

TRAVELERS

Jay Fishman, Chairman & CEO

Merrill Lynch Insurance Investors Conference

February 13, 2007

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, income from continuing operations, 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; 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.

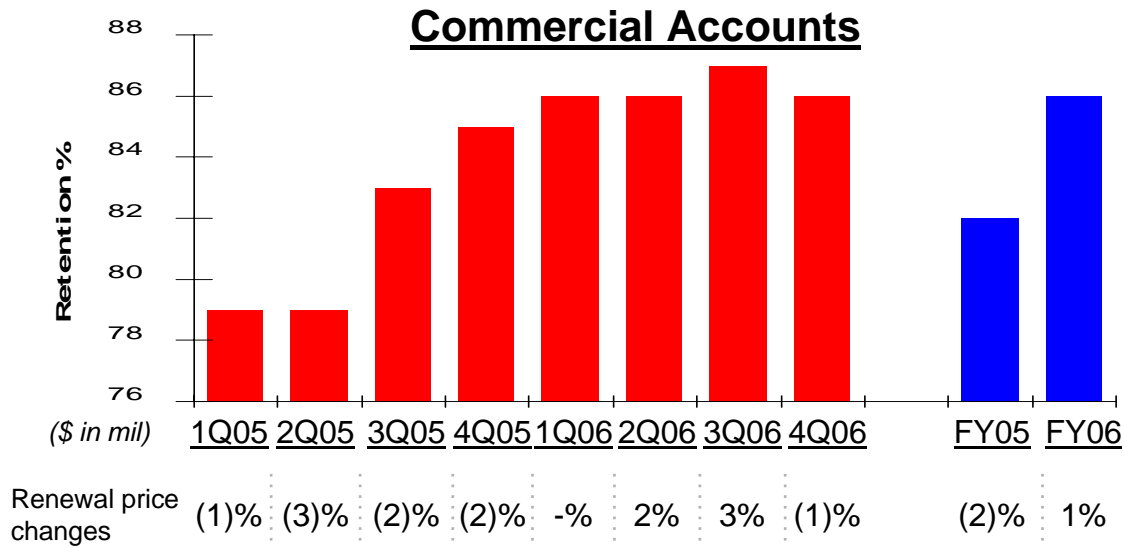
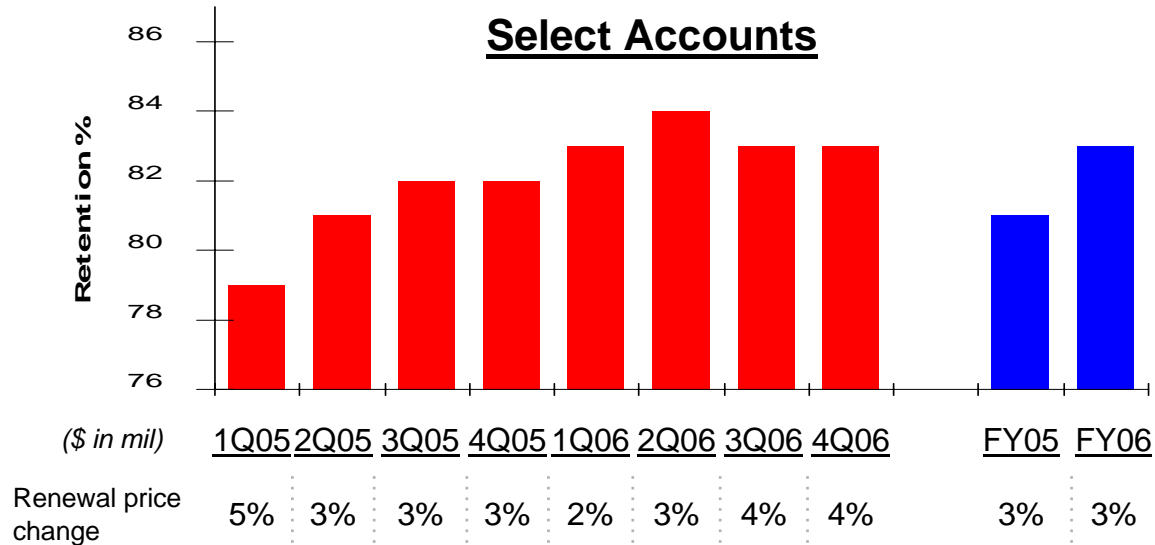
Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially reduce our profitability and adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance; our business could be 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; 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; the effects of emerging claim and coverage issues on our business are uncertain; reinsurance may not protect us against losses; we may incur loss and loss adjustment expenses as a result of disclosures by, and investigations of, companies for which we have written directors' and officers' insurance relating to possible accounting irregularities, corporate governance issues and stock option "backdating," "spring loading" and other stock option grant practices; the insurance industry, including us, 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; we may not be able to execute announced and future strategic initiatives as planned; the inability of our insurance subsidiaries to pay dividends to us in sufficient amounts would limit 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 or other variables in the pricing and underwriting of personal lines products could reduce our future profitability; disruptions to our relationships with our distributors, independent agents and brokers could adversely affect our future income and profitability; if we experience difficulties with outsourcing relationships, our ability to conduct our business might be negatively impacted; and the effects of corporate bankruptcies on surety bond claims.

