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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. Specifically, earnings guidance and statements about our share repurchase plans are forward looking, and we may make forward-looking statements about our results of operations (including, among others, premium volume, net and operating income, investment income, return on equity and combined ratio), financial condition (including, among others, invested assets and liquidity); and the sufficiency of our asbestos and other reserves (including, among others, asbestos claim payment patterns); the cost and availability of reinsurance coverage; catastrophe losses; investment performance; market conditions; and strategic initiatives. 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.

Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially reduce our profitability and adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance; if actual claims exceed our loss reserves, or if changes in the estimated level of loss reserves are necessary, our financial results could be significantly and adversely affected; our business could be harmed because of our 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; reinsurance may be unavailable on acceptable terms and we may be unable to collect reinsurance; the insurance industry is the subject of a number of investigations by state and federal authorities in the United States, and we cannot predict the outcome of these investigations or their impact on our business or financial results; 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 significantly reduce our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs; our investment portfolio may suffer reduced returns or losses which could reduce our profitability; the intense competition that we face could harm our ability to maintain or increase our profitability and premium volume; the inability of our insurance subsidiaries to pay dividends to us in sufficient amounts would harm our ability to meet our obligations and to pay future dividends; assessments and other surcharges for guaranty funds, second-injury funds, catastrophe funds and other mandatory pooling arrangements may reduce our profitability; loss or significant restriction of the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce our future profitability; disruptions to our relationships with our distributors, independent agents and brokers could adversely affect us; and if we experience difficulties with outsourcing relationships, technology and/or data security, our ability to conduct our business might be negatively impacted.

Our forward-looking statements speak only as of the date they are made, and we undertake no obligation to update forward-looking statements. For a more detailed discussion of these factors, see the information under the caption "Risk Factors" in our most recent annual report on Form 10-K/A filed with the Securities and Exchange Commission.

In this presentation, we may refer to some non-GAAP financial measures, including, among others, operating income, operating income excluding catastrophes, operating return on equity, underwriting gain (loss), GAAP combined ratio excluding catastrophes and prior year development and adjusted and tangible book value per common share. 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 with our quarterly earnings release which is available on the Travelers website under the investor section (www.travelers.com).

Consolidated Financial Highlights

(\$ in millions, except per share amounts)

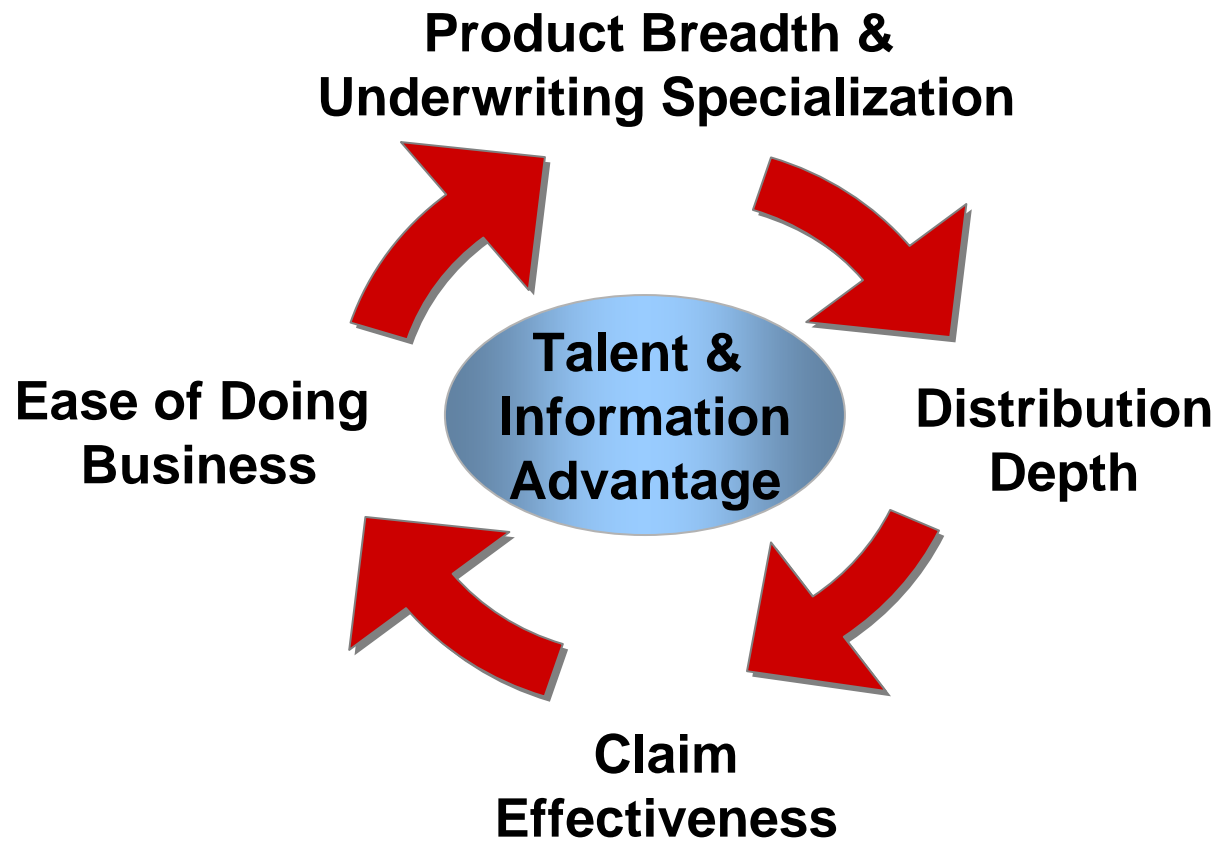
	1Q 2007	2Q 2007	3Q 2007	YTD 3Q 2007
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 3,538
<i>change from prior year</i>	8%	29%	15%	17%
per diluted share	\$ 1.56	\$ 1.86	\$ 1.81	\$ 5.22
<i>change from prior year</i>	11%	37%	23%	23%
Net written premium ¹	\$ 5,076	\$ 5,708	\$ 5,394	\$ 16,178
<i>change from prior year</i>	8%	2%	3%	4%
GAAP Combined ratio	89.2%	87.8%	84.4%	87.1%
Return on equity	17.3%	19.9%	18.6%	18.6%
Book value growth ² in the period	2.9%	4.0%	3.7%	14.5%
Share repurchases ³	\$ 725	\$ 622	\$ 600	\$ 1,947

¹ Adjusted for the April 2007 sale of Mendota, the company's non-standard personal auto operation, and the March 2007 sale of Afianzadora Insurgentes, the company's Mexican surety operation.

² Excludes the impact of FAS 115.

³ Under the authorized \$5 billion share repurchase program.

