The Travelers Companies, Inc.
Financial Supplement - Third Quarter 2016

The information included in the Financial Supplement is unaudited. This document should be read in conjunction with the Company's Form 10-Q which will be filed with the Securities and Exchange Commission.
The Travelers Companies, Inc.
Financial Highlights
($ and shares in millions, except per share data)

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<td>$ 2.52</td>
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<td>15.4%</td>
<td>14.5%</td>
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<td>10.9%</td>
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<td>16.2%</td>
<td>15.8%</td>
<td>12.5%</td>
<td>11.6%</td>
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<tr>
<td>Shares</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
## Reconciliation to Net Income and Earnings Per Share

($ and shares in millions, except earnings per share)

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<td>Operating income</td>
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<td>$701</td>
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<td>Net realized investment gains (losses), after-tax</td>
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<td>6</td>
<td>10</td>
<td>(20)</td>
<td>(7)</td>
<td>15</td>
<td>15</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$833</td>
<td>$812</td>
<td>$928</td>
<td>$866</td>
<td>$691</td>
<td>$664</td>
<td>$716</td>
<td>$2,573</td>
<td>$2,071</td>
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<td>Operating income</td>
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<td>$2.54</td>
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<td>0.02</td>
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<td>(0.02)</td>
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<td>0.08</td>
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<tr>
<td><strong>Net income</strong></td>
<td>$2.58</td>
<td>$2.56</td>
<td>$3.00</td>
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<td>$2.33</td>
<td>$2.27</td>
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<td>$7.09</td>
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<td><strong>Diluted earnings per share</strong></td>
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<tr>
<td>Operating income</td>
<td>$2.53</td>
<td>$2.52</td>
<td>$2.93</td>
<td>$2.90</td>
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<td>Net realized investment gains (losses), after-tax</td>
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<td>0.01</td>
<td>0.04</td>
<td>(0.07)</td>
<td>(0.03)</td>
<td>0.04</td>
<td>0.05</td>
<td>0.07</td>
<td>0.08</td>
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<td><strong>Net income</strong></td>
<td>$2.55</td>
<td>$2.53</td>
<td>$2.97</td>
<td>$2.83</td>
<td>$2.30</td>
<td>$2.24</td>
<td>$2.45</td>
<td>$8.04</td>
<td>$7.00</td>
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### Adjustments to net income and weighted average shares for net income EPS calculations: (1)

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<tbody>
<tr>
<td><strong>Basic and Diluted</strong></td>
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<tr>
<td>Net income, as reported</td>
<td>$833</td>
<td>$812</td>
<td>$928</td>
<td>$866</td>
<td>$691</td>
<td>$664</td>
<td>$716</td>
<td>$2,555</td>
<td>$2,055</td>
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<td>$860</td>
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<td>$659</td>
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### Common Shares

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<tr>
<td>Weighted average shares outstanding</td>
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### Diluted

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<td>324.5</td>
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(1) Adjustments to net income and weighted average shares for net income EPS calculations can generally be used for the operating income EPS calculations.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Statement of Income - Consolidated
($ in millions)

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<td>$833</td>
<td>$812</td>
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<td>$664</td>
<td>$716</td>
<td>$2,573</td>
<td>$2,071</td>
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<td>18.7%</td>
<td>19.3%</td>
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<td>19.2%</td>
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<td>$ 333</td>
<td>$ 89</td>
<td>$ 468</td>
<td>$ 740</td>
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<tr>
<td>After-tax</td>
<td>$ 106</td>
<td>$ 143</td>
<td>$ 56</td>
<td>$ 33</td>
<td>$ 207</td>
<td>$ 222</td>
<td>$ 58</td>
<td>$ 305</td>
<td>$ 487</td>
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<tr>
<td>Prior year reserve development - favorable (unfavorable)</td>
<td></td>
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<tr>
<td>Pre-tax</td>
<td>$ 243</td>
<td>$ 207</td>
<td>$ 199</td>
<td>$ 292</td>
<td>$ 180</td>
<td>$ 288</td>
<td>$ 39</td>
<td>$ 649</td>
<td>$ 507</td>
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<tr>
<td>After-tax</td>
<td>$ 158</td>
<td>$ 133</td>
<td>$ 132</td>
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<td>$ 119</td>
<td>$ 192</td>
<td>$ 27</td>
<td>$ 423</td>
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</table>

Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
## The Travelers Companies, Inc.

**Net Income by Major Component and Combined Ratio - Consolidated**

($ in millions, net of tax)

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<tr>
<td>Underwriting gain</td>
<td>$395</td>
<td>$353</td>
<td>$486</td>
<td>$491</td>
<td>$289</td>
<td>$248</td>
<td>$269</td>
<td>$1,234</td>
<td>$806</td>
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<tr>
<td>Net investment income</td>
<td>478</td>
<td>503</td>
<td>484</td>
<td>440</td>
<td>439</td>
<td>442</td>
<td>472</td>
<td>1,465</td>
<td>1,363</td>
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<tr>
<td>Other income (expense), including interest expense</td>
<td>(46)</td>
<td>(50)</td>
<td>(52)</td>
<td>(45)</td>
<td>(30)</td>
<td>(41)</td>
<td>(40)</td>
<td>(148)</td>
<td>(111)</td>
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<tr>
<td>Operating income</td>
<td>827</td>
<td>806</td>
<td>918</td>
<td>886</td>
<td>698</td>
<td>649</td>
<td>701</td>
<td>2,551</td>
<td>2,048</td>
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<tr>
<td>Net realized investment gains (losses)</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>(20)</td>
<td>(7)</td>
<td>15</td>
<td>15</td>
<td>22</td>
<td>23</td>
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<tr>
<td>Net income</td>
<td>$833</td>
<td>$812</td>
<td>$928</td>
<td>$866</td>
<td>$691</td>
<td>$664</td>
<td>$716</td>
<td>$2,573</td>
<td>$2,071</td>
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<tr>
<td>Combined ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and loss adjustment expense ratio</td>
<td>57.4%</td>
<td>58.9%</td>
<td>55.2%</td>
<td>55.0%</td>
<td>61.1%</td>
<td>61.1%</td>
<td>61.2%</td>
<td>57.2%</td>
<td>61.2%</td>
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<tr>
<td>Underwriting expense ratio</td>
<td>31.5%</td>
<td>31.9%</td>
<td>31.7%</td>
<td>31.6%</td>
<td>31.2%</td>
<td>32.0%</td>
<td>31.7%</td>
<td>31.7%</td>
<td>31.6%</td>
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<tr>
<td>Combined ratio</td>
<td>88.9%</td>
<td>90.8%</td>
<td>86.9%</td>
<td>86.6%</td>
<td>92.3%</td>
<td>93.1%</td>
<td>92.9%</td>
<td>88.9%</td>
<td>92.8%</td>
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<tr>
<td>Combined ratio excluding incremental impact of direct to consumer initiative</td>
<td>89.5%</td>
<td>90.3%</td>
<td>86.4%</td>
<td>86.1%</td>
<td>92.0%</td>
<td>92.7%</td>
<td>92.5%</td>
<td>88.4%</td>
<td>92.4%</td>
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<td></td>
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<tr>
<td>Impact of catastrophes on combined ratio</td>
<td>2.7%</td>
<td>3.7%</td>
<td>1.4%</td>
<td>0.8%</td>
<td>5.3%</td>
<td>5.5%</td>
<td>1.4%</td>
<td>2.6%</td>
<td>4.1%</td>
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<tr>
<td>Impact of prior year reserve development on combined ratio</td>
<td>-4.1%</td>
<td>-3.5%</td>
<td>-3.3%</td>
<td>-4.9%</td>
<td>-3.0%</td>
<td>-4.7%</td>
<td>-0.6%</td>
<td>-3.0%</td>
<td>-2.8%</td>
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<td></td>
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</table>

(1) Before policyholder dividends.
(2) Billing and policy fees and other, which are a component of other revenues, are allocated as a reduction of underwriting expenses. In addition, fee income is allocated as a reduction of losses and loss adjustment expenses and underwriting expenses as follows:

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<tbody>
<tr>
<td>Billing and policy fees and other</td>
<td>$23</td>
<td>$22</td>
<td>$20</td>
<td>$22</td>
<td>$22</td>
<td>$22</td>
<td>$23</td>
<td>$65</td>
<td>$67</td>
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<tr>
<td>Loss and loss adjustment expenses</td>
<td>$42</td>
<td>$43</td>
<td>$44</td>
<td>$41</td>
<td>$44</td>
<td>$45</td>
<td>$44</td>
<td>$129</td>
<td>$133</td>
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<tr>
<td>Underwriting expenses</td>
<td>72</td>
<td>72</td>
<td>72</td>
<td>74</td>
<td>73</td>
<td>74</td>
<td>72</td>
<td>216</td>
<td>219</td>
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<tr>
<td>Total fee income</td>
<td>$114</td>
<td>$115</td>
<td>$116</td>
<td>$117</td>
<td>$117</td>
<td>$119</td>
<td>$116</td>
<td>$345</td>
<td>$352</td>
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Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### The Travelers Companies, Inc.

**Operating Income - Consolidated**

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>Claims and expenses</th>
<th>Operating income before income taxes</th>
<th>Income tax expense</th>
<th>Operating income</th>
<th>Other statistics</th>
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<tbody>
<tr>
<td></td>
<td>Premiums</td>
<td>Claims and claim adjustment expenses</td>
<td>Amortization of deferred acquisition costs</td>
<td>General and administrative expenses</td>
<td>Interest expense</td>
<td>Effective tax rate on net investment income</td>
</tr>
<tr>
<td></td>
<td>$5,888 $5,931</td>
<td>3,431 3,547</td>
<td>963 963</td>
<td>995 1,032</td>
<td>92 92</td>
<td>19.3% 20.5% 21.1% 18.7% 19.3% 19.4% 19.0% 20.3% 19.2%</td>
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<tr>
<td></td>
<td>$6,023 $5,961</td>
<td>3,363 3,712 3,762</td>
<td>972 971 989</td>
<td>1,039 995 1,054</td>
<td>95 91 93</td>
<td>$478 $503 $484 $440 $439 $442 $472 $1,465 $1,353</td>
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<tr>
<td></td>
<td>$6,067 $6,072</td>
<td>3,469 5,769 5,898</td>
<td>5,481 5,634 5,491</td>
<td>1,138 1,066 1,292</td>
<td>311 260 374</td>
<td>$162 $221 $85 $46 $318 $333 $89 $468 $740</td>
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<tr>
<td></td>
<td>$6,209 $17,851</td>
<td>6,938 16,606 17,681</td>
<td>6,619 6,700 6,763</td>
<td>2,232 2,228 2,191</td>
<td>311 260 374</td>
<td>$106 $143 $56 $33 $207 $222 $58 $305 $487</td>
</tr>
<tr>
<td></td>
<td>$18,257</td>
<td>20,399 16,606 17,681</td>
<td>6,619 6,700 6,763</td>
<td>2,232 2,228 2,191</td>
<td>311 260 374</td>
<td>$243 $207 $199 $292 $180 $288 $39 $649 $507</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,619 6,700 6,763</td>
<td>2,232 2,228 2,191</td>
<td>311 260 374</td>
<td>$158 $133 $132 $194 $119 $192 $27 $423 $338</td>
</tr>
</tbody>
</table>

Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Selected Statistics - Property and Casualty Operations
($ in millions)