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 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 in connection with this presentation which is available on the St. Paul Travelers website (<http://investor.stpaultravelers.com/>).

- Operating income of \$4.200 billion
 - Consolidated GAAP combined ratio of 88.1%
 - After-tax net investment income up 11%
 - After-tax net favorable prior year reserve development of \$255 million
- Operating return on equity of 17.9%
- Net written premiums increase of 5%, excluding run-off operations
- Strong financial position
 - Book value per share (ex FAS 115) of \$36.20, up 15% from beginning of year
 - Debt to total capital of 18.9%
- Active capital management
 - Repurchased \$1.121 billion or 22.8 million shares at an average cost of \$49.20 through year end under previously authorized \$2 billion share repurchase program
 - Announced \$3 billion increase to share repurchase program
- 2007 operating earnings per diluted share guidance in the range of \$5.20 to \$5.45¹

¹ Guidance assumes \$355 million after-tax catastrophe losses, no favorable or unfavorable prior year reserve development, growth in average invested assets in the low single digits (after dividends and approximately \$2 billion of share repurchases), and weighted average diluted share count of approximately 690 million.



Renewal price change represents the estimated average change in premium on policies that renew, including rate and exposure changes, vs. the average premium on those same policies for their prior term.

		Full Year 2006		
		Retention	"Pure" Rate Change	Renewal Price Change ⁴
Select Accounts ¹	Non-coastal ²	84%	(2%)	2%
	Country-wide	83%	(1%)	3%
Commercial Accounts ¹	Non-coastal ³	87%	(3%)	(1%)
	Country-wide	86%	(1%)	1%