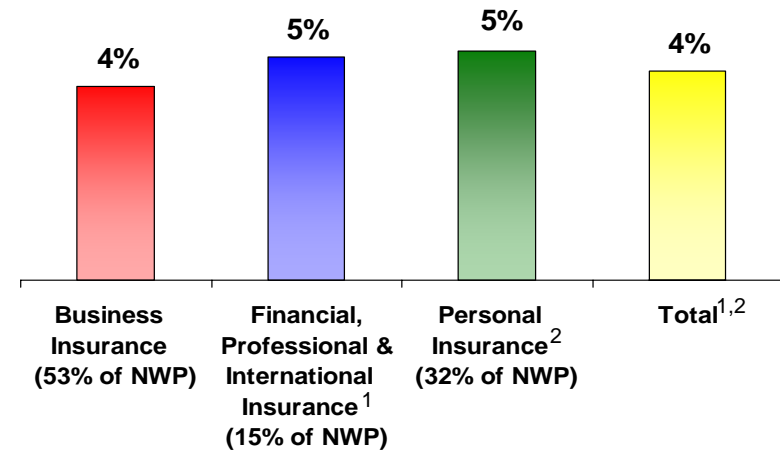
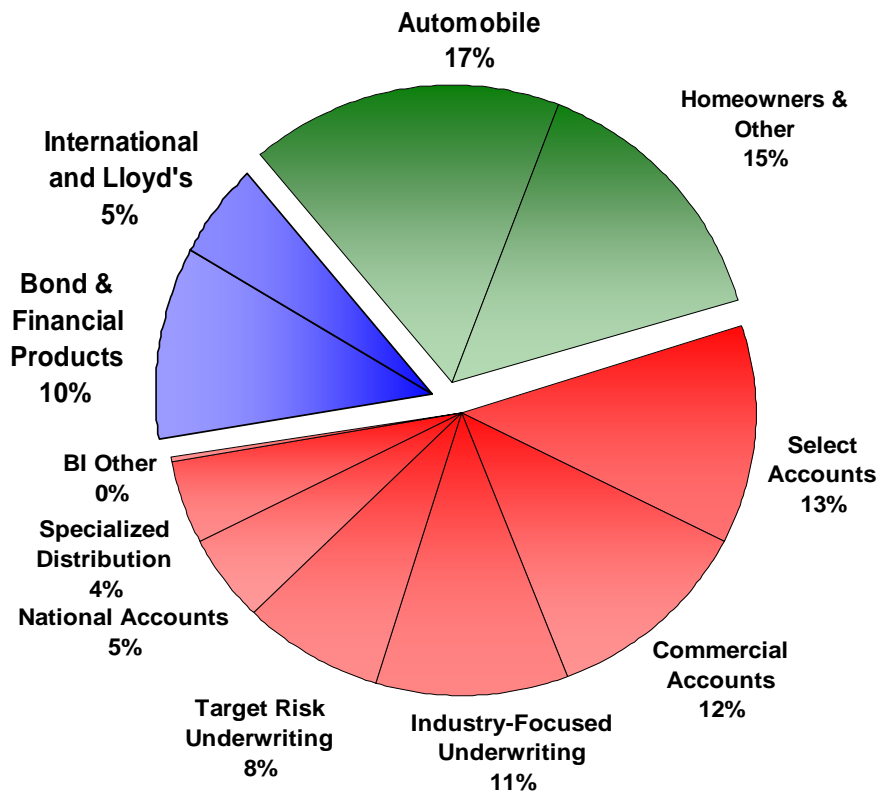
Franchise Strengths



Diversity of Product and Customer

\$21.7 Billion Net Written Premiums
Trailing 12 Months 3Q'07

3Q'07 YTD
Net Written Premium Growth



¹ Excludes Afianzadora Insurgentes, the company's Mexican surety operation sold in March 2007.

² Excludes Mendota, the company's non-standard personal auto operation sold in April 2007.

Market Leadership

Total Industry	
Company	Share
State Farm	9.9 %
AIG	7.2
Allstate	5.7
Travelers	4.5
Liberty Mutual	3.7
Nationwide	3.3
Berkshire Hathaway	3.1
Farmers	3.1
Progressive	2.9
Zurich	2.6

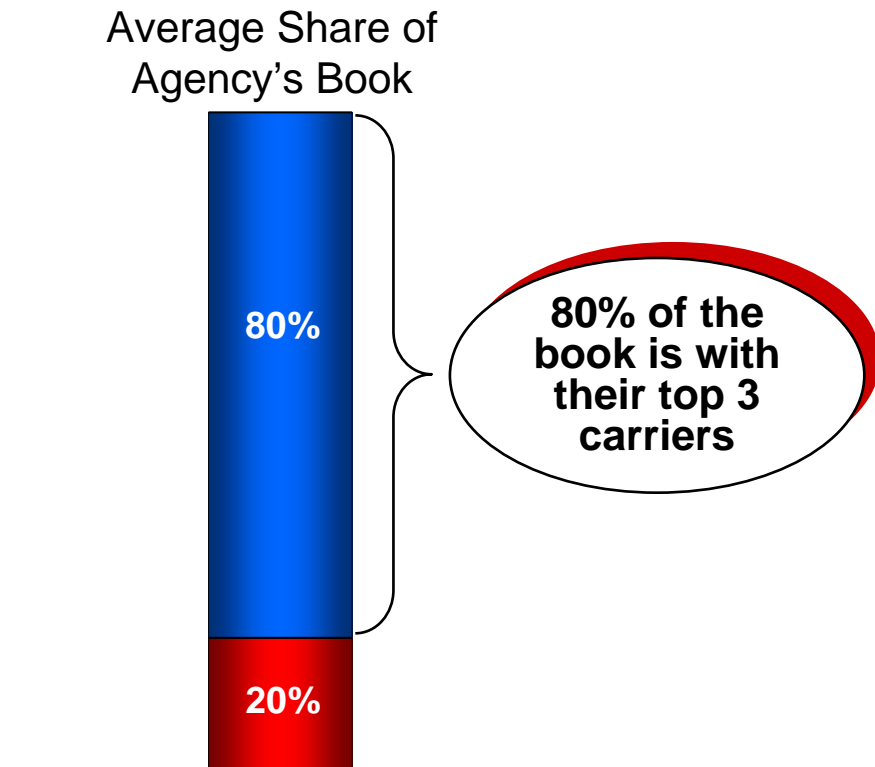
Commercial	
Company	Share
AIG	11.3 %
Travelers	6.1
Zurich	4.8
Liberty Mutual	4.6
CNA	3.1
Hartford	3.0
Chubb	2.9
ACE	2.9
Nationwide	2.1
State Farm	2.0

Personal	
Company	Share
State Farm	19.1 %
Allstate	11.3
Farmers	5.5
Progressive	5.4
Berkshire Hathaway	4.9
Nationwide	4.6
USAA Group	3.7
Liberty Mutual	2.7
Travelers	2.7
AIG	2.5

Source: OneSource. Based on 2006 direct premium written. Excludes Other Accident & Health.

Powerful Relationship with Independent Agents

Average Share of Middle Market Written Premium With Top 3 Carriers ¹



¹ Source: June 2007 Copernicus Market Research Telephone Survey; Booz Allen analysis.

² Source: Goldman Sachs Agency Preference Survey, August 15, 2007.