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>Statutory underwriting</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross written premiums</td>
<td>$ 6,474</td>
<td>$ 6,542</td>
<td>$ 6,618</td>
<td>$ 6,148</td>
<td>$ 6,688</td>
<td>$ 6,798</td>
<td>$ 19,634</td>
<td>$ 20,198</td>
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</tr>
<tr>
<td>Net written premiums</td>
<td>$ 5,897</td>
<td>$ 6,169</td>
<td>$ 6,191</td>
<td>$ 5,864</td>
<td>$ 6,166</td>
<td>$ 6,345</td>
<td>$ 6,389</td>
<td>$ 18,257</td>
<td>$ 18,900</td>
</tr>
<tr>
<td>Net earned premiums</td>
<td>$ 5,888</td>
<td>$ 5,931</td>
<td>$ 6,032</td>
<td>$ 6,023</td>
<td>$ 5,981</td>
<td>$ 6,067</td>
<td>$ 6,209</td>
<td>$ 17,851</td>
<td>$ 18,257</td>
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<tr>
<td>Losses and loss adjustment expenses</td>
<td>3,379</td>
<td>3,495</td>
<td>3,333</td>
<td>3,660</td>
<td>3,709</td>
<td>3,803</td>
<td>10,207</td>
<td>11,175</td>
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<tr>
<td>Underwriting expenses</td>
<td>1,890</td>
<td>1,949</td>
<td>1,947</td>
<td>1,867</td>
<td>1,932</td>
<td>2,009</td>
<td>5,786</td>
<td>5,942</td>
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<tr>
<td>Statutory underwriting gain</td>
<td>619</td>
<td>487</td>
<td>752</td>
<td>849</td>
<td>349</td>
<td>405</td>
<td>1,858</td>
<td>1,140</td>
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<tr>
<td>Policyholder dividends</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>29</td>
<td>32</td>
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<tr>
<td>Statutory underwriting gain after policyholder dividends</td>
<td>$ 610</td>
<td>$ 477</td>
<td>$ 742</td>
<td>$ 837</td>
<td>$ 338</td>
<td>$ 394</td>
<td>$ 1,829</td>
<td>$ 1,108</td>
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<tr>
<td>Other statutory statistics</td>
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<td></td>
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<tr>
<td>Reserves for losses and loss adjustment expenses</td>
<td>$ 40,296</td>
<td>$ 40,273</td>
<td>$ 40,091</td>
<td>$ 39,782</td>
<td>$ 40,224</td>
<td>$ 39,797</td>
<td>$ 39,956</td>
<td>$ 40,091</td>
<td>$ 39,956</td>
</tr>
<tr>
<td>Increase (decrease) in reserves</td>
<td>$ (711)</td>
<td>$ (23)</td>
<td>$ (182)</td>
<td>$ (309)</td>
<td>$ 442</td>
<td>$ (427)</td>
<td>$ 159</td>
<td>$ (916)</td>
<td>$ 174</td>
</tr>
<tr>
<td>Statutory capital and surplus</td>
<td>$ 20,944</td>
<td>$ 20,851</td>
<td>$ 20,822</td>
<td>$ 20,567</td>
<td>$ 20,569</td>
<td>$ 20,634</td>
<td>$ 20,609</td>
<td>$ 20,822</td>
<td>$ 20,609</td>
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<tr>
<td>Net written premiums/surplus (1)</td>
<td>1.14:1</td>
<td>1.15:1</td>
<td>1.16:1</td>
<td>1.17:1</td>
<td>1.19:1</td>
<td>1.19:1</td>
<td>1.20:1</td>
<td>1.16:1</td>
<td>1.20:1</td>
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</table>

(1) Based on 12 months of rolling net written premiums.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Written and Earned Premiums - Property and Casualty Operations
($ in millions)

|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|             |             |
| **Written premiums**|         |         |         |         |         |         |         |         |         |         |             |             |
| Gross               | $6,474  | $6,542  | $6,618  | $6,148  | $6,712  | $6,688  | $6,798  | $6,798  | $6,198  | $6,688  | $19,634     | $20,198     |
| Ceded               | (577)   | (373)   | (427)   | (284)   | (546)   | (343)   | (409)   | (1,377) | (1,298) | (1,377) | (1,298)     |             |
| Net                 | $5,897  | $6,169  | $6,191  | $5,864  | $6,166  | $6,345  | $6,389  | $6,389  | $6,198  | $6,688  | $18,257     | $18,900     |
| **Earned premiums**|         |         |         |         |         |         |         |         |         |         |             |             |
| Gross               | $6,308  | $6,356  | $6,447  | $6,443  | $6,381  | $6,487  | $6,604  | $19,111 | $19,472 | $19,472 |             |             |
| Ceded               | (420)   | (425)   | (415)   | (420)   | (400)   | (420)   | (395)   | (1,260) | (1,215) | (1,260) |             |             |
| Net                 | $5,888  | $5,931  | $6,032  | $6,023  | $5,981  | $6,067  | $6,209  | $17,851 | $18,257 | $18,257 |             |             |

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### Operating Income - Business and International Insurance
($ in millions)

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</thead>
<tbody>
<tr>
<td>Net investment income</td>
<td>454</td>
<td>487</td>
<td>471</td>
<td>412</td>
<td>415</td>
<td>420</td>
<td>445</td>
<td>1,412</td>
<td>1,280</td>
</tr>
<tr>
<td>Fee income</td>
<td>111</td>
<td>111</td>
<td>112</td>
<td>111</td>
<td>114</td>
<td>115</td>
<td>111</td>
<td>334</td>
<td>340</td>
</tr>
<tr>
<td>Other revenues</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>33</td>
<td>8</td>
<td>10</td>
<td>18</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Total revenues</td>
<td>4,193</td>
<td>4,212</td>
<td>4,241</td>
<td>4,167</td>
<td>4,161</td>
<td>4,174</td>
<td>4,258</td>
<td>12,646</td>
<td>12,593</td>
</tr>
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</table>

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Claims and claim adjustment expenses</td>
<td>2,265</td>
<td>2,238</td>
<td>2,229</td>
<td>2,127</td>
<td>2,299</td>
<td>2,385</td>
<td>2,380</td>
<td>6,732</td>
<td>7,064</td>
</tr>
<tr>
<td>Amortization of deferred acquisition costs</td>
<td>584</td>
<td>578</td>
<td>589</td>
<td>578</td>
<td>579</td>
<td>588</td>
<td>598</td>
<td>1,751</td>
<td>1,765</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>654</td>
<td>674</td>
<td>675</td>
<td>683</td>
<td>663</td>
<td>696</td>
<td>697</td>
<td>2,003</td>
<td>2,056</td>
</tr>
<tr>
<td>Total claims and expenses</td>
<td>3,503</td>
<td>3,490</td>
<td>3,493</td>
<td>3,388</td>
<td>3,541</td>
<td>3,669</td>
<td>3,675</td>
<td>10,486</td>
<td>10,885</td>
</tr>
<tr>
<td>Operating income before income taxes</td>
<td>690</td>
<td>722</td>
<td>748</td>
<td>779</td>
<td>620</td>
<td>505</td>
<td>583</td>
<td>2,160</td>
<td>1,708</td>
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<tr>
<td>Income tax expense</td>
<td>175</td>
<td>179</td>
<td>202</td>
<td>213</td>
<td>144</td>
<td>126</td>
<td>126</td>
<td>556</td>
<td>382</td>
</tr>
<tr>
<td>Operating income</td>
<td>$515</td>
<td>$543</td>
<td>$546</td>
<td>$566</td>
<td>$476</td>
<td>$393</td>
<td>$457</td>
<td>$1,604</td>
<td>$1,326</td>
</tr>
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</table>

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</tr>
</thead>
<tbody>
<tr>
<td>Effective tax rate on net investment income</td>
<td>19.4%</td>
<td>20.7%</td>
<td>21.5%</td>
<td>18.9%</td>
<td>19.4%</td>
<td>19.5%</td>
<td>18.7%</td>
<td>20.5%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Net investment income (after-tax)</td>
<td>$366</td>
<td>$386</td>
<td>$371</td>
<td>$334</td>
<td>$335</td>
<td>$337</td>
<td>$363</td>
<td>$1,123</td>
<td>$1,035</td>
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</tbody>
</table>

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<td>Pre-tax</td>
<td>$99</td>
<td>$108</td>
<td>$39</td>
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<td>$212</td>
<td>$72</td>
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<td>After-tax</td>
<td>$65</td>
<td>$70</td>
<td>$25</td>
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<td>$97</td>
<td>$143</td>
<td>$47</td>
<td>$160</td>
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<tbody>
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<td>$77</td>
<td>$103</td>
<td>$49</td>
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<td>$138</td>
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<td>$65</td>
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<td>$94</td>
<td>$14</td>
<td>$150</td>
<td>$171</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Operating Income by Major Component and Combined Ratio - Business and International Insurance

($ in millions, net of tax)

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<tr>
<td>Underwriting gain</td>
<td>142</td>
<td>155</td>
<td>172</td>
<td>227</td>
<td>121</td>
<td>48</td>
<td>87</td>
<td>469</td>
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<tr>
<td>Net investment income</td>
<td>366</td>
<td>386</td>
<td>371</td>
<td>334</td>
<td>335</td>
<td>337</td>
<td>363</td>
<td>1,123</td>
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<tr>
<td>Other income (expense)</td>
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<td>2</td>
<td>3</td>
<td>5</td>
<td>20</td>
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<td>12</td>
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<tr>
<td>Operating income</td>
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<td>543</td>
<td>546</td>
<td>566</td>
<td>476</td>
<td>393</td>
<td>457</td>
<td>1,604</td>
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<tr>
<td>Combined ratio (1) (2)</td>
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<tr>
<td>Loss and loss adjustment expense ratio</td>
<td>61.2%</td>
<td>60.6%</td>
<td>59.6%</td>
<td>57.0%</td>
<td>62.4%</td>
<td>64.2%</td>
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<td>60.5%</td>
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<td>32.4%</td>
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<td>Combined ratio</td>
<td>93.3%</td>
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<td>89.6%</td>
<td>94.8%</td>
<td>97.5%</td>
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<tr>
<td>Impact of catastrophes on combined ratio</td>
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<td>2.9%</td>
<td>1.1%</td>
<td>0.0%</td>
<td>4.1%</td>
<td>5.8%</td>
<td>1.9%</td>
<td>2.2%</td>
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<td>Impact of prior year reserve development on combined ratio</td>
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<td>-1.4%</td>
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<td>-2.6%</td>
<td>-3.8%</td>
<td>-0.5%</td>
<td>-2.1%</td>
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(1) Before policyholder dividends.
(2) Billing and policy fees and other, which are a component of other revenues, are allocated as a reduction of underwriting expenses. In addition, fee income is allocated as a reduction of losses and loss adjustment expenses and underwriting expenses as follows:

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<td>$ 4</td>
<td>$ 6</td>
<td>$ 6</td>
<td>$ 6</td>
<td>$ 6</td>
<td>$ 17</td>
<td>$ 18</td>
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<td>Fee income:</td>
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<td>Loss and loss adjustment expenses</td>
<td>$ 42</td>
<td>$ 43</td>
<td>$ 44</td>
<td>$ 41</td>
<td>$ 44</td>
<td>$ 45</td>
<td>$ 44</td>
<td>$ 129</td>
<td>$ 133</td>
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<tr>
<td>Underwriting expenses</td>
<td>69</td>
<td>68</td>
<td>68</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>67</td>
<td>205</td>
<td>207</td>
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<tr>
<td>Total fee income</td>
<td>$ 111</td>
<td>$ 111</td>
<td>$ 112</td>
<td>$ 111</td>
<td>$ 114</td>
<td>$ 115</td>
<td>$ 111</td>
<td>$ 334</td>
<td>$ 340</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Selected Statistics - Business and International Insurance
($ in millions)