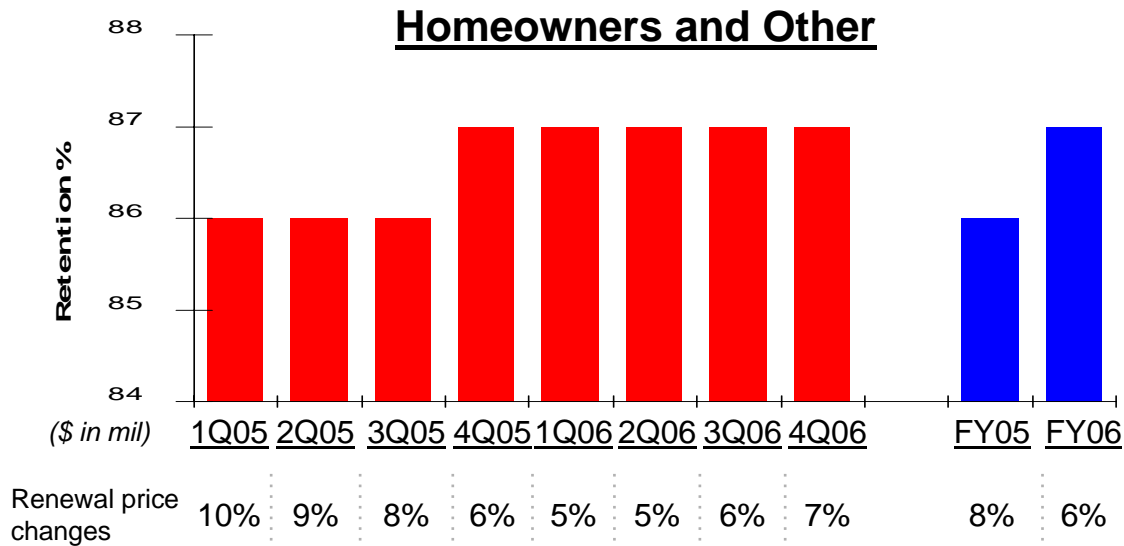
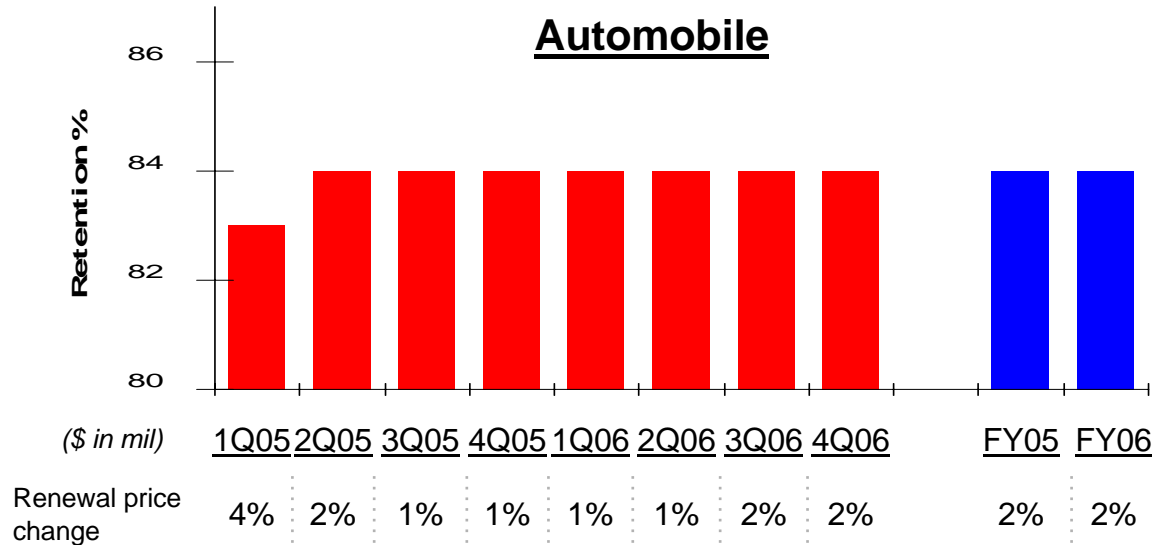
¹ Includes all lines of business.

² Non-coastal excludes policyholders located in counties along the coast from Texas to Maine.

³ Non-coastal excludes policies written by certain underwriting offices in Texas, Louisiana, Florida, New York, Connecticut and Massachusetts.