Agency Preference ²

- Percentage of agents who responded that Travelers was one of the top 5 companies they do business with:

Commercial Lines
65%

Personal Lines
43%

- Travelers holds #1 position for both commercial and personal lines within the survey

Product Breadth & Underwriting Specialization

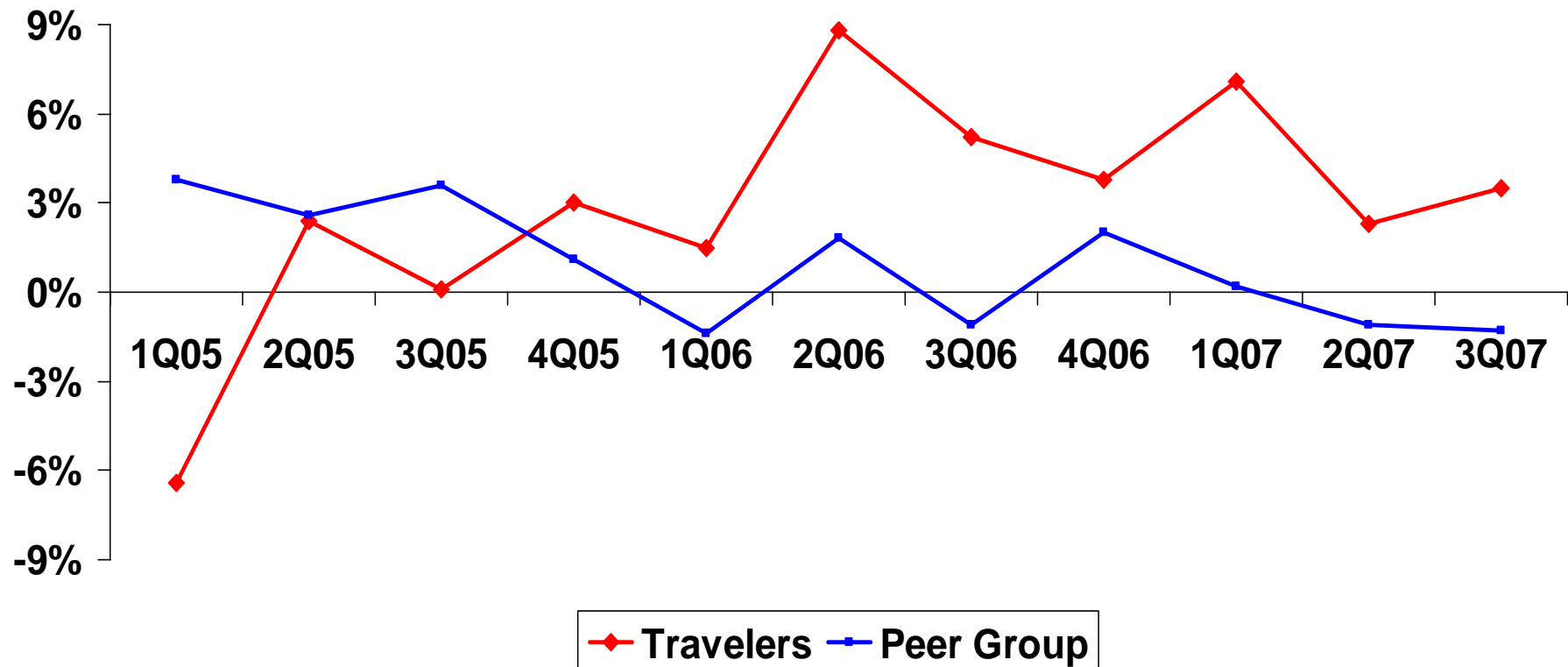
- Our underwriting process is disciplined and fact-based
 - Our data and business analytics drive risk selection and pricing

- Our breadth of capabilities and expertise are unmatched in the industry

- These capabilities allow us to find opportunities
 - We strive to out-perform the competition in any market conditions

Meaningful Momentum in the Top Line

Percentage Growth in Net Written Premiums



Travelers excludes run-off operations; 2Q07 and 3Q07 growth rates adjusted for the April 2007 sale of Mendota, the company's non-standard personal auto operation, and the March 2007 sale of Afianzadora Insurgentes, the company's Mexican surety operation.

Peer Group consists of AIG: Domestic Brokerage and Personal Lines; ALL; CB; CNA: P&C Operations; HIG: P&C Segment Ongoing Operations; PGR; SAF; XL: Insurance Segment; and ACE: Insurance North America Segment (for 2007 & 2006 growth rates only due to accounting restatements).

Strategic Initiatives

- Travelers*Express*SM
- **Industry***Edge*SM
- National Scale & Local Focus

Select Accounts Overview

	<u>Total</u>	<u>TravelersExpressSM</u>	<u>TravelersExpressSM Plus</u>
Trailing 12 month 3Q'07 Direct Written Premium <i>(\$ in billions)</i>	\$2.8	\$1.3	\$1.5
Average Account Size	\$5,000	\$3,000	\$15,000

- Flow business
- Average commission approximately \$700 per account
- Business success driven by
 - ❑ Breadth of product and capability
 - ❑ Transaction speed and ease
 - ❑ Pricing precision

TravelersExpressSM Goals

- Broaden market reach
 - Industry segment
 - Line of business

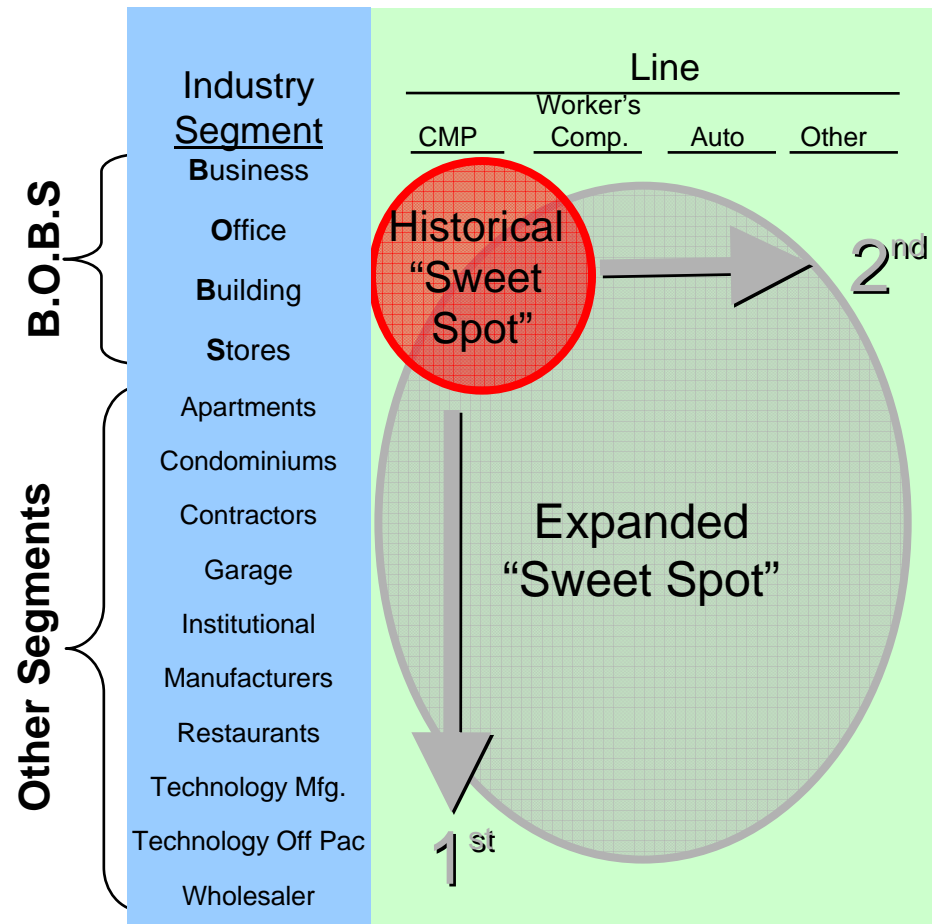
- Increase product sophistication
 - Predictive modeling and multivariate analysis