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<tr>
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<tr>
<td>Gross written premiums</td>
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<td>$4,027</td>
<td>$3,981</td>
<td>$3,783</td>
<td>$4,366</td>
<td>$3,997</td>
<td>$3,956</td>
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<td>$12,319</td>
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<tr>
<td>Net written premiums</td>
<td>$3,797</td>
<td>$3,679</td>
<td>$3,590</td>
<td>$3,517</td>
<td>$3,914</td>
<td>$3,680</td>
<td>$3,583</td>
<td>$11,066</td>
<td>$11,177</td>
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<tr>
<td>Losses and loss adjustment expenses</td>
<td>$2,216</td>
<td>$2,187</td>
<td>$2,182</td>
<td>$2,073</td>
<td>$2,252</td>
<td>$2,334</td>
<td>$2,330</td>
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<td>$6,916</td>
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<td>Underwriting expenses</td>
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<td>$1,178</td>
<td>$1,151</td>
<td>$1,236</td>
<td>$1,231</td>
<td>$1,203</td>
<td>$3,576</td>
<td>$3,670</td>
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<tr>
<td>Statutory underwriting gain</td>
<td>$198</td>
<td>$230</td>
<td>$293</td>
<td>$415</td>
<td>$111</td>
<td>$66</td>
<td>$159</td>
<td>$721</td>
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<tr>
<td>Policyholder dividends</td>
<td>$7</td>
<td>$8</td>
<td>$7</td>
<td>$9</td>
<td>$8</td>
<td>$9</td>
<td>$9</td>
<td>$22</td>
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<tr>
<td>Statutory underwriting gain after policyholder dividends</td>
<td>$191</td>
<td>$222</td>
<td>$286</td>
<td>$406</td>
<td>$103</td>
<td>$57</td>
<td>$150</td>
<td>$699</td>
<td>$310</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Net Written Premiums - Business and International Insurance
($ in millions)

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<tbody>
<tr>
<td><strong>Domestic</strong></td>
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<td></td>
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<td>Select Accounts</td>
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<td>$654</td>
<td>$631</td>
<td>$724</td>
<td>$709</td>
<td>$657</td>
<td>$2,085</td>
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<td>1,451</td>
<td>1,597</td>
<td>1,528</td>
<td>1,829</td>
<td>1,494</td>
<td>1,616</td>
<td>4,774</td>
<td>4,939</td>
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<td>National Accounts</td>
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<td>228</td>
<td>254</td>
<td>267</td>
<td>320</td>
<td>234</td>
<td>245</td>
<td>781</td>
<td>799</td>
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<td>First Party</td>
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<td>452</td>
<td>411</td>
<td>361</td>
<td>358</td>
<td>466</td>
<td>399</td>
<td>1,203</td>
<td>1,223</td>
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<td>Specialized Distribution</td>
<td>268</td>
<td>300</td>
<td>277</td>
<td>266</td>
<td>286</td>
<td>302</td>
<td>263</td>
<td>845</td>
<td>851</td>
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<tr>
<td><strong>Total Domestic</strong></td>
<td>3,355</td>
<td>3,140</td>
<td>3,193</td>
<td>3,053</td>
<td>3,517</td>
<td>3,205</td>
<td>3,180</td>
<td>9,688</td>
<td>9,902</td>
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<tr>
<td>International</td>
<td>442</td>
<td>539</td>
<td>397</td>
<td>464</td>
<td>397</td>
<td>475</td>
<td>403</td>
<td>1,378</td>
<td>1,275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,797</td>
<td>$3,679</td>
<td>$3,590</td>
<td>$3,517</td>
<td>$3,914</td>
<td>$3,680</td>
<td>$3,583</td>
<td>$11,066</td>
<td>$11,177</td>
</tr>
</tbody>
</table>

| **International** |         |         |         |         |         |         |         |             |             |
| Workers' compensation | $1,142 | $906    | $957    | $910    | $1,198  | $916    | $939    | $3,005      | $3,053      |
| Commercial automobile | 502    | 487     | 494     | 475     | 544     | 517     | 502     | 1,483       | 1,563       |
| Commercial property  | 391     | 507     | 451     | 411     | 406     | 520     | 437     | 1,349       | 1,363       |
| General liability    | 491     | 469     | 489     | 475     | 537     | 471     | 506     | 1,449       | 1,514       |
| Commercial multi-peril | 822    | 765     | 780     | 779     | 829     | 777     | 777     | 2,367       | 2,383       |
| International       | 442     | 539     | 397     | 464     | 397     | 475     | 403     | 1,378       | 1,275       |
| Other               | 7       | 6       | 22      | 3       | 3       | 4       | 19      | 35          | 36          |
| **Total**           | $3,797  | $3,679  | $3,590  | $3,517  | $3,914  | $3,680  | $3,583  | $11,066     | $11,177     |

| **National Accounts** |         |         |         |         |         |         |         |             |             |
| Additions to claim volume under administration (1) | $761    | $536    | $558    | $667    | $797    | $545    | $553    | $1,855      | $1,895      |
| Written fees        | $114    | $92     | $91     | $88     | $115    | $91     | $87     | $297        | $293        |

Certain prior period amounts have been restated to conform to the 2016 presentation.

(1) Includes new and renewal business.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### Operating Income - Bond & Specialty Insurance

($ in millions)

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<td>Revenues</td>
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<tr>
<td>Premiums</td>
<td>$504</td>
<td>$524</td>
<td>$539</td>
<td>$518</td>
<td>$508</td>
<td>$518</td>
<td>$529</td>
<td>$1,567</td>
<td>$1,555</td>
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<tr>
<td>Net investment income</td>
<td>56</td>
<td>57</td>
<td>56</td>
<td>54</td>
<td>52</td>
<td>51</td>
<td>53</td>
<td>169</td>
<td>156</td>
</tr>
<tr>
<td>Other revenues</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>14</td>
<td>13</td>
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<tr>
<td>Total revenues</td>
<td>565</td>
<td>586</td>
<td>599</td>
<td>580</td>
<td>563</td>
<td>575</td>
<td>586</td>
<td>1,750</td>
<td>1,724</td>
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<tr>
<td>Claims and expenses</td>
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<tr>
<td>Claims and claim adjustment expenses</td>
<td>192</td>
<td>192</td>
<td>113</td>
<td>146</td>
<td>164</td>
<td>80</td>
<td>173</td>
<td>497</td>
<td>417</td>
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<td>97</td>
<td>104</td>
<td>98</td>
<td>96</td>
<td>98</td>
<td>102</td>
<td>295</td>
<td>296</td>
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<tr>
<td>General and administrative expenses</td>
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<td>99</td>
<td>93</td>
<td>97</td>
<td>94</td>
<td>96</td>
<td>98</td>
<td>292</td>
<td>288</td>
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<tr>
<td>Total claims and expenses</td>
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<td>388</td>
<td>310</td>
<td>341</td>
<td>354</td>
<td>274</td>
<td>373</td>
<td>1,284</td>
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<tr>
<td>Operating income before income taxes</td>
<td>179</td>
<td>198</td>
<td>289</td>
<td>239</td>
<td>209</td>
<td>301</td>
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<td>723</td>
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<td>93</td>
<td>77</td>
<td>65</td>
<td>99</td>
<td>67</td>
<td>195</td>
<td>231</td>
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<tr>
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<td>$124</td>
<td>$151</td>
<td>$196</td>
<td>$162</td>
<td>$144</td>
<td>$202</td>
<td>$146</td>
<td>$471</td>
<td>$492</td>
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### Other statistics

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<tr>
<td>Effective tax rate on net investment income</td>
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<td>17.6%</td>
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<td>18.1%</td>
<td>18.8%</td>
<td>18.5%</td>
<td>18.3%</td>
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<tr>
<td>Net investment income (after-tax)</td>
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<td>$45</td>
<td>$44</td>
<td>$42</td>
<td>$42</td>
<td>$43</td>
<td>$138</td>
<td>$127</td>
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<td>Catastrophes, net of reinsurance:</td>
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<tr>
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<td>$1</td>
<td>$1</td>
<td>-</td>
<td>$1</td>
<td>$3</td>
<td>$1</td>
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<td>$1</td>
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<tr>
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<td>$35</td>
<td>$40</td>
<td>$103</td>
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<td>$60</td>
<td>$150</td>
<td>$41</td>
<td>$178</td>
<td>$251</td>
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<td>$67</td>
<td>$52</td>
<td>$39</td>
<td>$98</td>
<td>$26</td>
<td>$116</td>
<td>$163</td>
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</table>

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### The Travelers Companies, Inc.

**Operating Income by Major Component and Combined Ratio - Bond & Specialty Insurance**

($ in millions, net of tax)

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Underwriting gain</td>
<td>$75</td>
<td>$101</td>
<td>$148</td>
<td>$113</td>
<td>$100</td>
<td>$156</td>
<td>$99</td>
<td>$324</td>
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<tr>
<td>Net investment income</td>
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<td>47</td>
<td>45</td>
<td>44</td>
<td>42</td>
<td>42</td>
<td>43</td>
<td>138</td>
<td>127</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>3</td>
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<td>3</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>4</td>
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</tr>
<tr>
<td>Operating income</td>
<td>$124</td>
<td>$151</td>
<td>$196</td>
<td>$162</td>
<td>$144</td>
<td>$202</td>
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<td>$471</td>
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<tr>
<td>Combined ratio</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and loss adjustment expense ratio</td>
<td>37.6%</td>
<td>36.3%</td>
<td>20.6%</td>
<td>27.6%</td>
<td>31.9%</td>
<td>15.0%</td>
<td>32.3%</td>
<td>31.3%</td>
<td>26.4%</td>
</tr>
<tr>
<td>Underwriting expense ratio</td>
<td>38.5%</td>
<td>37.4%</td>
<td>36.5%</td>
<td>37.5%</td>
<td>37.4%</td>
<td>37.4%</td>
<td>37.8%</td>
<td>37.5%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Combined ratio</td>
<td>76.1%</td>
<td>73.7%</td>
<td>57.1%</td>
<td>65.1%</td>
<td>69.3%</td>
<td>52.4%</td>
<td>70.1%</td>
<td>68.8%</td>
<td>64.0%</td>
</tr>
</tbody>
</table>

Impact of catastrophes on combined ratio

|                      | 0.1%    | 0.3%    | 0.1%    | 0.0%    | 0.1%    | 0.6%    | 0.2%    | 0.2%    | 0.3%    |

Impact of prior year reserve development on combined ratio

|                      | -6.9%   | -7.7%   | -19.1%  | -15.6%  | -11.9%  | -29.1%  | -7.5%   | -11.4%  | -16.1%  |

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### Selected Statistics - Bond & Specialty Insurance

($ in millions)

<table>
<thead>
<tr>
<th>Statutory underwriting</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
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</thead>
<tbody>
<tr>
<td>Gross written premiums</td>
<td>522</td>
<td>537</td>
<td>580</td>
<td>514</td>
<td>536</td>
<td>549</td>
<td>580</td>
<td>1,639</td>
<td>1,665</td>
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<td>Net written premiums</td>
<td>478</td>
<td>534</td>
<td>565</td>
<td>504</td>
<td>492</td>
<td>536</td>
<td>566</td>
<td>1,577</td>
<td>1,594</td>
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<td>Net earned premiums</td>
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<td>539</td>
<td>518</td>
<td>508</td>
<td>518</td>
<td>529</td>
<td>1,567</td>
<td>1,555</td>
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<tr>
<td>Losses and loss adjustment expenses</td>
<td>189</td>
<td>191</td>
<td>111</td>
<td>143</td>
<td>162</td>
<td>78</td>
<td>171</td>
<td>491</td>
<td>411</td>
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<td>Underwriting expenses</td>
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<td>199</td>
<td>202</td>
<td>188</td>
<td>195</td>
<td>198</td>
<td>205</td>
<td>597</td>
<td>598</td>
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<td>Statutory underwriting gain</td>
<td>119</td>
<td>134</td>
<td>226</td>
<td>187</td>
<td>151</td>
<td>242</td>
<td>153</td>
<td>479</td>
<td>546</td>
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<tr>
<td>Policyholder dividends</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>6</td>
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<td>Statutory underwriting gain after policyholder dividends</td>
<td>$117</td>
<td>$132</td>
<td>$223</td>
<td>$184</td>
<td>$149</td>
<td>$240</td>
<td>$151</td>
<td>$472</td>
<td>$540</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### Net Written Premiums - Bond & Specialty Insurance

($ in millions)