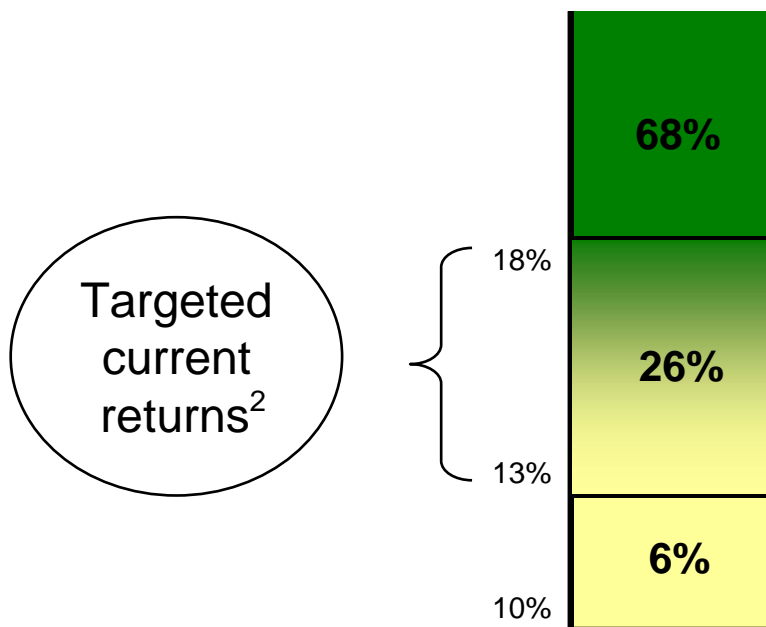
⁴ Each percentage represents the estimated average change in premium on policies that renew, including rate and exposure changes, vs. the average premium on those same policies for their prior term.

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



Renewal price change represents the estimated average change in premium on policies that renew, including rate and exposure changes, vs. the average premium on those same policies for their prior term.

Percent of 2006
net written premiums¹
with expected current returns
above, within and below targeted returns



¹ Excludes Discover Re, Construction – Loss Responsive and International and Lloyd's.

² Based on allocated equity by product (does not allocate 100% of GAAP shareholders' equity, as a portion of equity supports prior year / run-off reserves); prospective economic returns based on currently underwritten policies and related investment income. Not equivalent to GAAP return on equity.

- Target mid-teens return on equity over the long-term
- Grow market share over time, with focus on organic growth
- Maintain appropriate levels of capital to support our business and our financial ratings
- Return excess capital to shareholders

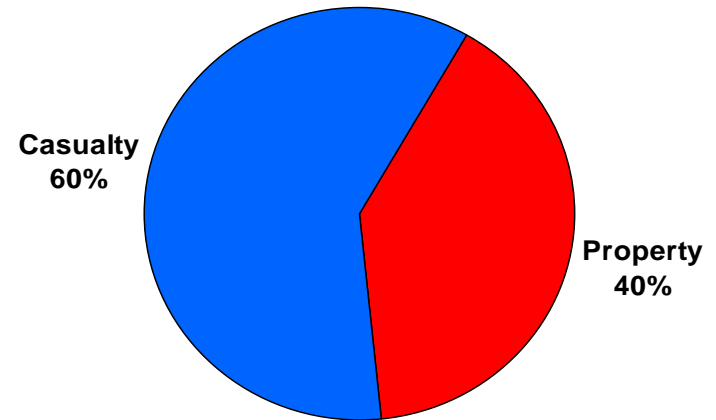
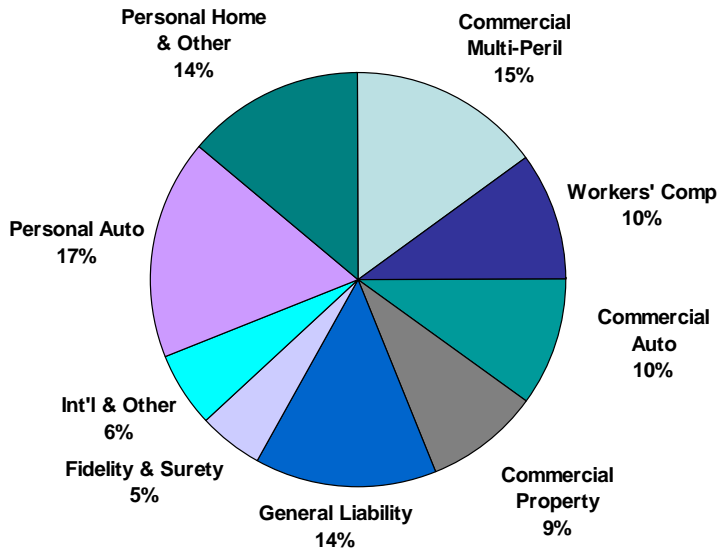
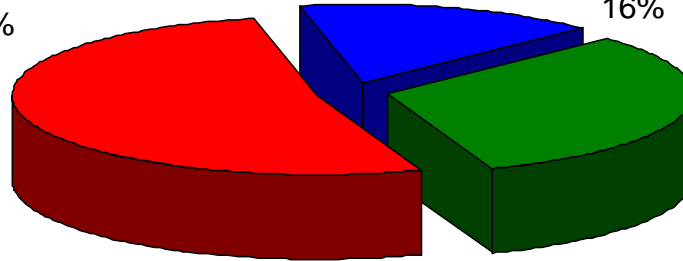
(\$ in millions)