- Increase ease of use
 - Faster decisions
 - Streamline process
 - Significantly expand account rounding

Expanded agent acceptance and utilization

TravelersExpressSM Broader Market Reach

- Historic concentrations
 - ❑ Over 2/3^{rds} of written premium in CMP¹, property & liability
 - ❑ Over 2/3^{rds} of this written premium in 4 industry segments
- Significant advance in product sophistication and ease of use
- Major phases²
 - ❑ *Express for MasterPac* – 2007
 - Currently active in 27 states
 - ❑ *Express for Worker's Comp* – Late 2007
 - Currently active in 6 states
 - ❑ *Express for Auto* - 2008

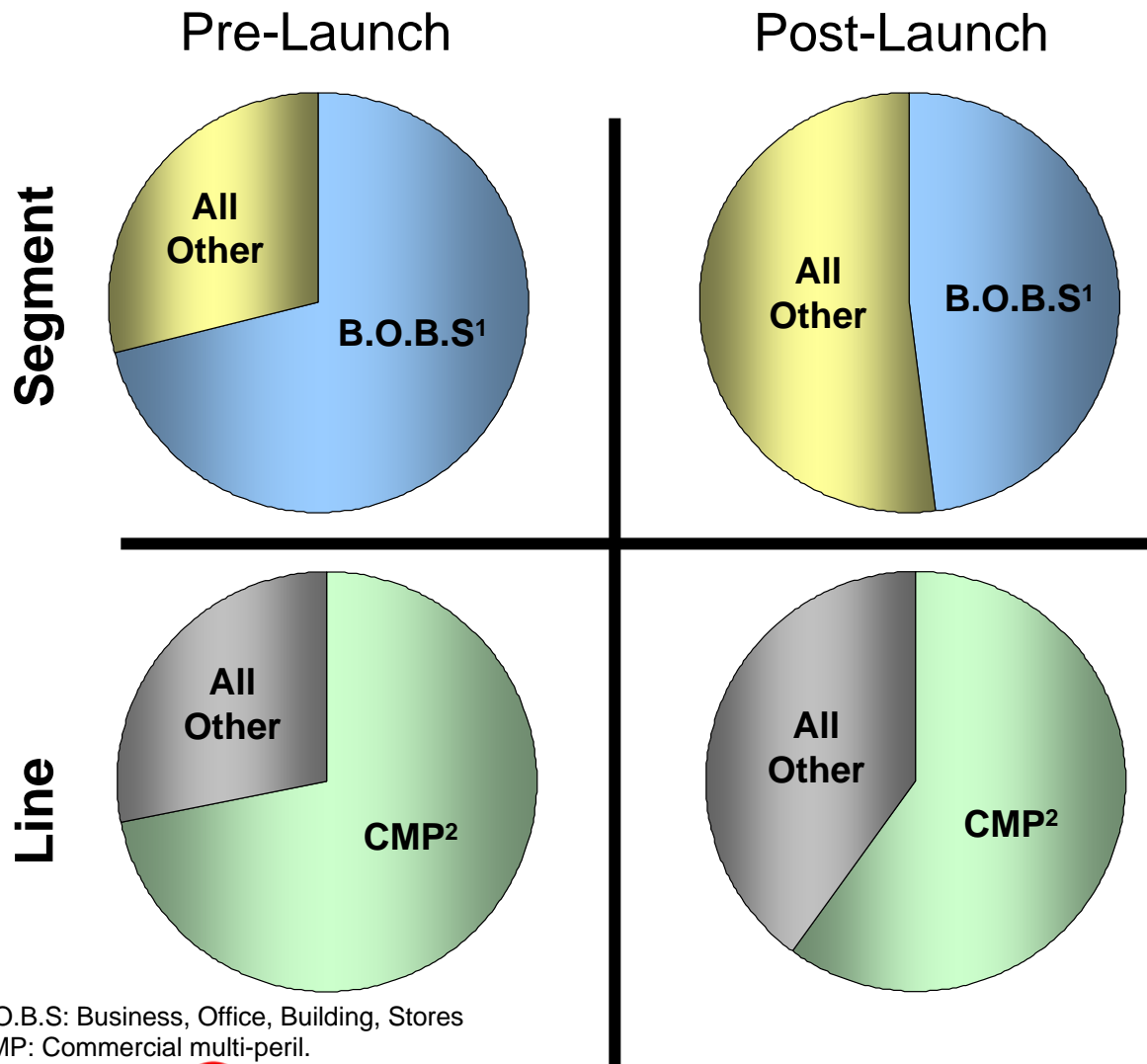


¹ CMP: Commercial multi-peril.

² As of September 30, 2007 TravelersExpressSM introduced in 29 states.

TravelersExpressSM Broader Market Reach

Mix of New Business



Achieving broader reach in both segment and line

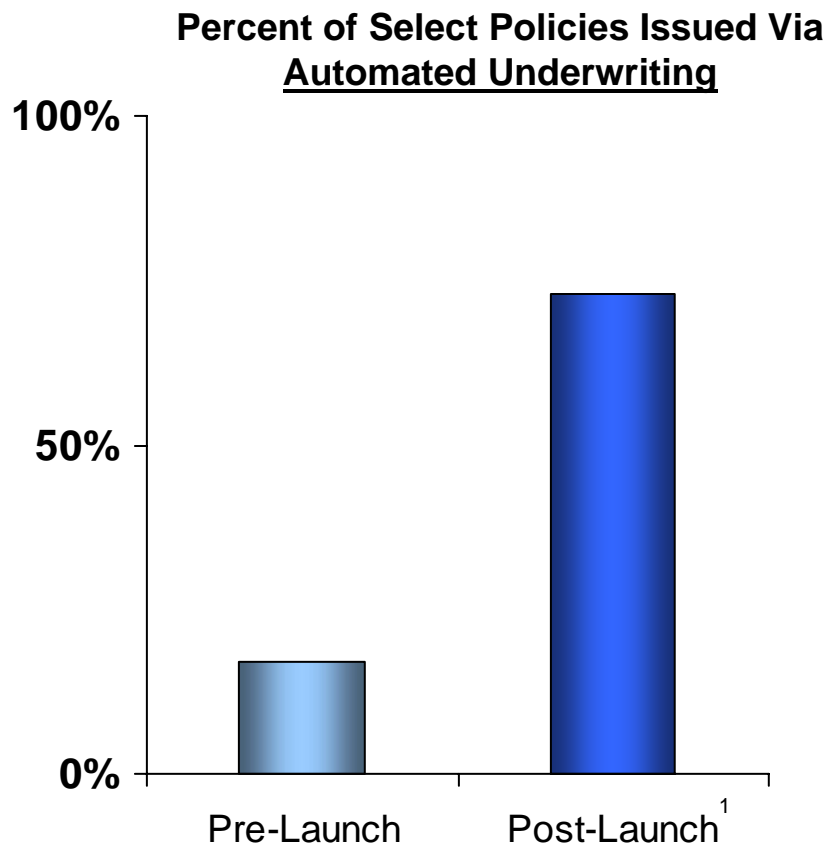
¹ B.O.B.S: Business, Office, Building, Stores

² CMP: Commercial multi-peril.