<table>
<thead>
<tr>
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<td>Fidelity &amp; surety</td>
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<td>$259</td>
<td>$267</td>
<td>$220</td>
<td>$219</td>
<td>$255</td>
<td>$266</td>
<td>$732</td>
<td>$740</td>
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<td>General liability</td>
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<td>236</td>
<td>247</td>
<td>243</td>
<td>227</td>
<td>240</td>
<td>246</td>
<td>709</td>
<td>713</td>
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<td>Other</td>
<td>46</td>
<td>39</td>
<td>51</td>
<td>41</td>
<td>46</td>
<td>41</td>
<td>54</td>
<td>136</td>
<td>141</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>478</strong></td>
<td><strong>534</strong></td>
<td><strong>565</strong></td>
<td><strong>504</strong></td>
<td><strong>482</strong></td>
<td><strong>536</strong></td>
<td><strong>566</strong></td>
<td><strong>1,577</strong></td>
<td><strong>1,594</strong></td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Operating Income - Personal Insurance
($ in millions)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Premiums</td>
<td>$1,764</td>
<td>$1,798</td>
<td>$1,840</td>
<td>$1,866</td>
<td>$1,874</td>
<td>$1,918</td>
<td>$1,988</td>
<td>$5,402</td>
<td>$5,780</td>
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<tr>
<td>Fee income</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>11</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>12</td>
<td>12</td>
<td>9</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>33</td>
<td>42</td>
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<tr>
<td>Total revenues</td>
<td>1,861</td>
<td>1,902</td>
<td>1,940</td>
<td>1,960</td>
<td>1,968</td>
<td>2,014</td>
<td>2,091</td>
<td>5,703</td>
<td>6,073</td>
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<td>Claims and expenses</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims and claim adjustment expenses</td>
<td>974</td>
<td>1,117</td>
<td>1,040</td>
<td>1,090</td>
<td>1,249</td>
<td>1,297</td>
<td>1,303</td>
<td>3,131</td>
<td>3,849</td>
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<tr>
<td>Amortization of deferred acquisition costs</td>
<td>285</td>
<td>288</td>
<td>294</td>
<td>296</td>
<td>296</td>
<td>303</td>
<td>312</td>
<td>867</td>
<td>911</td>
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<tr>
<td>General and administrative expenses</td>
<td>234</td>
<td>252</td>
<td>252</td>
<td>250</td>
<td>230</td>
<td>255</td>
<td>254</td>
<td>738</td>
<td>739</td>
<td></td>
</tr>
<tr>
<td>Total claims and expenses</td>
<td>1,493</td>
<td>1,657</td>
<td>1,586</td>
<td>1,636</td>
<td>1,775</td>
<td>1,855</td>
<td>1,869</td>
<td>4,736</td>
<td>5,489</td>
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</tr>
<tr>
<td>Operating income before income taxes</td>
<td>368</td>
<td>245</td>
<td>354</td>
<td>324</td>
<td>193</td>
<td>159</td>
<td>222</td>
<td>967</td>
<td>574</td>
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<tr>
<td>Income tax expense</td>
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<td>71</td>
<td>113</td>
<td>102</td>
<td>54</td>
<td>43</td>
<td>64</td>
<td>300</td>
<td>161</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>$252</td>
<td>$174</td>
<td>$241</td>
<td>$222</td>
<td>$139</td>
<td>$116</td>
<td>$158</td>
<td>$667</td>
<td>$413</td>
<td></td>
</tr>
</tbody>
</table>

Other statistics

| Effective tax rate on net investment income | 19.6%  | 20.8%  | 20.9%  | 18.5%  | 19.5%  | 19.7%  | 21.0%  | 20.4%  | 20.1%  |
| Net investment income (after-tax) | $66     | $70     | $68     | $62     | $62     | $63     | $66     | $204    | $191    |
| Catastrophes, net of reinsurance: |         |         |         |         |         |         |         |         |         |
| Pre-tax | $62     | $112    | $45     | $45     | $169    | $118    | $16     | $219    | $303    |
| After-tax | $41    | $72     | $30     | $29     | $110    | $77     | $10     | $143    | $197    |
| Prior year reserve development - favorable (unfavorable) |         |         |         |         |         |         |         |         |         |
| Pre-tax | $131    | $64     | $47     | $36     | $27     | -       | -       | $242    | $6      |
| After-tax | $85    | $42     | $30     | $24     | $17     | -       | -       | $157    | $4      |

Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Operating Income by Major Component and Combined Ratio - Personal Insurance
($ in millions, net of tax)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting gain</td>
<td>$178</td>
<td>$97</td>
<td>$166</td>
<td>$151</td>
<td>$68</td>
<td>$44</td>
<td>$83</td>
<td>$441</td>
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<tr>
<td>Net investment income</td>
<td>66</td>
<td>70</td>
<td>68</td>
<td>62</td>
<td>62</td>
<td>63</td>
<td>66</td>
<td>204</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Operating income</td>
<td>$252</td>
<td>$174</td>
<td>$241</td>
<td>$222</td>
<td>$139</td>
<td>$116</td>
<td>$158</td>
<td>$667</td>
</tr>
</tbody>
</table>

Combined ratio (1)
- Loss and loss adjustment expense ratio: 55.2% 62.2% 56.5% 58.5% 66.7% 67.6% 65.5% 58.0% 66.6%
- Underwriting expense ratio: 28.3% 28.9% 28.6% 28.2% 27.0% 28.1% 27.4% 28.6% 27.5%
- Combined ratio excluding incremental impact of direct to consumer initiative: 83.5% 91.1% 85.1% 86.7% 93.7% 95.7% 92.9% 86.6% 94.1%
- Impact of catastrophes on combined ratio: 3.5% 6.2% 2.5% 2.4% 9.0% 6.2% 0.8% 4.1% 5.3%
- Impact of prior year reserve development on combined ratio: -7.5% -3.5% -2.6% -1.9% -1.4% 0.0% 1.1% -4.5% -0.1%

(1) Billing and policy fees and other, which are a component of other revenues, and fee income are allocated as a reduction of underwriting expenses.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing and policy fees and other</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$17</td>
<td>$48</td>
</tr>
<tr>
<td>Fee income</td>
<td>$3</td>
<td>$4</td>
<td>$4</td>
<td>$4</td>
<td>$3</td>
<td>$4</td>
<td>$5</td>
<td>$11</td>
</tr>
</tbody>
</table>

Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### The Travelers Companies, Inc.

**Selected Statistics - Personal Insurance**

($ in millions)

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory underwriting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross written premiums</td>
<td>$ 1,676</td>
<td>$ 1,978</td>
<td>$ 2,057</td>
<td>$ 1,851</td>
<td>$ 1,810</td>
<td>$ 2,142</td>
<td>$ 2,262</td>
<td>$ 5,711</td>
<td>$ 6,214</td>
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<tr>
<td>Net written premiums</td>
<td>$ 1,622</td>
<td>$ 1,956</td>
<td>$ 2,036</td>
<td>$ 1,843</td>
<td>$ 1,760</td>
<td>$ 2,129</td>
<td>$ 2,240</td>
<td>$ 5,614</td>
<td>$ 6,129</td>
</tr>
<tr>
<td>Net earned premiums</td>
<td>$ 1,764</td>
<td>$ 1,798</td>
<td>$ 1,840</td>
<td>$ 1,866</td>
<td>$ 1,874</td>
<td>$ 1,918</td>
<td>$ 1,988</td>
<td>$ 5,402</td>
<td>$ 5,780</td>
</tr>
<tr>
<td>Losses and loss adjustment expenses</td>
<td>974</td>
<td>1,117</td>
<td>1,040</td>
<td>1,091</td>
<td>1,249</td>
<td>1,297</td>
<td>1,302</td>
<td>3,131</td>
<td>3,848</td>
</tr>
<tr>
<td>Underwriting expenses</td>
<td>488</td>
<td>558</td>
<td>567</td>
<td>528</td>
<td>501</td>
<td>580</td>
<td>593</td>
<td>1,613</td>
<td>1,674</td>
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<tr>
<td>Statutory underwriting gain</td>
<td>$ 302</td>
<td>$ 123</td>
<td>$ 233</td>
<td>$ 247</td>
<td>$ 124</td>
<td>$ 41</td>
<td>$ 93</td>
<td>$ 638</td>
<td>$ 256</td>
</tr>
</tbody>
</table>

| Policies in force (in thousands) |         |         |         |         |         |         |         |            |            |
| Automobile                 | 2,125    | 2,166    | 2,224    | 2,283    | 2,346    | 2,417    | 2,502    | 2,224      | 2,502      |
| Homeowners and other       | 4,107    | 4,121    | 4,145    | 4,158    | 4,188    | 4,244    | 4,279    | 4,145      | 4,279      |

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
## Selected Statistics - Personal Insurance (Agency Automobile) (1)

($ in millions)

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<tbody>
<tr>
<td>Statutory underwriting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross written premiums</td>
<td>$828</td>
<td>$893</td>
<td>$938</td>
<td>$892</td>
<td>$939</td>
<td>$1,022</td>
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<td>Net written premiums</td>
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<td>$934</td>
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<td>$932</td>
<td>$1,018</td>
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<td>$925</td>
<td>$973</td>
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<td>585</td>
<td>640</td>
<td>626</td>
<td>703</td>
<td>751</td>
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<td>230</td>
<td>234</td>
<td>227</td>
<td>234</td>
<td>252</td>
<td>259</td>
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<tr>
<td>Combined ratio (2):</td>
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</tr>
<tr>
<td>Loss and loss adjustment expense ratio</td>
<td>64.4%</td>
<td>70.4%</td>
<td>68.5%</td>
<td>73.0%</td>
<td>70.3%</td>
<td>75.9%</td>
<td>77.1%</td>
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<td>74.6%</td>
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<td>25.4%</td>
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<td>24.9%</td>
<td>25.4%</td>
<td>24.3%</td>
<td>25.8%</td>
<td>24.8%</td>
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<tr>
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<td>90.2%</td>
<td>96.5%</td>
<td>93.9%</td>
<td>98.1%</td>
<td>95.2%</td>
<td>101.3%</td>
<td>101.4%</td>
<td>93.6%</td>
<td>99.4%</td>
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<tr>
<td>Impact of catastrophes on combined ratio</td>
<td>0.0%</td>
<td>2.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>2.0%</td>
<td>2.7%</td>
<td>0.3%</td>
<td>0.8%</td>
<td>1.7%</td>
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<tr>
<td>Impact of prior year reserve development on combined ratio</td>
<td>-2.8%</td>
<td>-2.5%</td>
<td>-2.4%</td>
<td>-2.2%</td>
<td>-0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-2.6%</td>
<td>-0.3%</td>
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<tr>
<td>Impact of prior year reserve development on combined ratio</td>
<td>-2.8%</td>
<td>-2.5%</td>
<td>-2.4%</td>
<td>-2.2%</td>
<td>-0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-2.6%</td>
<td>-0.3%</td>
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<tr>
<td>Impact of prior year reserve development on combined ratio</td>
<td>-2.8%</td>
<td>-2.5%</td>
<td>-2.4%</td>
<td>-2.2%</td>
<td>-0.8%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-2.6%</td>
<td>-0.3%</td>
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<td>Catastrophe losses, net of reinsurance:</td>
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<td>Pre-tax</td>
<td>$-</td>
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<td>After-tax</td>
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<td>$-</td>
<td>$12</td>
<td>$16</td>
<td>$2</td>
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<td>$30</td>
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<td>Prior year reserve development - favorable (unfavorable)</td>
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<td>-</td>
<td>$-</td>
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<td>Policies in force (in thousands)</td>
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<td>2,106</td>
<td>2,157</td>
<td>2,212</td>
<td>2,275</td>
<td>2,350</td>
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<tr>
<td>Change from prior year quarter</td>
<td>1.8%</td>
<td>3.8%</td>
<td>5.8%</td>
<td>7.9%</td>
<td>9.5%</td>
<td>10.6%</td>
<td>11.6%</td>
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<tr>
<td>Change from prior quarter</td>
<td>1.1%</td>
<td>1.8%</td>
<td>2.4%</td>
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<td>2.5%</td>
<td>2.8%</td>
<td>3.3%</td>
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</table>

(1) Represents Automobile policies sold through agents, brokers and other intermediaries, and excludes direct to consumer.

(2) Billing and policy fees and other, which are a component of other revenues, and fee income are allocated as a reduction of underwriting expenses.

Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Selected Statistics - Personal Insurance (Agency Homeowners and Other) (1)
($ in millions)

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<thead>
<tr>
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<tr>
<td><strong>Statutory underwriting</strong></td>
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<tr>
<td>Gross written premiums</td>
<td>$795 $1,029</td>
<td>$1,052 $897 $803 $1,045</td>
<td>$1,075 $2,876</td>
<td>$2,923</td>
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<tr>
<td>Net written premiums</td>
<td>$748 $1,010</td>
<td>$1,035 $894 $760 $1,038</td>
<td>$1,058 $2,793</td>
<td>$2,654</td>
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<tr>
<td>Net earned premiums</td>
<td>$914 $920</td>
<td>$930 $929 $920 $926</td>
<td>$942 $2,764</td>
<td>$2,786</td>
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<td>Losses and loss adjustment expenses</td>
<td>425 498</td>
<td>414 407 578 541</td>
<td>493 1,337</td>
<td>1,612</td>
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<td>Underwriting expenses</td>
<td>236 289</td>
<td>291 263 236 297</td>
<td>301 816</td>
<td>634</td>
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<td></td>
<td></td>
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<td>Statutory underwriting gain</td>
<td>$260 $133</td>
<td>$225 $106 $88</td>
<td>$148 $342</td>
<td></td>
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</table>

| **Other statistics** |         |         |         |         |         |         |         |            |            |
| Combined ratio (2):   |         |         |         |         |         |         |         |            |            |
| Loss and loss adjustment expense ratio | 46.5% 54.2% | 44.6% 43.8% 62.8% 58.4% | 52.3% 48.4% 57.8% |
| Underwriting expense ratio | 27.9% 28.8% | 28.8% 28.8% 27.6% 29.5% | 29.2% 28.5% 28.8% |
| Combined ratio         | 74.4% 83.0% | 73.4% 72.6% 90.4% 87.9% | 81.5% 76.9% 86.6% |
| Impact of catastrophes on combined ratio | 6.7% 10.1% | 4.7% 4.7% 16.0% 9.7% | 1.2% 7.1% 8.9% |
| Impact of prior year reserve development on combined ratio | -11.8% -4.6% | -2.8% -1.6% -1.8% 0.0% | 2.0% -6.4% 0.1% |
| Catastrophe losses, net of reinsurance: |         |         |         |         |         |         |         |            |            |
| Pre-tax                | $61 $93 | $43 $44 $147 $91 | $11 $197 | 249 |
| After-tax              | $40 $60 | $28 $29 $96 $59 | $7 $128 | 162 |
| Prior year reserve development - favorable (unfavorable) |         |         |         |         |         |         |         |            |            |
| Pre-tax                | $108 $43 | $26 $15 $17 $ - | $ (19) $177 | (2) |
| After-tax              | $70 $28 | $17 $10 $11 $ - | $ (12) $115 | (1) |
| Policies in force (in thousands) | 4,008 4,017 | 4,034 4,042 4,068 4,117 | 4,146 |
| Change from prior year quarter | -3.3% -2.3% | -0.9% 0.2% 1.5% 2.5% | 2.8% |
| Change from prior quarter | -0.6% 0.2% | 0.4% 0.2% 0.6% 1.2% | 0.7% |

(1) Represents Homeowners and Other Lines sold through agents, brokers and other intermediaries, and excludes direct to consumer.

(2) Billing and policy fees and other, which are a component of other revenues, and fee income are allocated as a reduction of underwriting expenses.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Billing and policy fees and other</td>
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<td>$7 $6</td>
<td>$7 $6</td>
<td>$6 $6</td>
<td>$21 $5</td>
<td>$6 $6</td>
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<td>Fee income</td>
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<td>$2 $2</td>
<td>$2 $2</td>
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Certain prior period amounts have been restated to conform to the 2016 presentation.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
## The Travelers Companies, Inc.

### Selected Statistics - Direct to Consumer (1)

($ in millions)

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<tr>
<th></th>
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<tr>
<td>Automobile</td>
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<td>$38</td>
<td>$47</td>
<td>$43</td>
<td>$51</td>
<td>$53</td>
<td>$63</td>
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<td>17</td>
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<tr>
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<td>$61</td>
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<td><strong>Premiums</strong></td>
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<td>$67</td>
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<td>-</td>
<td>1</td>
<td>1</td>
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<tr>
<td><strong>Total revenues</strong></td>
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<td>$52</td>
<td>$56</td>
<td>$60</td>
<td>$63</td>
<td>$68</td>
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<td>$156</td>
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<td>$83</td>
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<td>$85</td>
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<td>(26)</td>
<td>(23)</td>
<td>(13)</td>
<td>(17)</td>
<td>(19)</td>
<td>(74)</td>
<td>(49)</td>
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<tr>
<td>Income taxes</td>
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<td>(9)</td>
<td>(9)</td>
<td>(8)</td>
<td>(5)</td>
<td>(5)</td>
<td>(7)</td>
<td>(26)</td>
<td>(17)</td>
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<td><strong>Other statistics</strong></td>
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<tr>
<td>Policies in force (in thousands)</td>
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<tr>
<td>Automobile</td>
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<td>126</td>
<td>134</td>
<td>142</td>
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<tr>
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<td>111</td>
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<td>120</td>
<td>127</td>
<td>133</td>
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<tr>
<td><strong>Catastrophes, net of reinsurance</strong></td>
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<tr>
<td>Pre-tax</td>
<td>$1</td>
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<td>$3</td>
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<td>$1</td>
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<td>$2</td>
<td>$-</td>
<td>$2</td>
<td>$2</td>
<td>$1</td>
<td>$3</td>
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<td><strong>Prior year reserve development - favorable (unfavorable)</strong></td>
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<tr>
<td>Pre-tax</td>
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<tr>
<td>After-tax</td>
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<td>$1</td>
<td>$2</td>
<td>$-</td>
<td>$ (1)</td>
<td>$-</td>
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</tbody>
</table>

(1) Represents incremental premiums, other revenues and claims and expenses of Direct to Consumer business activities included in Personal Insurance operating income.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
<table>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
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<td>$ -</td>
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<td>$ 3</td>
<td>$ 3</td>
<td>$ 3</td>
<td>$ 3</td>
<td>$ 3</td>
<td>$ 3</td>
</tr>
<tr>
<td><strong>Claims and expenses</strong></td>
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<td>Interest expense</td>
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<td>92</td>
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<td>95</td>
<td>91</td>
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<td>8</td>
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<td>23</td>
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<td>104</td>
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<td>100</td>
<td>97</td>
<td>300</td>
<td>296</td>
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<td>(99)</td>
<td>(101)</td>
<td>(96)</td>
<td>(97)</td>
<td>(94)</td>
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<td>(287)</td>
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<td>Income taxes</td>
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<td>(34)</td>
<td>(37)</td>
<td>(35)</td>
<td>(35)</td>
<td>(34)</td>
<td>(106)</td>
<td>(104)</td>
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<td>$ (62)</td>
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<td>$ (60)</td>
<td>$ (60)</td>
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<td>$ (183)</td>
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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
# The Travelers Companies, Inc.
## Consolidated Balance Sheet

## Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed maturities, available for sale, at fair value (amortized cost $60,149 and $58,878)</td>
<td>$63,036</td>
<td>$60,658</td>
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<tr>
<td>Equity securities, available for sale, at fair value (cost $510 and $528)</td>
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<td>705</td>
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<tr>
<td>Real estate investments</td>
<td>929</td>
<td>989</td>
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<td>Short-term securities</td>
<td>4,803</td>
<td>4,671</td>
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<td>Other investments</td>
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<td>3,447</td>
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<tr>
<td><strong>Total investments</strong></td>
<td><strong>72,964</strong></td>
<td><strong>70,470</strong></td>
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<td>Cash</td>
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<td>380</td>
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<td>Investment income accrued</td>
<td>586</td>
<td>642</td>
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<td>Premiums receivable</td>
<td>6,785</td>
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<td>Reinsurance recoverables</td>
<td>8,665</td>
<td>8,910</td>
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<td>Ceded unearned premiums</td>
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<td>656</td>
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<tr>
<td>Deferred acquisition costs</td>
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<td>Deferred taxes</td>
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<td>Contractholder receivables</td>
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<td>4,374</td>
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<tr>
<td>Goodwill</td>
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<td>3,573</td>
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<td>Other intangible assets</td>
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<td>Other assets</td>
<td>2,566</td>
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<td><strong>Total assets</strong></td>
<td><strong>$102,787</strong></td>
<td><strong>$100,184</strong></td>
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## Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims and claim adjustment expense reserves</td>
<td>$48,168</td>
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<td>Unearned premium reserves</td>
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<td>Contractholder payables</td>
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<td>Payables for reinsurance premiums</td>
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<tr>
<td>Deferred taxes</td>
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<td>Debt</td>
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<td><strong>Total liabilities</strong></td>
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<td><strong>76,586</strong></td>
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## Shareholders' equity

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<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock (1,750.0 shares authorized; 284.1 and 295.9 shares issued and outstanding)</td>
<td>22,419</td>
<td>22,172</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>31,443</td>
<td>29,945</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>660</td>
<td>(157)</td>
</tr>
<tr>
<td>Treasury stock, at cost (482.9 and 467.6 shares)</td>
<td>(30,083)</td>
<td>(28,962)</td>
</tr>
<tr>
<td><strong>Total shareholders' equity</strong></td>
<td><strong>24,439</strong></td>
<td><strong>23,598</strong></td>
</tr>
</tbody>
</table>

## Total liabilities and shareholders' equity

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and shareholders' equity</strong></td>
<td><strong>$102,787</strong></td>
<td><strong>$100,184</strong></td>
</tr>
</tbody>
</table>
# The Travelers Companies, Inc.
## Investment Portfolio
(at carrying value, $ in millions)

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th>Pre-tax Book Yield (1)</th>
<th>December 31, 2015</th>
<th>Pre-tax Book Yield (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment portfolio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable fixed maturities (including redeemable preferred stock)</td>
<td>$30,069</td>
<td>3.17%</td>
<td>$29,612</td>
<td>3.30%</td>
</tr>
<tr>
<td>Tax-exempt fixed maturities</td>
<td>32,967</td>
<td>3.30%</td>
<td>31,046</td>
<td>3.58%</td>
</tr>
<tr>
<td><strong>Total fixed maturities</strong></td>
<td><strong>63,036</strong></td>
<td><strong>3.24%</strong></td>
<td><strong>60,658</strong></td>
<td><strong>3.44%</strong></td>
</tr>
<tr>
<td>Non-redeemable preferred stocks</td>
<td>135</td>
<td>5.41%</td>
<td>162</td>
<td>5.73%</td>
</tr>
<tr>
<td>Public common stocks</td>
<td>609</td>
<td></td>
<td>543</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity securities</strong></td>
<td><strong>744</strong></td>
<td></td>
<td><strong>705</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Real estate investments</strong></td>
<td>929</td>
<td></td>
<td>989</td>
<td></td>
</tr>
<tr>
<td><strong>Short-term securities</strong></td>
<td>4,803</td>
<td>0.63%</td>
<td>4,671</td>
<td>0.37%</td>
</tr>
<tr>
<td>Private equities</td>
<td>2,017</td>
<td></td>
<td>2,056</td>
<td></td>
</tr>
<tr>
<td>Hedge funds</td>
<td>367</td>
<td></td>
<td>416</td>
<td></td>
</tr>
<tr>
<td>Real estate partnerships</td>
<td>658</td>
<td></td>
<td>626</td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>410</td>
<td></td>
<td>349</td>
<td></td>
</tr>
<tr>
<td><strong>Total other investments</strong></td>
<td><strong>3,452</strong></td>
<td></td>
<td><strong>3,447</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$72,964</strong></td>
<td></td>
<td><strong>$70,470</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net unrealized investment gains, net of tax, included in shareholders’ equity</strong></td>
<td>$2,049</td>
<td></td>
<td>$1,289</td>
<td></td>
</tr>
</tbody>
</table>

(1) Yields are provided for those investments with an embedded book yield.
### The Travelers Companies, Inc.
#### Investment Portfolio - Fixed Maturities Data
(at carrying value, $ in millions)