2006 NWP \$21,150

Business Insurance
52%

Financial, Professional & International Insurance
16%

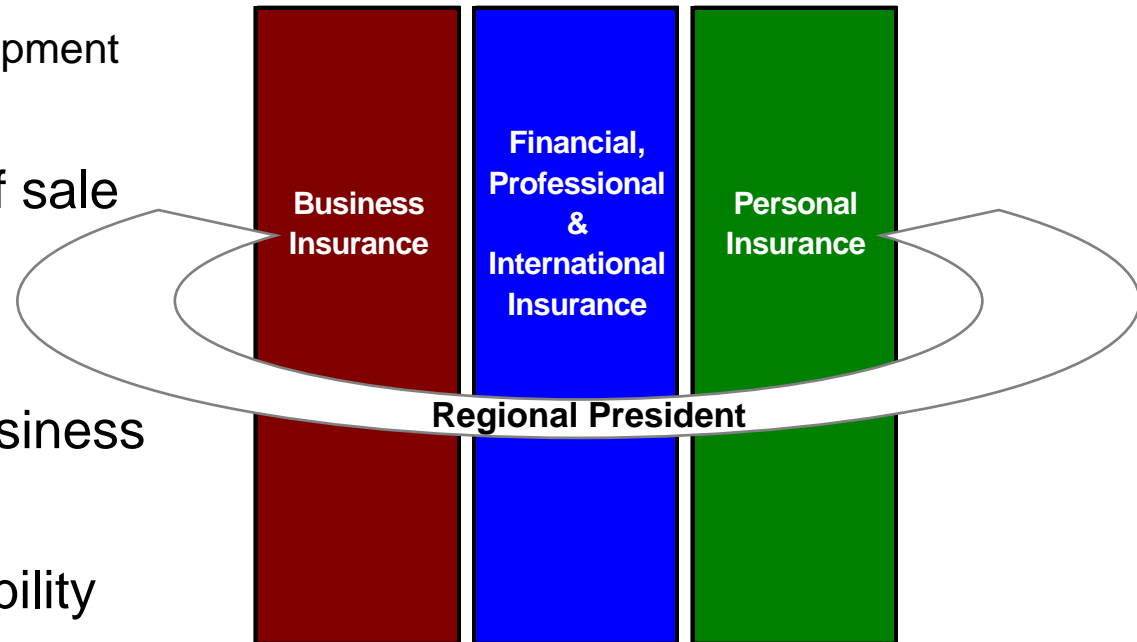
Personal Insurance
32%



Diversified product offering and exposure base

Implemented new field structure

- Created 14 Regional President positions
 - Supported by Enterprise Development Group
- Align more closely at point of sale
- More field authority
- Stronger partnership with business heads
- Responsibility and accountability for franchise success
 - Metrics to measure results



Leveraging strengths across our businesses

Increased Sophistication and Efficiency

- QuantumAutoSM available now in 38 states and D.C.
 - Quantum represents approximately 17% of 2006 net written premiums and 21% of policies-in-force
 - More agents quoting Travelers, and more of the time

- Initiated roll-out of QuantumHomeSM

- Continued geographic diversification
 - Approximately 65% of Personal Insurance 2006 net written premium growth from non-East Coast states

- Implemented new agency prospecting tools
 - Appointed 1,500 new personal lines agent locations, 500 commercial lines agents

Enhanced Claims Effectiveness

- Faster – speed to identification, intervention and resolution
 - Meaningfully reduced time to resolve auto physical damage claims