TravelersExpressSM Ease of Use

- For small transaction size/small commission accounts, “ease” is a critical differentiation

- Significantly improved speed and ease
 - ❑ Initiated quick decline process
 - ❑ Breadth expansion (segment and line)
 - ❑ Reduced system quote-to-issue time
 - Dynamic questions
 - Improved agent user interface
 - Automated underwriting

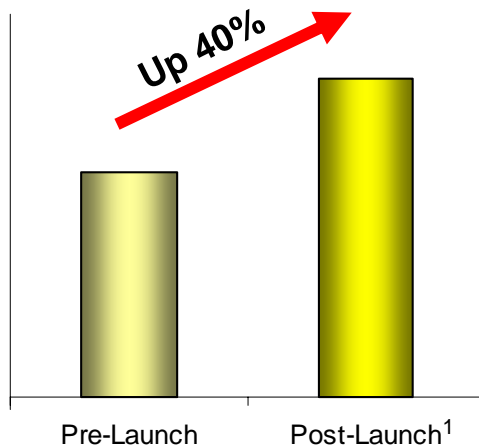


¹ Results for TravelersExpressSM for MasterPac product through September 2007.

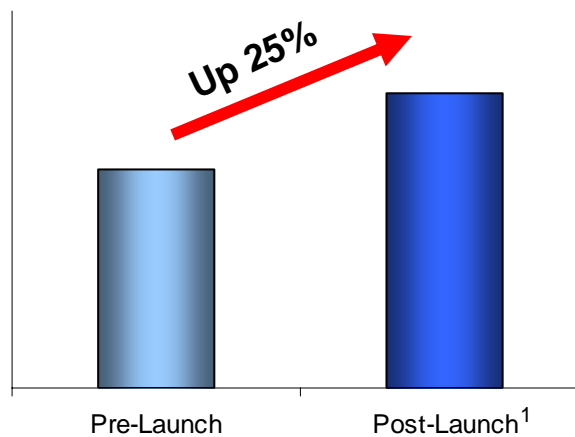
Select Accounts - TravelersExpressSM

- Sales are being driven by increased flow
- Flow is being driven by increased ease of use
 - ❑ Broader market reach
 - ❑ Smoother process
- Pricing sophistication is driving selection

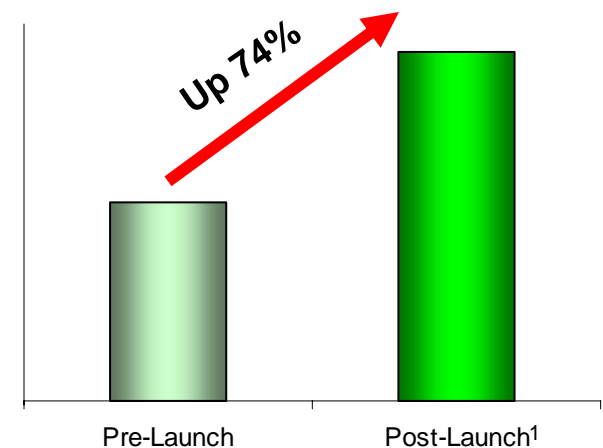
Agents Quoting



Quotes Per Agent



Submission Flow



¹ Results for TravelersExpressSM for MasterPac product through September 2007.

Strategic Initiatives

- Travelers*Express*SM
- **Industry***Edge*SM
- National Scale & Local Focus

Commercial Accounts Overview

- \$2.7 billion gross written premiums trailing 12 months 3Q'07
- Individually underwritten accounts – generally between \$50,000 and \$1 million in premium per account
- Broad industry expertise - **INDUSTRY**EdgeSM
- National scale and local presence

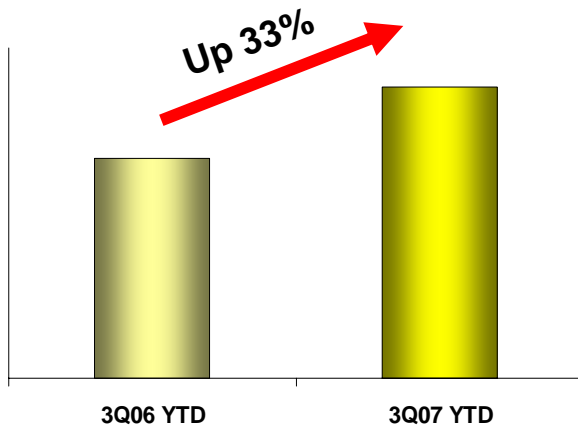


Commercial Accounts – New Business Strategy

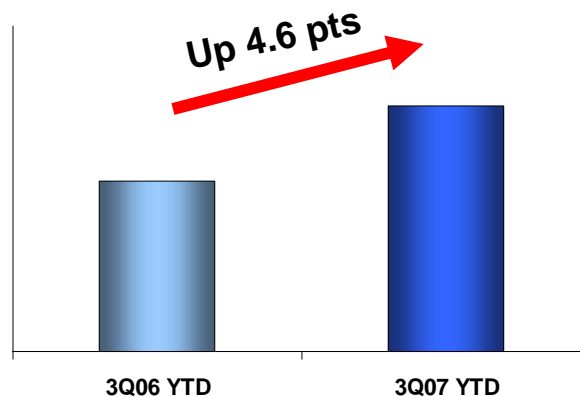
Drivers of new business success

- New products
- New distributors
- More products sold to current customers
- More underwriters contributing to the new business success