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>% of Total</td>
</tr>
<tr>
<td>U.S. Treasury securities and obligations of U.S. Government corporations and agencies</td>
<td>$ 2,071</td>
<td>$ 2,194</td>
</tr>
<tr>
<td>Obligations of states and political subdivisions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-refunded</td>
<td>5,365</td>
<td>6,060</td>
</tr>
<tr>
<td>All other</td>
<td>27,915</td>
<td>25,351</td>
</tr>
<tr>
<td>Total</td>
<td>33,280</td>
<td>31,411</td>
</tr>
<tr>
<td>Debt securities issued by foreign governments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage-backed securities - principally obligations of U.S. Government agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporates (including redeemable preferreds)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fixed maturities</td>
<td>$ 63,036</td>
<td>$ 60,658</td>
</tr>
</tbody>
</table>

### Fixed Maturities
#### Quality Characteristics (1)

#### Quality Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>$ 26,508</td>
<td>42.1 %</td>
</tr>
<tr>
<td>Aa</td>
<td>18,588</td>
<td>29.5</td>
</tr>
<tr>
<td>A</td>
<td>8,900</td>
<td>14.1</td>
</tr>
<tr>
<td>Baa</td>
<td>7,279</td>
<td>11.5</td>
</tr>
<tr>
<td>Total investment grade</td>
<td>61,275</td>
<td>97.2 %</td>
</tr>
<tr>
<td>Ba</td>
<td>1,060</td>
<td>1.7</td>
</tr>
<tr>
<td>B</td>
<td>434</td>
<td>0.7</td>
</tr>
<tr>
<td>Caa and lower</td>
<td>267</td>
<td>0.4</td>
</tr>
<tr>
<td>Total below investment grade</td>
<td>1,761</td>
<td>2.8 %</td>
</tr>
<tr>
<td>Total fixed maturities</td>
<td>$ 63,036</td>
<td>100.0 %</td>
</tr>
<tr>
<td>Average weighted quality</td>
<td>Aa2, AA</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Average duration of fixed maturities and short-term securities, net of securities lending activities and net receivables and payables on investment sales and purchases

(1) Rated using external rating agencies or by Travelers when a public rating does not exist. Below investment grade assets refer to securities rated "Ba" or below.
# The Travelers Companies, Inc.

## Investment Income

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross investment income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed maturities</td>
<td>$ 531</td>
<td>$ 526</td>
<td>$ 516</td>
<td>$ 518</td>
<td>$ 503</td>
<td>$ 497</td>
<td>$ 490</td>
<td>$ 1,573</td>
<td>$ 1,490</td>
</tr>
<tr>
<td>Short-term securities</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>69</td>
<td>113</td>
<td>105</td>
<td>30</td>
<td>44</td>
<td>53</td>
<td>95</td>
<td>287</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>602</td>
<td>642</td>
<td>624</td>
<td>552</td>
<td>563</td>
<td>557</td>
<td>592</td>
<td>1,868</td>
<td>1,702</td>
</tr>
<tr>
<td><strong>Investment expenses</strong></td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>9</td>
<td>8</td>
<td>10</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td><strong>Net investment income, pre-tax</strong></td>
<td>592</td>
<td>632</td>
<td>614</td>
<td>541</td>
<td>544</td>
<td>549</td>
<td>582</td>
<td>1,838</td>
<td>1,675</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>114</td>
<td>129</td>
<td>130</td>
<td>101</td>
<td>105</td>
<td>107</td>
<td>110</td>
<td>373</td>
<td>322</td>
</tr>
<tr>
<td><strong>Net investment income, after-tax</strong></td>
<td>$ 478</td>
<td>$ 503</td>
<td>$ 484</td>
<td>$ 440</td>
<td>$ 439</td>
<td>$ 442</td>
<td>$ 472</td>
<td>$ 1,465</td>
<td>$ 1,353</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>19.3%</td>
<td>20.5%</td>
<td>21.1%</td>
<td>18.7%</td>
<td>19.3%</td>
<td>19.4%</td>
<td>19.0%</td>
<td>20.3%</td>
<td>19.2%</td>
</tr>
<tr>
<td><strong>Average invested assets (1)</strong></td>
<td>$ 70,722</td>
<td>$ 70,291</td>
<td>$ 70,569</td>
<td>$ 70,756</td>
<td>$ 69,926</td>
<td>$ 70,033</td>
<td>$ 70,110</td>
<td>$ 70,607</td>
<td>$ 70,082</td>
</tr>
<tr>
<td><strong>Average yield pre-tax (1)</strong></td>
<td>3.3%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.3%</td>
<td>3.5%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Average yield after-tax</strong></td>
<td>2.7%</td>
<td>2.9%</td>
<td>2.7%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

(1) Excludes net unrealized investment gains, and is adjusted for cash, receivables for investment sales, payables on investment purchases and accrued investment income.
The Travelers Companies, Inc.
Net Realized and Unrealized Investment Gains (Losses)
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized investment gains (losses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed maturities</td>
<td>$ 17</td>
<td>$ 14</td>
<td>$ 30</td>
<td>$ 7</td>
<td>$ 4</td>
<td>$ 21</td>
<td>$ 11</td>
<td>$ 61</td>
<td>$ 36</td>
</tr>
<tr>
<td>Equity securities</td>
<td>-</td>
<td>(1)</td>
<td>(10)</td>
<td>(20)</td>
<td>(5)</td>
<td>2</td>
<td>2</td>
<td>(11)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other (1)</td>
<td>(7)</td>
<td>(2)</td>
<td>(5)</td>
<td>(19)</td>
<td>(8)</td>
<td>(4)</td>
<td>(15)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Realized investment gains (losses) before tax</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>(32)</td>
<td>(9)</td>
<td>19</td>
<td>23</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Related taxes</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>(12)</td>
<td>(2)</td>
<td>4</td>
<td>8</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Net realized investment gains (losses)</td>
<td>$ 6</td>
<td>$ 6</td>
<td>$ 10</td>
<td>$ (20)</td>
<td>$ (7)</td>
<td>$ 15</td>
<td>$ 15</td>
<td>$ 22</td>
<td>$ 22</td>
</tr>
<tr>
<td>Gross investment gains (1)</td>
<td>$ 71</td>
<td>$ 102</td>
<td>$ 108</td>
<td>$ 96</td>
<td>$ 120</td>
<td>$ 150</td>
<td>$ 68</td>
<td>$ 281</td>
<td>$ 338</td>
</tr>
<tr>
<td>Gross investment losses before impairments (1)</td>
<td>(58)</td>
<td>(86)</td>
<td>(79)</td>
<td>(99)</td>
<td>(111)</td>
<td>(127)</td>
<td>(41)</td>
<td>(223)</td>
<td>(279)</td>
</tr>
<tr>
<td>Net investment gains (losses) before impairments</td>
<td>13</td>
<td>16</td>
<td>29</td>
<td>(3)</td>
<td>9</td>
<td>23</td>
<td>27</td>
<td>58</td>
<td>59</td>
</tr>
<tr>
<td>Other-than-temporary impairment losses</td>
<td>(3)</td>
<td>(6)</td>
<td>(14)</td>
<td>(29)</td>
<td>(18)</td>
<td>(4)</td>
<td>(4)</td>
<td>(23)</td>
<td>(26)</td>
</tr>
<tr>
<td>Net realized investment gains (losses) before tax</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>(32)</td>
<td>(9)</td>
<td>19</td>
<td>23</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Related taxes</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>(12)</td>
<td>(2)</td>
<td>4</td>
<td>8</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Net realized investment gains (losses)</td>
<td>$ 6</td>
<td>$ 6</td>
<td>$ 10</td>
<td>$ (20)</td>
<td>$ (7)</td>
<td>$ 15</td>
<td>$ 15</td>
<td>$ 22</td>
<td>$ 22</td>
</tr>
</tbody>
</table>

Net unrealized investment gains, net of tax, by asset type

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed maturities</td>
<td>$ 2,853</td>
<td>$ 1,830</td>
<td>$ 1,983</td>
<td>$ 1,780</td>
<td>$ 2,495</td>
<td>$ 3,336</td>
<td>$ 2,887</td>
</tr>
<tr>
<td>Equity securities &amp; other</td>
<td>319</td>
<td>274</td>
<td>183</td>
<td>194</td>
<td>198</td>
<td>249</td>
<td>248</td>
</tr>
<tr>
<td>Unrealized investment gains before tax</td>
<td>3,172</td>
<td>2,104</td>
<td>2,166</td>
<td>1,974</td>
<td>2,693</td>
<td>3,585</td>
<td>3,135</td>
</tr>
<tr>
<td>Related taxes</td>
<td>1,096</td>
<td>729</td>
<td>750</td>
<td>685</td>
<td>934</td>
<td>1,244</td>
<td>1,086</td>
</tr>
<tr>
<td>Balance, end of period</td>
<td>$ 2,076</td>
<td>$ 1,376</td>
<td>$ 1,414</td>
<td>$ 1,289</td>
<td>$ 1,759</td>
<td>$ 2,341</td>
<td>$ 2,049</td>
</tr>
</tbody>
</table>

(1) Includes the following gross investment gains and gross investment losses related to U.S. Treasury futures, which are settled daily:

<table>
<thead>
<tr>
<th></th>
<th>Gross investment Treasury future gains</th>
<th>Gross investment Treasury future losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 2015</td>
<td>$ 44 $ 56</td>
<td>$ 47 $ 34</td>
</tr>
<tr>
<td>2Q 2015</td>
<td>$ 44 $ 47</td>
<td>$ 30 $ 49</td>
</tr>
<tr>
<td>3Q 2015</td>
<td>$ 31 $ 36</td>
<td>$ 31 $ 42</td>
</tr>
<tr>
<td>1Q 2016</td>
<td>$ 36 $ 147</td>
<td>$ 33 $ 162</td>
</tr>
<tr>
<td>2Q 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q 2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Company entered into these arrangements as part of its strategy to manage the duration of its fixed maturity portfolio. In a changing interest rate environment, the change in the value of the futures contracts can be expected to partially offset changes in the value of the fixed maturity portfolio.
The Travelers Companies, Inc.

Reinsurance Recoverables
($ in millions)

<table>
<thead>
<tr>
<th>A.M. Best Rating of Group's Predominant Reinsurer</th>
<th>September 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Re Group</td>
<td>421</td>
</tr>
<tr>
<td>Munich Re Group</td>
<td>419</td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>265</td>
</tr>
<tr>
<td>Sompo Japan Nipponkoa Group</td>
<td>134</td>
</tr>
</tbody>
</table>

The gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses represent the current and estimated future amounts due from reinsurers on known and incurred but not reported claims. The ceded reserves are estimated in a manner consistent with the underlying direct and assumed reserves. Although this total comprises recoverables due from nearly one thousand different reinsurance entities, about half is attributable to 10 reinsurers.

The net reinsurance recoverables reflect an allowance for uncollectible reinsurance that is based upon the Company's ongoing review of amounts outstanding, reinsurer solvency, the Company's experience, current economic conditions, and other relevant factors. Of the total net recoverables due from reinsurers at September 30, 2016, after deducting mandatory pools and associations and structured settlement balances, $2.8 billion, or 79%, were rated by A.M. Best Company. Of the total rated by A.M. Best Company, 99% were rated A- or better. The remaining 21% of net recoverables from reinsurers were comprised of the following: 5% related to the Company's participation in voluntary pools, 12% related to recoverables from captive insurance companies and 4% were balances from other companies not rated by A.M. Best Company. In addition, $1.1 billion of the net recoverables were collateralized by letters of credit, funds held or trust agreements at September 30, 2016.

The gross reinsurance recoverables represent the current and estimated future amounts due from reinsurers on known and incurred but not reported claims. The ceded reserves are estimated in a manner consistent with the underlying direct and assumed reserves. Although this total comprises recoverables due from nearly one thousand different reinsurance entities, about half is attributable to 10 reinsurers.