- Closer – in-house management of each claim with increased direct claimant contact
 - Face-to-face interaction for bodily injury and workers' compensation claims

- Tighter – minimize non-indemnity related leakage
 - Driving unnecessary cost, “the nickels”, out of the claims process

- Better catastrophe management
 - Minimize dependence on outside adjusters

Proactively mitigating severity

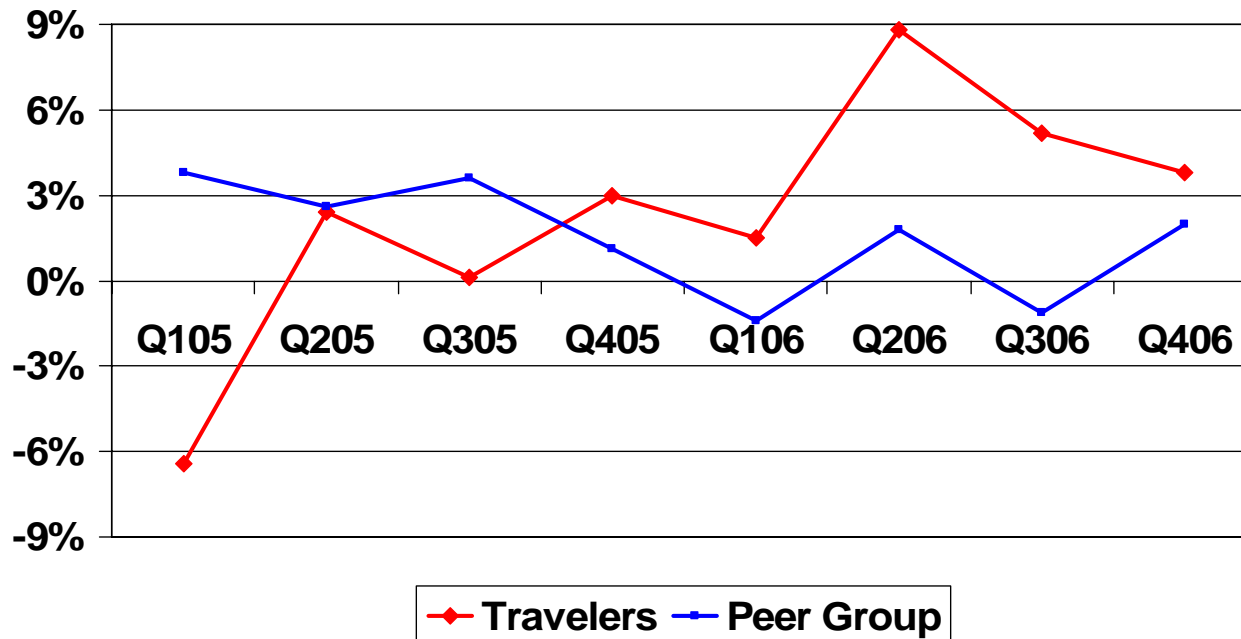
Re-launch of the brand

- Clarified our brand position
- Invested in primary “go-to-market” brand – Travelers
- Increased brand awareness among consumers, agents and risk managers

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Insurance. In-synch.SM

Percentage Growth in Net Written Premiums



Meaningful improvement in top line

Travelers net written premium growth exclude run-off operations.

Peer Group consists of CB, HIG, PGR, SAF, CNA and XL – Insurance; AIG for all periods except Q406 (yet to report); and ACE – Insurance North America for 2006 growth rates only (due to accounting restatements). Excludes run-off operations where possible.