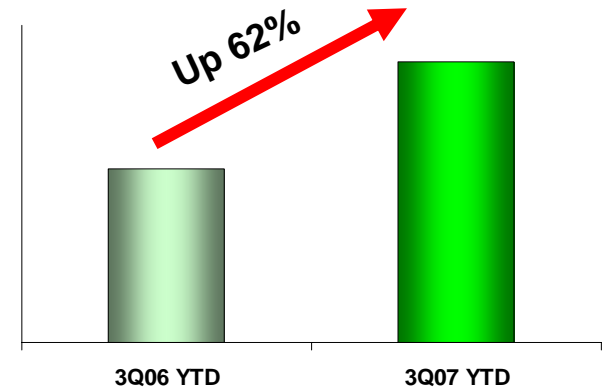
Submissions



Quote Ratio

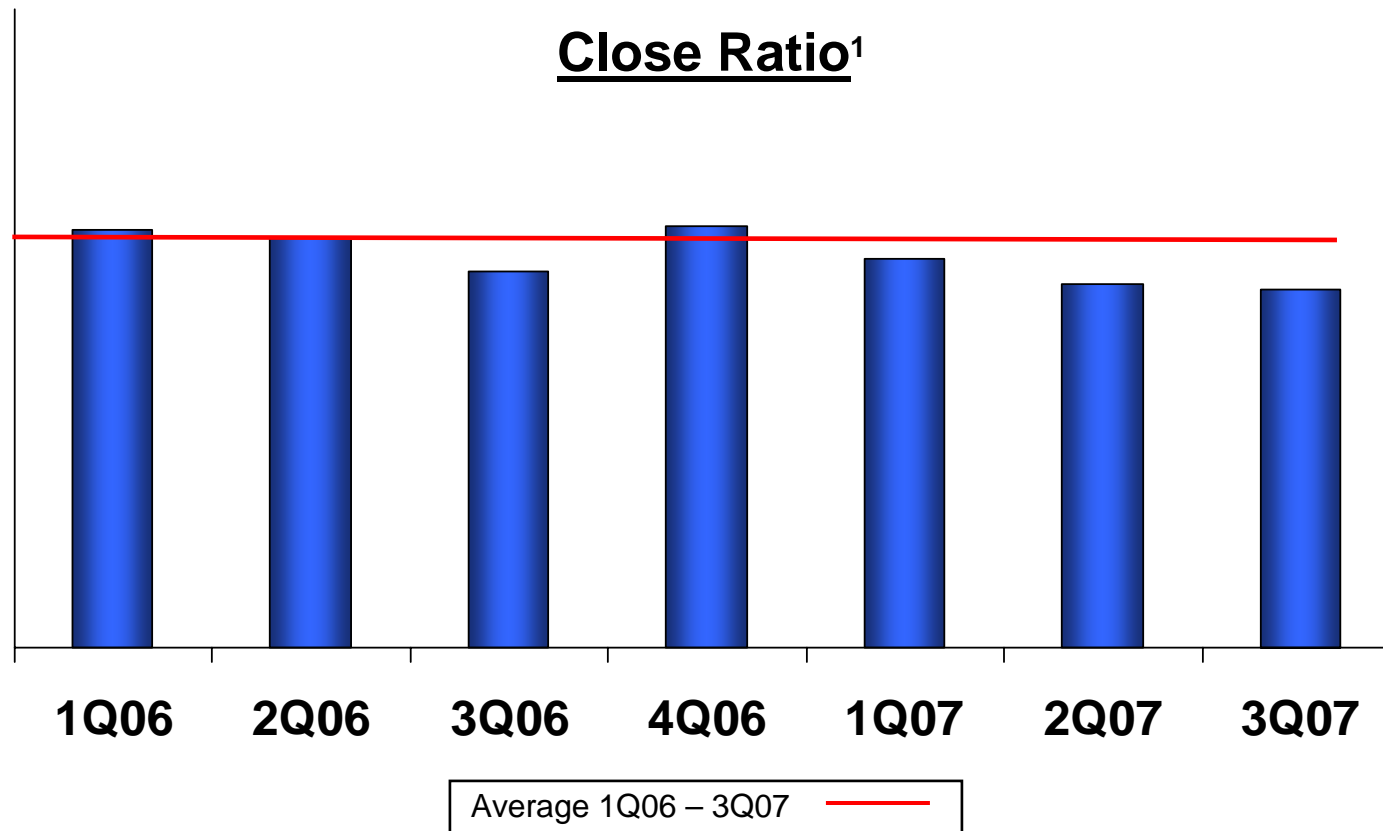


Quotes



Driving more opportunities...

Commercial Accounts – New Business Strategy



...but with continued discipline

¹ Close ratio equals the number of written accounts divided by the number of policies quoted

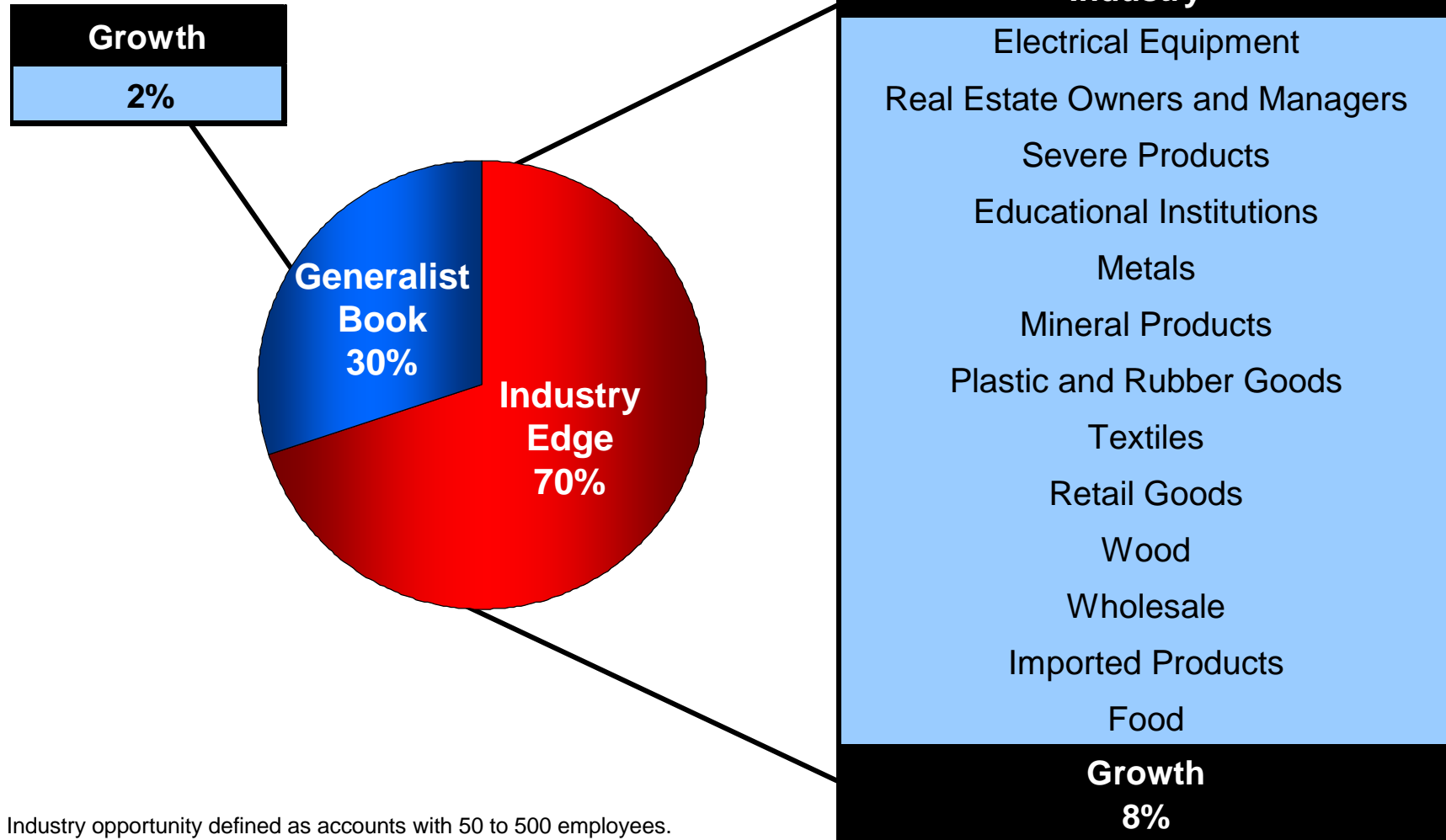
INDUSTRYEdgeSM Products

- Tailored risk management solutions for customers and agents
 - ❑ Tailored products or coverage
 - ❑ Industry specific risk control products/services
 - ❑ Pre-qualified leads
 - ❑ Packaged sales kits
 - ❑ Joint advertising

