transaction or the Related Person in the context of the Transaction that could be material to investors in light of the circumstances of the particular Transaction.

The Corporate Secretary will promptly forward any such notice and related information received to the Chairperson of the Committee and to the Company’s General Counsel and Corporate Group General Counsel.

Any potential Related Person Transactions that are brought to our attention will be analyzed by our Legal Services Group, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship does, in fact, constitute a Related Person Transaction requiring compliance with this Policy. The Corporate Secretary or the Corporate Group General Counsel, as the case may be, will present any new Related Person Transactions, or proposed Transactions, to the Committee at its next occurring regular meeting, with the analysis and recommendation of counsel. On an annual basis, the Committee shall review previously approved Related Person Transactions, under the standard described below, to determine whether such Transactions should continue.

In reviewing a Transaction or proposed Transaction, the Committee shall consider all relevant facts and circumstances, including without limitation:

- the commercial reasonableness of the terms,
- the benefit and perceived benefit, or lack thereof, to the Company,
- opportunity costs of alternate transactions, and
- the materiality and character of the Related Person’s direct or indirect interest, and the actual or apparent conflict of interest of the Related Person.

The Committee will not approve or ratify a Related Person Transaction unless it shall have determined that, upon consideration of all relevant information, the Transaction is in, or is not inconsistent with, the best interests of the Company and its shareholders. The Committee may also conclude, upon review of all relevant information, that the Transaction does not constitute a Related Person Transaction, and thus that no further review is required under the Policy.

Prior to any approval or ratification of a Related Person Transaction involving a non-employee director or nominee for director, the Committee also will consider whether the transaction would compromise such director’s status as: (1) an independent director under the New York Stock Exchange Listing Standards or the Company’s categorical independence standards included in its Governance Guidelines, (2) an “outside director” under Section 162(m) of the Internal Revenue Code or a “non-employee director” under Rule 16b-3 under the

Exchange Act, if such non-employee director serves on the Compensation Committee of the Board or (3) an independent director under Rule 10A-3 of the Securities Exchange Act of 1934, if such non-employee director serves on the Audit Committee of the Board.

If after the review described above, the Committee determines not to approve or ratify a Related Person Transaction (whether such Transaction is being reviewed for the first time or has previously been approved and is being rereviewed), the Transaction will not be entered into or continued, as the Committee shall direct.

Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Person Transaction, but may, if so requested by the Chairperson of the Committee, participate in some or all of the Committee's discussions of the Related Person Transaction.

Exceptions

Notwithstanding the foregoing, indemnification payments made pursuant to the Company's Articles of Incorporation or By-laws or pursuant to any agreement or instrument shall not be Related Person Transactions.

Review

The Board shall review this Policy from time to time and make changes as appropriate.