- Initiatives to enhance underwriting sophistication
- Market intelligence and capabilities at the very local level
- Business and I.T. platforms which realize full potential of our franchise
- New structure for agent compensation
- The Umbrella

Underwriting sophistication

➤ Personal lines

- Roll-out of QuantumHomeSM underway
 - ✓ Market leader in homeowners through independent agents
 - ✓ Refines our pricing precision and promotes “favorable” selection

➤ Commercial lines

- Multivariate segmentation in Select Accounts
- Workers' Compensation
 - ✓ Utilize proprietary medical cost information to identify opportunities in sub-state territories

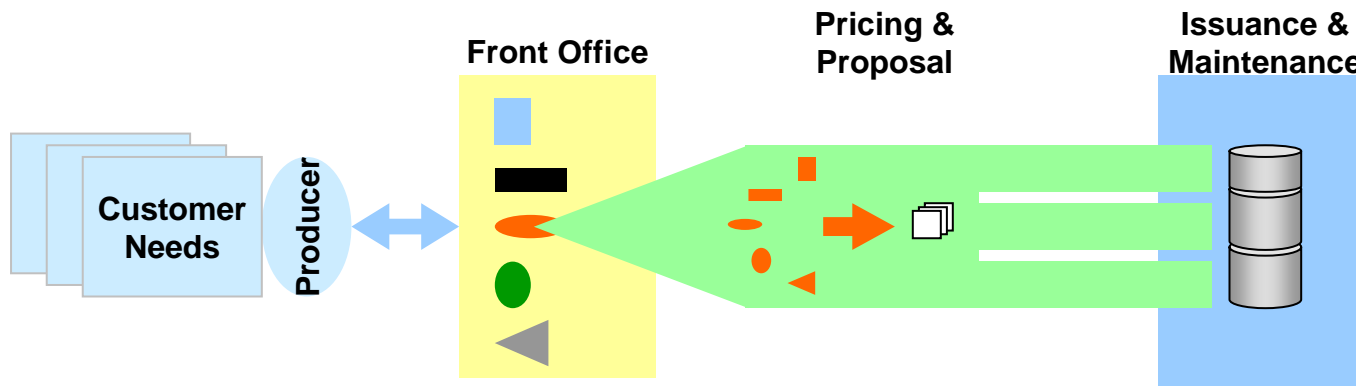
Drive results from the very local level

- Regional Presidents are general managers in their geographies
 - Utilize local market expertise in role of resident franchise leader
- Assess key business factors utilizing local market intelligence
- Equip field organization with real-time customer knowledge
- Sophisticated market analysis at county level
 - Analyze total franchise potential of pre-appointed agencies
 - Examine market opportunity for growth given current Travelers share
 - Target specific accounts to write all lines of coverage
- Monitor and evaluate performance

Local market focus and responsiveness
with resources of national leader

Infrastructure to support business objectives

- Increase ease of doing business across the franchise
- Agency and account information available across the franchise
- Customer-focused total account solutions
- Scalable efficient process across business units
- Greater responsiveness



Align back office to drive business growth

Supplemental compensation

- Personal lines – discontinuing contingent commissions, replacing with performance-based supplemental compensation
- Commercial lines – option to switch to performance-based supplemental compensation
- Contingent commissions a small portion of STA's total producer compensation. In 2005,
 - Base commissions totaled approximately \$2,540¹ million
 - Contingent commissions totaled approximately \$385¹ million
- Agents benefit from greater
 - Simplicity and certainty of compensation rate in advance
 - Transparency to customer

Continue to compensate competitively
and differentiate based on performance

The Travelers Umbrella to return home¹

- Over 100 years of usage, including 50 years as logo
- Recognized as “Travelers” by:
 - Retail consumers
 - Risk managers
 - Agents and brokers
 - Employees, investors, communities
- Ideal timing to link the Umbrella with our “Insurance. In-synch.” campaign given the early stage of our brand reinvigoration
- Change of corporate name to The Travelers Companies, Inc.²
- New NYSE ticker: TRV²



Immediate acceleration of brand recognition

¹ Pending customary regulatory approvals

² Pending close of the transaction

- Maintain sufficient capital to support “A+” (A.M. Best) / “AA” range (all other) ratings
 - Capital adequacy at insurance company level
 - Target \$1.1 billion of holding company liquidity for a years worth of interest and dividends
 - Target debt to capital ratio of approximately 20%
- Return excess capital

Producing sufficient current returns
while investing in our business for long term
and returning capital to shareholders

- **For further information please see St. Paul 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 St. Paul Travelers website (<http://investor.stpaultravelers.com/>)**

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