- Effective tools for account executives
 - ❑ Underwriting knowledge edge
 - ❑ Pricing guidance
 - ❑ Sales kits and tips

Developing Products for High Potential Industries

Specialization



¹ Industry opportunity defined as accounts with 50 to 500 employees.

INDUSTRYEdgeSM Products

- New products
 - ❑ Auto Dealers
 - ❑ Printers
 - ❑ Restaurants
 - ❑ Publishers
 - ❑ Hotels

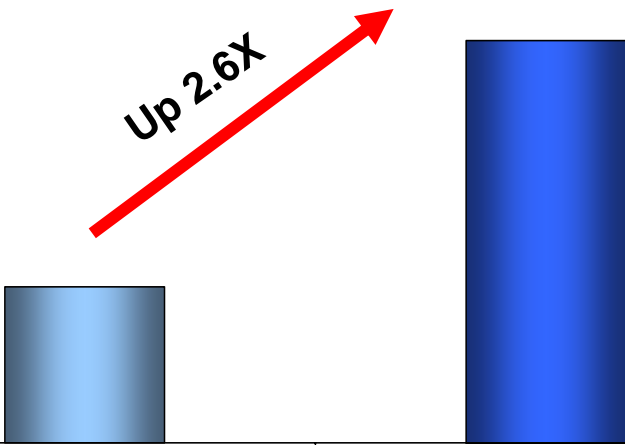
- Upgrade of existing products
 - ❑ Educational Institutions
 - ❑ Auto Dealers

- New embedded coverages
 - ❑ Global Solutions
 - ❑ Ocean Cargo

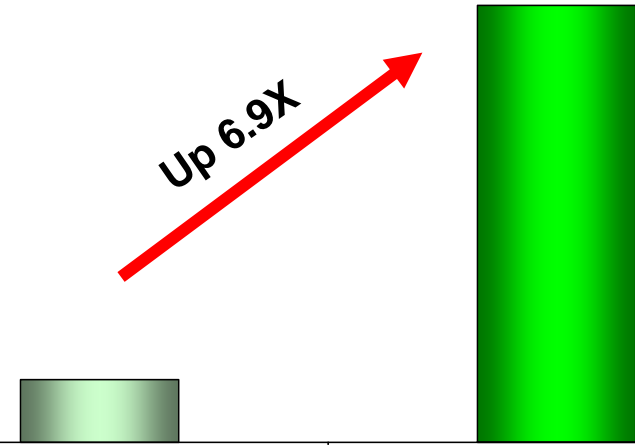
Executing on the Strategy – New Products

INDUSTRYEdgeSM - Printers

New Business Submissions



New Business Premium



Pre-Launch

Post-Launch

Pre-Launch

Post-Launch

INDUSTRYEdgeSM fueling our growth

Disciplined Execution

➤ Sources of growth

- ❑ Analysis completed on new business to determine prior carrier
- ❑ Negligible amount of new business is coming from non-admitted market

➤ Terms and conditions

- ❑ Standard policy form
- ❑ Underwriters have limited ability to change terms and conditions
- ❑ Terms & conditions changes tracked and reviewed