(ii) The mandatory pools and associations represent various involuntary assigned risk pools that the Company is required to participate in. These pools principally involve workers' compensation and automobile insurance, which provide various insurance coverages to insureds that otherwise are unable to purchase coverage in the open market. The costs of these mandatory pools in most states are usually charged back to the participating members in proportion to voluntary writings of related business in that state. In the event that a member of the pool becomes insolvent, the remaining members assume an additional pro rata share of the pool's liabilities. Recoverables due from the National Flood Insurance Program are included with mandatory pools.

(iii) Included in reinsurance recoverables are certain amounts related to structured settlements, which comprise annuities purchased from various life insurance companies to settle certain personal physical injury claims, of which workers' compensation claims comprise a significant portion. In cases where the Company did not receive a release from the claimant, the amount due from the life insurance company related to the structured settlement is included in the Company's consolidated balance sheet as a liability and as a reinsurance recoverable, as the Company retains the contingent liability to pay the claimant in the event that the life insurance company fails to make the required annuity payments. The Company would be required to make such payments, to the extent the purchased annuities are not covered by state guaranty associations.

The Company's top five groups by structured settlement is as follows:

<table>
<thead>
<tr>
<th>A.M. Best Rating of Group's Predominant Insurer</th>
<th>September 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelity and Guaranty Life (1)</td>
<td>887</td>
</tr>
<tr>
<td>Metlife (2)</td>
<td>393</td>
</tr>
<tr>
<td>Genworth Financial Group</td>
<td>380</td>
</tr>
<tr>
<td>John Hancock Group</td>
<td>293</td>
</tr>
<tr>
<td>Symetra Financial Corporation</td>
<td>269</td>
</tr>
</tbody>
</table>

(1) Fidelity and Guaranty Life (FGL) has entered into a definitive merger agreement with Anbang Insurance Group Co., Ltd. whereby Anbang will acquire all of the outstanding shares of FGL. Regulatory approvals are still in progress. A.M. Best's ratings of FGL were placed under review with developing implications following the announcement of the merger agreement. The Company does not have any structured settlements with Anbang.

(2) MetLife Inc. previously announced a plan to pursue the separation of a substantial portion of its U.S. Retail segment, to be named Brighthouse Financial, Inc. Brighthouse will include MetLife Insurance Company USA, which represents the majority of the structured settlement annuities Travelers holds with MetLife. On October 7, 2016, A.M. Best downgraded MetLife Insurance Company USA's financial strength rating to A (Excellent) from A+ (Superior), with a stable outlook.
The Travelers Companies, Inc.
Net Reserves for Losses and Loss Adjustment Expense
($ in millions)

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(1) Excludes accretion of discount.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
### Asbestos Reserves

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### Environmental Reserves

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See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Capitalization
($ in millions)

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<td>5.90% Senior notes due June 2, 2019 (1)</td>
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<td>3.90% Senior notes due November 1, 2020 (1)</td>
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<td>400</td>
</tr>
<tr>
<td>6.25% Senior notes due June 15, 2037 (1)</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>5.35% Senior notes due November 1, 2040 (1)</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>4.60% Senior notes due August 1, 2043 (1)</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>4.30% Senior notes due August 25, 2045 (1)</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>8.50% Junior subordinated debentures due December 15, 2045</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>3.75% Senior notes due May 15, 2046 (1)</td>
<td>500</td>
<td>.</td>
</tr>
<tr>
<td>8.312% Junior subordinated debentures due July 1, 2046</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>6.25% Fixed-to-floating rate junior subordinated debentures due March 15, 2067 (2)</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>6,361</td>
<td>5,861</td>
</tr>
<tr>
<td>Unamortized fair value adjustment</td>
<td>47</td>
<td>49</td>
</tr>
<tr>
<td>Unamortized debt issuance costs</td>
<td>(72)</td>
<td>(66)</td>
</tr>
<tr>
<td>Total debt</td>
<td>6,436</td>
<td>5,844</td>
</tr>
<tr>
<td><strong>Common equity (excluding net unrealized investment gains, net of tax)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22,390</td>
<td>22,309</td>
</tr>
<tr>
<td><strong>Total capital (excluding net unrealized investment gains, net of tax)</strong></td>
<td>28,826</td>
<td>28,653</td>
</tr>
<tr>
<td><strong>Total debt to capital (excluding net unrealized investment gains, net of tax)</strong></td>
<td>22.3%</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

(1) Redeemable anytime with "make-whole" premium.

(2) Redeemable anytime prior to March 15, 2017 with make-whole premium. Redeemable anytime on or after March 15, 2017 at par.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Statutory Capital and Surplus to GAAP Shareholders' Equity Reconciliation
($ in millions)

<table>
<thead>
<tr>
<th>Statutory capital and surplus</th>
<th>September 30, 2016 (1)</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,609</td>
<td>$20,567</td>
<td></td>
</tr>
</tbody>
</table>

**GAAP adjustments**

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016 (1)</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill and intangible assets</td>
<td>3,692</td>
<td>3,687</td>
</tr>
<tr>
<td>Investments</td>
<td>3,327</td>
<td>2,258</td>
</tr>
<tr>
<td>Noninsurance companies</td>
<td>(4,665)</td>
<td>(4,688)</td>
</tr>
<tr>
<td>Deferred acquisition costs</td>
<td>1,975</td>
<td>1,849</td>
</tr>
<tr>
<td>Deferred federal income tax</td>
<td>(1,730)</td>
<td>(1,269)</td>
</tr>
<tr>
<td>Current federal income tax</td>
<td>(21)</td>
<td>(23)</td>
</tr>
<tr>
<td>Reinsurance recoverables</td>
<td>109</td>
<td>109</td>
</tr>
<tr>
<td>Furniture, equipment &amp; software</td>
<td>683</td>
<td>672</td>
</tr>
<tr>
<td>Agents balances</td>
<td>179</td>
<td>153</td>
</tr>
<tr>
<td>Other</td>
<td>281</td>
<td>283</td>
</tr>
</tbody>
</table>

| Total GAAP adjustments         | 3,830                  | 3,031            |

**GAAP shareholders' equity**

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2016 (1)</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,439</td>
<td>$23,598</td>
<td></td>
</tr>
</tbody>
</table>

(1) Estimated and Preliminary

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.
The Travelers Companies, Inc.
Statement of Cash Flows
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>833</td>
<td>812</td>
<td>928</td>
<td>866</td>
<td>691</td>
<td>664</td>
<td>716</td>
<td>2,573</td>
<td>2,071</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized investment (gains) losses</td>
<td>(10)</td>
<td>(10)</td>
<td>(15)</td>
<td>32</td>
<td>9</td>
<td>(19)</td>
<td>(23)</td>
<td>(35)</td>
<td>(33)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>225</td>
<td>204</td>
<td>191</td>
<td>198</td>
<td>213</td>
<td>200</td>
<td>211</td>
<td>620</td>
<td>624</td>
</tr>
<tr>
<td>Deferred federal income tax expense</td>
<td>133</td>
<td>9</td>
<td>(37)</td>
<td>12</td>
<td>105</td>
<td>(30)</td>
<td>(46)</td>
<td>105</td>
<td>29</td>
</tr>
<tr>
<td>Amortization of deferred acquisition costs</td>
<td>963</td>
<td>963</td>
<td>987</td>
<td>972</td>
<td>971</td>
<td>989</td>
<td>1,012</td>
<td>2,913</td>
<td>2,972</td>
</tr>
<tr>
<td>Equity in income from other investments</td>
<td>(43)</td>
<td>(91)</td>
<td>(80)</td>
<td>(4)</td>
<td>(17)</td>
<td>(27)</td>
<td>(79)</td>
<td>(214)</td>
<td>(114)</td>
</tr>
<tr>
<td>Premiums receivable</td>
<td>(258)</td>
<td>(228)</td>
<td>186</td>
<td>115</td>
<td>(393)</td>
<td>(174)</td>
<td>227</td>
<td>(300)</td>
<td>(240)</td>
</tr>
<tr>
<td>Deferred acquisition expenses reserves</td>
<td>69</td>
<td>194</td>
<td>(16)</td>
<td>25</td>
<td>126</td>
<td>190</td>
<td>(68)</td>
<td>247</td>
<td>248</td>
</tr>
<tr>
<td>Claims and claims adjustment expense reserves</td>
<td>(987)</td>
<td>(1,004)</td>
<td>(1,007)</td>
<td>(922)</td>
<td>(1,014)</td>
<td>(1,048)</td>
<td>(1,034)</td>
<td>(2,998)</td>
<td>(3,096)</td>
</tr>
<tr>
<td>Unearned premium reserves</td>
<td>185</td>
<td>177</td>
<td>180</td>
<td>294</td>
<td>328</td>
<td>203</td>
<td>194</td>
<td>542</td>
<td>725</td>
</tr>
<tr>
<td>Other</td>
<td>(350)</td>
<td>(85)</td>
<td>530</td>
<td>(39)</td>
<td>(395)</td>
<td>106</td>
<td>463</td>
<td>95</td>
<td>116</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>199</td>
<td>676</td>
<td>1,799</td>
<td>760</td>
<td>850</td>
<td>443</td>
<td>1,775</td>
<td>2,674</td>
<td>3,083</td>
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<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from maturities of fixed maturities</td>
<td>2,830</td>
<td>2,484</td>
<td>3,491</td>
<td>2,311</td>
<td>2,148</td>
<td>2,025</td>
<td>2,875</td>
<td>8,805</td>
<td>6,648</td>
</tr>
<tr>
<td>Proceeds from sales of investments:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed maturities</td>
<td>906</td>
<td>320</td>
<td>329</td>
<td>395</td>
<td>421</td>
<td>318</td>
<td>126</td>
<td>1,555</td>
<td>865</td>
</tr>
<tr>
<td>Equity securities</td>
<td>11</td>
<td>17</td>
<td>10</td>
<td>21</td>
<td>14</td>
<td>24</td>
<td>33</td>
<td>38</td>
<td>71</td>
</tr>
<tr>
<td>Real estate investments</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>16</td>
<td>69</td>
<td>15</td>
<td>69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other investments</td>
<td>146</td>
<td>208</td>
<td>151</td>
<td>208</td>
<td>186</td>
<td>157</td>
<td>226</td>
<td>505</td>
<td>569</td>
</tr>
<tr>
<td><strong>Purchases of investments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed maturities</td>
<td>(3,325)</td>
<td>(2,914)</td>
<td>(3,733)</td>
<td>(2,118)</td>
<td>(2,700)</td>
<td>(3,005)</td>
<td>(3,289)</td>
<td>(9,972)</td>
<td>(9,004)</td>
</tr>
<tr>
<td>Equity securities</td>
<td>(8)</td>
<td>(14)</td>
<td>(9)</td>
<td>(18)</td>
<td>(12)</td>
<td>(14)</td>
<td>(10)</td>
<td>(31)</td>
<td>(36)</td>
</tr>
<tr>
<td>Real estate investments</td>
<td>(6)</td>
<td>(63)</td>
<td>(47)</td>
<td>(7)</td>
<td>(7)</td>
<td>(13)</td>
<td>(10)</td>
<td>(116)</td>
<td>(30)</td>
</tr>
<tr>
<td>Other investments</td>
<td>(168)</td>
<td>(107)</td>
<td>(114)</td>
<td>(145)</td>
<td>(162)</td>
<td>(128)</td>
<td>(132)</td>
<td>(389)</td>
<td>(422)</td>
</tr>
<tr>
<td><strong>Net sales (purchases) of short-term securities</strong></td>
<td>(134)</td>
<td>567</td>
<td>(1,215)</td>
<td>456</td>
<td>85</td>
<td>596</td>
<td>(816)</td>
<td>(782)</td>
<td>(135)</td>
</tr>
<tr>
<td>Securities transactions in course of settlement</td>
<td>305</td>
<td>(122)</td>
<td>(80)</td>
<td>(216)</td>
<td>291</td>
<td>170</td>
<td>50</td>
<td>103</td>
<td>511</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(90)</td>
<td>(88)</td>
<td>(44)</td>
<td>(82)</td>
<td>(79)</td>
<td>(75)</td>
<td>(86)</td>
<td>(222)</td>
<td>(240)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>474</td>
<td>291</td>
<td>(1,258)</td>
<td>808</td>
<td>(146)</td>
<td>55</td>
<td>(1,043)</td>
<td>(491)</td>
<td>(1,134)</td>
</tr>
</tbody>
</table>
The Travelers Companies, Inc.
Statement of Cash Flows
($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock acquired - share repurchase authorization</td>
<td>(600)</td>
<td>(800)</td>
<td>(750)</td>
<td>(1,000)</td>
<td>(550)</td>
<td>(550)</td>
<td>(550)</td>
<td>(2,150)</td>
<td>(1,650)</td>
</tr>
<tr>
<td>Treasury stock acquired - net employee share-based compensation</td>
<td>(71)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(50)</td>
<td>-</td>
<td>(12)</td>
<td>(73)</td>
<td>(71)</td>
</tr>
<tr>
<td>Dividends paid to shareholders</td>
<td>(177)</td>
<td>(192)</td>
<td>(188)</td>
<td>(182)</td>
<td>(180)</td>
<td>(195)</td>
<td>(194)</td>
<td>(557)</td>
<td>(569)</td>
</tr>
<tr>
<td>Payment of debt</td>
<td>-</td>
<td>-</td>
<td>(400)</td>
<td>-</td>
<td>(400)</td>
<td>-</td>
<td>491</td>
<td>-</td>
<td>(400)</td>
</tr>
<tr>
<td>Issuance of debt</td>
<td>-</td>
<td>392</td>
<td>-</td>
<td>41</td>
<td>64</td>
<td>65</td>
<td>35</td>
<td>142</td>
<td>164</td>
</tr>
<tr>
<td>Issuance of common stock - employee share options</td>
<td>90</td>
<td>27</td>
<td>25</td>
<td>41</td>
<td>64</td>
<td>65</td>
<td>35</td>
<td>142</td>
<td>164</td>
</tr>
<tr>
<td>Excess tax benefits from share-based payment arrangements (1)</td>
<td>(27)</td>
<td>4</td>
<td>11</td>
<td>13</td>
<td>(1,529)</td>
<td>(725)</td>
<td>(589)</td>
<td>(721)</td>
<td>(2,204)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(731)</td>
<td>(962)</td>
<td>(511)</td>
<td>(1,529)</td>
<td>(725)</td>
<td>(589)</td>
<td>(721)</td>
<td>(2,204)</td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash</td>
<td>(8)</td>
<td>4</td>
<td>(5)</td>
<td>(3)</td>
<td>2</td>
<td>(5)</td>
<td>(2)</td>
<td>(9)</td>
<td>(5)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>(66)</td>
<td>9</td>
<td>27</td>
<td>36</td>
<td>(19)</td>
<td>(96)</td>
<td>4</td>
<td>(30)</td>
<td>(111)</td>
</tr>
<tr>
<td>Cash at beginning of period</td>
<td>374</td>
<td>308</td>
<td>317</td>
<td>344</td>
<td>380</td>
<td>380</td>
<td>361</td>
<td>265</td>
<td>374</td>
</tr>
<tr>
<td>Cash at end of period</td>
<td>$ 308</td>
<td>$ 317</td>
<td>$ 344</td>
<td>$ 380</td>
<td>$ 380</td>
<td>$ 361</td>
<td>$ 265</td>
<td>$ 344</td>
<td>$ 265</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>$ 126</td>
<td>$ 471</td>
<td>$ 285</td>
<td>$ 325</td>
<td>$ 63</td>
<td>$ 404</td>
<td>$ 181</td>
<td>$ 862</td>
<td>$ 648</td>
</tr>
<tr>
<td>Interest paid</td>
<td>$ 34</td>
<td>$ 149</td>
<td>$ 34</td>
<td>$ 148</td>
<td>$ 42</td>
<td>$ 138</td>
<td>$ 43</td>
<td>$ 217</td>
<td>$ 223</td>
</tr>
</tbody>
</table>

(1) In connection with the Company’s adoption of the new accounting standard related to Improvements to Employee Share-Based Payment Accounting in the first quarter of 2016, cash flows related to taxes on share-based payments are included in net income as an operating activity rather than being reported separately as a financing activity.
The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. In some cases, these measures are considered non-GAAP financial measures under applicable SEC rules because they are not displayed as separate line items in the consolidated financial statements or are not required to be disclosed in the notes to financial statements or, in some cases, include or exclude certain items not ordinarily included or excluded in the most comparable GAAP financial measure.

In the opinion of the Company's management, a discussion of these measures provides investors, financial analysts, rating agencies and other financial statement users with a better understanding of the significant factors that comprise the Company's periodic results of operations and how management evaluates the Company's financial performance. Internally, the Company's management uses these measures to evaluate performance against historical results and establish financial targets on a consolidated basis.

Some of these measures exclude net realized investment gains (losses), net of tax, and/or net unrealized investment gains (losses), net of tax, which can be significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. Other companies may calculate these measures differently, and, therefore, their measures may not be comparable to those used by the Company's management.

Operating income (loss) is net income (loss) excluding the after-tax impact of net realized investment gains (losses). Management uses operating income (loss) to analyze each segment's performance and as a tool in making business decisions. Financial statement users also consider operating income when analyzing the results and trends of insurance companies. Operating earnings (loss) per share is operating income (loss) on a per common share basis.

Combined ratio excluding the incremental impact of the direct to consumer initiative indicates an underwriting profit. A combined ratio over 100% generally indicates an underwriting loss.

The combined ratio, loss and LAE ratio, and underwriting expense ratio are used as indicators of the Company's periodic earnings and the variability in periodic earnings caused by the unpredictable nature of catastrophes.

Net favorable (unfavorable) prior year loss reserve development is the increase or decrease in incurred claims and claim adjustment expenses as a result of the re-estimation of claims and claim adjustment expense reserves at successive valuation dates for a given group of claims, which may be related to one or more prior years. In the opinion of the Company's management, a discussion of loss reserve development is meaningful to users of the financial statements to understand the Company's periodic earnings and the variability in earnings caused by the unpredictability in periodic claims development.

The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. In some cases, these measures are considered non-GAAP financial measures under applicable SEC rules because they are not displayed as separate line items in the consolidated financial statements or are not required to be disclosed in the notes to financial statements or, in some cases, include or exclude certain items not ordinarily included or excluded in the most comparable GAAP financial measure.

If the results of a business segment include transactions that are not comparable to other periods because of acquisitions or dispositions, different methods or bases of accounting, or changes in product mix, the Company presents the comparative periods on a pro forma basis. Management believes that a pro forma presentation is useful in understanding the Company's performance and in making comparisons to the Company's operating results in prior periods.

Net income (loss) is total common shareholders' equity divided by the number of common shares outstanding. Adjusted book value per share is total common shareholders' equity excluding the after-tax impact of net unrealized investment gains and losses, divided by the number of common shares outstanding. In the opinion of the Company's management, adjusted book value per share is useful in an analysis of a property casualty company's book value per share as it removes the effect of changing prices on invested assets, (i.e., net unrealized investment gains (losses), net of tax) which do not have an equal impact on unpaid claims and claim adjustment expense reserves.

Total capital is the sum of total shareholders' equity and debt. Debt-to-capital ratio excluding net unrealized gain (loss) on investments is the ratio of debt to total capital excluding the after-tax impact of net unrealized investment gains and losses. In the opinion of the Company's management, the debt to capital ratio is useful in an analysis of the Company's financial leverage.

Statutory capital and surplus represents the excess of an insurance company's admitted assets over its liabilities, including loss reserves, as determined in accordance with statutory accounting practices. Changes to statutory capital and surplus are the result of changes in the present value of future business, the earnings on the company's underwriting and investment operations, and changes in the company's capital and surplus as a result of transactions such as the issuance of common or preferred stock, reorganization transactions, mergers, and acquisitions.

The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. In some cases, these measures are considered non-GAAP financial measures under applicable SEC rules because they are not displayed as separate line items in the consolidated financial statements or are not required to be disclosed in the notes to financial statements or, in some cases, include or exclude certain items not ordinarily included or excluded in the most comparable GAAP financial measure.

1. **Adjusted book value per share** is total common shareholders' equity excluding the after-tax impact of net unrealized investment gains and losses, divided by the number of common shares outstanding. In the opinion of the Company's management, adjusted book value per share is useful in an analysis of a property casualty company's book value per share as it removes the effect of changing prices on invested assets, (i.e., net unrealized investment gains (losses), net of tax) which do not have an equal impact on unpaid claims and claim adjustment expense reserves.

2. **Net favorable (unfavorable) prior year loss reserve development** is the increase or decrease in incurred claims and claim adjustment expenses as a result of the re-estimation of claims and claim adjustment expense reserves at successive valuation dates for a given group of claims, which may be related to one or more prior years. In the opinion of the Company's management, a discussion of loss reserve development is meaningful to users of the financial statements to understand the Company's periodic earnings and the variability in periodic earnings caused by the unpredictability in periodic claims development.

3. **Net income (loss)** is total common shareholders' equity divided by the number of common shares outstanding. Adjusted book value per share is total common shareholders' equity excluding the after-tax impact of net unrealized investment gains and losses, divided by the number of common shares outstanding. In the opinion of the Company's management, adjusted book value per share is useful in an analysis of a property casualty company's book value per share as it removes the effect of changing prices on invested assets, (i.e., net unrealized investment gains (losses), net of tax) which do not have an equal impact on unpaid claims and claim adjustment expense reserves.

4. **Total capital** is the sum of total shareholders' equity and debt. Debt-to-capital ratio excluding net unrealized gain (loss) on investments is the ratio of debt to total capital excluding the after-tax impact of net unrealized investment gains and losses. In the opinion of the Company's management, the debt to capital ratio is useful in an analysis of the Company's financial leverage.

5. **Statutory capital and surplus** represents the excess of an insurance company's admitted assets over its liabilities, including loss reserves, as determined in accordance with statutory accounting practices.

6. **Travelers has organized its businesses into the following reportable business segments:**

   - **Business and International Insurance -** This business and International Insurance segment offers a broad array of property and casualty insurance and insurance related services to its clients, primarily in the United States and in Canada, as well as in the United Kingdom, the Republic of Ireland, Brazil and throughout other parts of the world as a corporate member of Lloyd's. Business and International Insurance is organized as follows: Select Accounts; Middle Market including Private Client including National Property, Inland Marine, Ocean Marine and Businessowners, Professional Liability, Bank programs; Professional and Fiduciary; and General Liability. International includes the following product lines: Business Property insurance; Marine, including Ocean, Air, inland, and disk shipments; Marine cargo; Marine hull; Expeditionary; Marine anchor; Marine transportation; Marine reinsurance; Marine transit; Marine cargo reinsurance and Marine transit reinsurance; Marine transport reinsurance; Marine transport; and Marine transport reinsurance.

   - **Bonds & Specialty Insurance -** This business and Specialty insurance segment focuses on specific risk areas that require underwriting expertise, such as bonds, surety, and specialty types of insurance, including directors and officers liability, errors and omissions liability, professional liability, management liability, and fidelity insurance. The performance of these businesses is evaluated in the same manner as the other businesses of the Company. Bonds & Specialty Insurance is organized as follows: Private Client including National Property, Inland Marine, Ocean Marine and Businessowners, Professional Liability, Bank programs; Professional and Fiduciary; and General Liability. Professional liability includes the following product lines: Professional liability; directors and officers liability; errors and omissions liability; management liability; and fidelity insurance.

   - **Personal Insurance -** This business and Personal insurance segment offers a broad array of property and casualty insurance and insurance related services to its clients, primarily in the United States and in Canada, as well as in the United Kingdom, the Republic of Ireland, Brazil and throughout other parts of the world as a corporate member of Lloyd's. Personal Insurance is organized as follows: Select Accounts; Middle Market including Private Client including National Property, Inland Marine, Ocean Marine and Businessowners, Professional Liability, Bank programs; Professional and Fiduciary; and General Liability. All operations of Personal Insurance are managed in the United States and in Canada.