Consistently monitoring trends

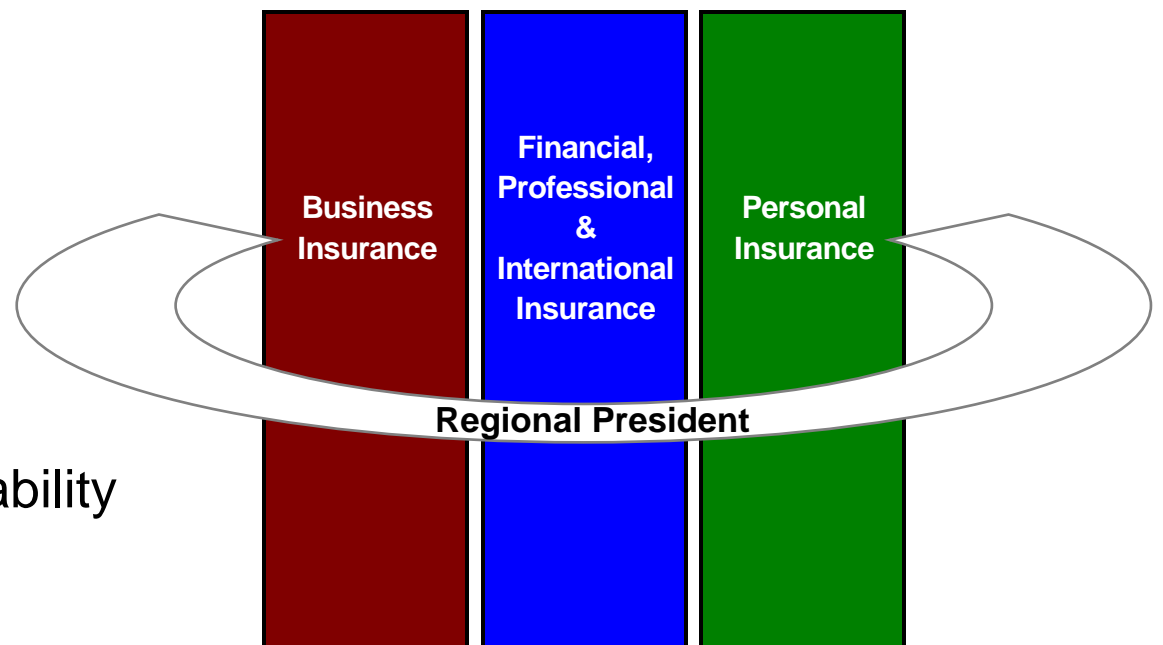
Strategic Initiatives

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Regional Presidents

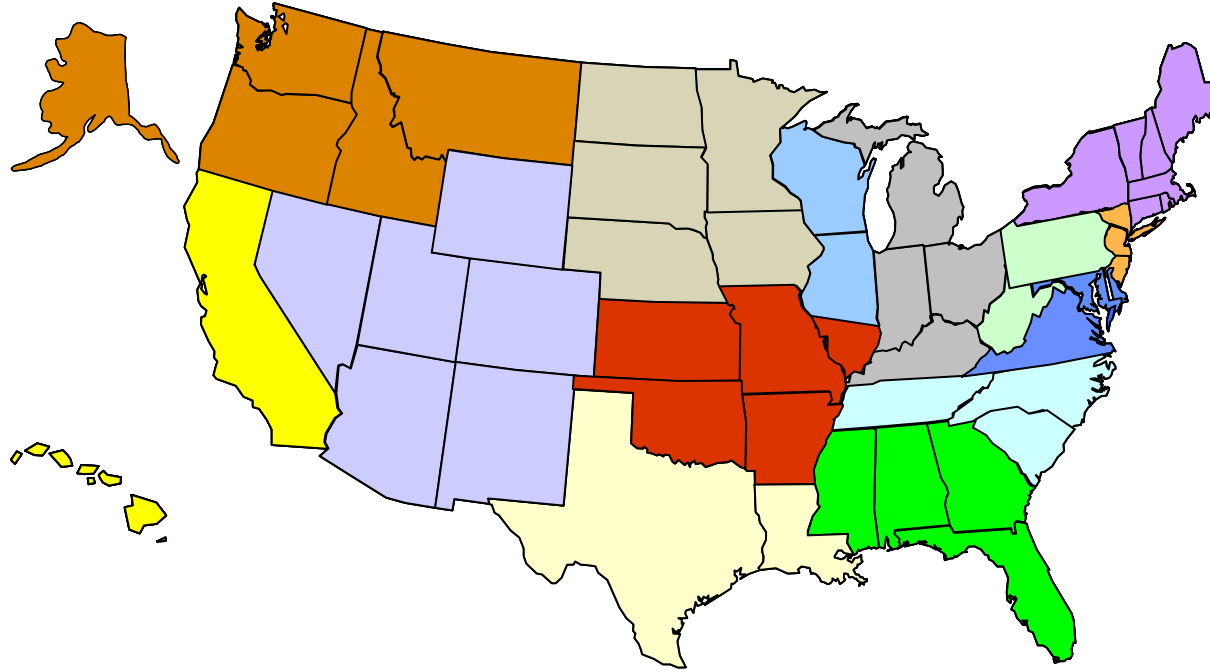
Implemented new field structure

- Created 14 Regional President positions
- More field authority
- Stronger partnership with business heads
- Responsibility and accountability for franchise success
 - Metrics to measure results



Leveraging strengths across our businesses

National Scale and Local Focus



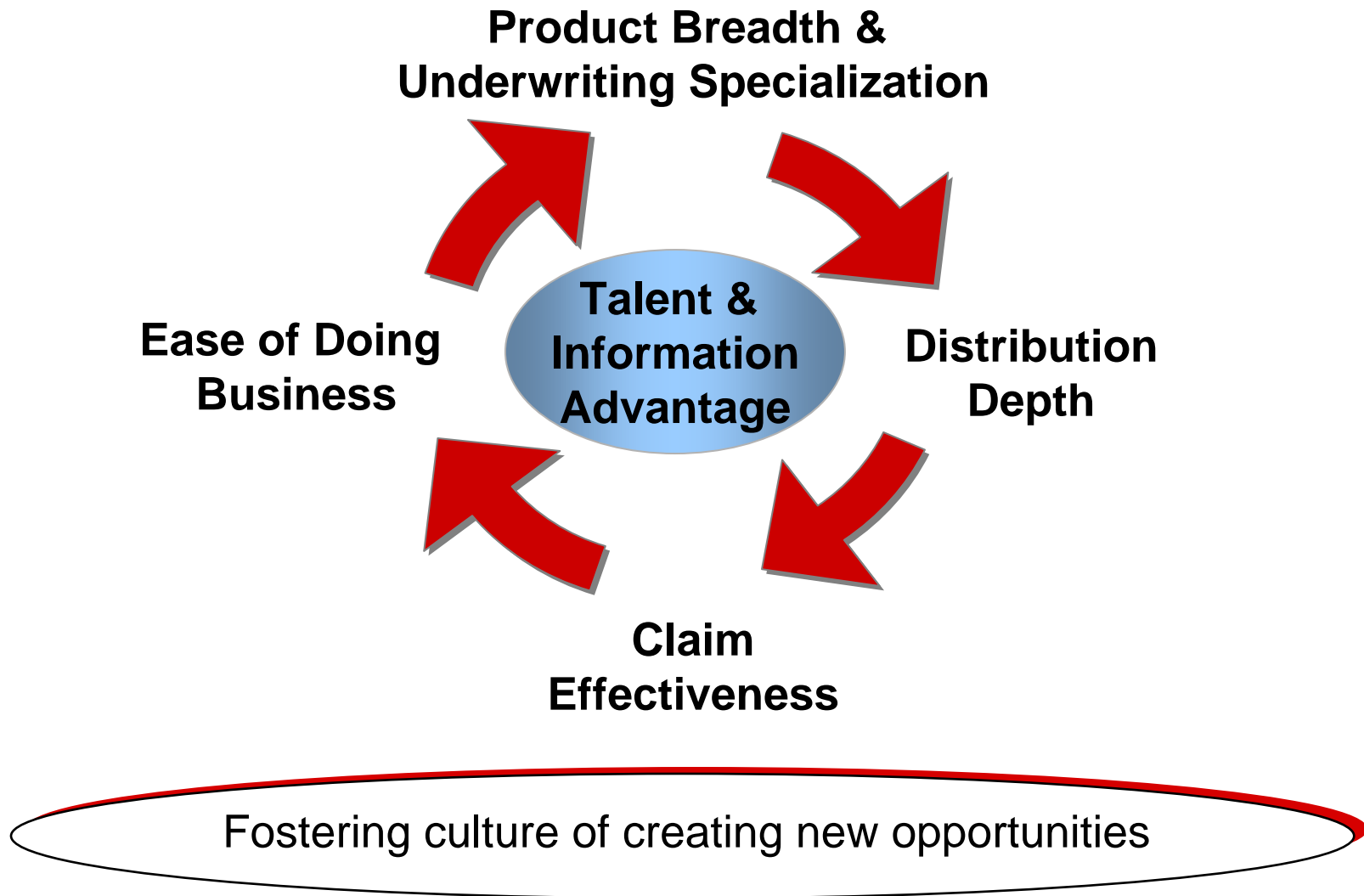
- 14 regions led by senior field leaders
 - National strength and local presence
 - Regions average approximately \$1.5 billion NWP
 - Aligning specialization at point of sale
 - Experts in their marketplace

Travelers Operating Model

The Complete Package

National Scale	AND	Local Focus
Product Breadth	AND	Specialized Underwriting
Expense Efficiency	AND	Business Investment
Consistent	AND	Nimble
Quantity of Data	AND	Targeted Data

Franchise Strengths



Financial Objective – Create Shareholder Value

- Achieve mid-teens return on equity over time
- Responsibly grow market share over time
- Flexibility/capacity to absorb severe events, e.g., major catastrophes
- Maintain solid claims paying/financial strength ratings
 - ❑ A.M. Best: A+
 - ❑ S&P, Moody's and Fitch: AA range
- Grow book value per share
- Return excess capital to shareholders

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 are publicly available on the Travelers website (www.travelers.com)**



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