TRAVELERS

First Quarter 2008 Results

April 24, 2008

Explanatory Note

This presentation contains, and management may make, certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Specifically, earnings guidance, statements about our share repurchase plans and statements about the potential impact of the recent disruption in the investment markets on our investment portfolio and underwriting results are forward looking, and we may make forward-looking statements about our results of operations (including, among others, premium volume, net and operating income, investment income, return on equity and combined ratio), and financial condition (including, among others, invested assets and liquidity); the sufficiency of our asbestos and other reserves (including, among others, asbestos claim payment patterns); the cost and availability of reinsurance coverage; catastrophe losses; investment performance; market conditions; and strategic initiatives. Such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially and adversely affect our results of operations, our financial position and/or liquidity and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance; if actual claims exceed our loss reserves, or if changes in the estimated level of loss reserves are necessary, our financial results could be materially and adversely affected; our business could be harmed because of our potential exposure to asbestos and environmental claims and related litigation; we are exposed to, and may face adverse developments involving mass tort claims, such as those relating to exposure to potentially harmful products or substances; the effects of emerging claim and coverage issues on our business are uncertain; we may not be able to collect all amounts due to us from reinsurers, and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all; the intense competition that we face could harm our ability to maintain or increase our profitability and premium volume; we are exposed to credit risk in certain of our business operations and in our investment portfolio; the insurance industry and we are the subject of a number of investigations by state and federal authorities in the United States, and we cannot predict the outcome of these investigations or their impact on our business or financial results; our businesses are heavily regulated, and changes in regulation may reduce our profitability and limit our growth; a downgrade in our claims-paying and financial strength ratings could adversely impact our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs; our investment portfolio may suffer reduced returns or losses; the inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts would harm our ability to meet our obligations and to pay future shareholder dividends; disruptions to our relationships with our independent agents and brokers could adversely affect us; we are subject to a number of risks associated with our business outside the United States; we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; certain significant multiyear projects are currently in process but may not be successful; and if we experience difficulties with technology, data security and/or outsourcing relationships our ability to conduct our business could be negatively impacted.

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

In this presentation, we may refer to some non-GAAP financial measures, including, among others, operating income, operating income excluding catastrophes, operating return on equity, underwriting gain (loss), GAAP combined ratio excluding catastrophes and prior year development and adjusted and tangible book value per common share. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of financial measures, we refer you to the press release and financial supplement that we have made available in connection with this presentation which is available on the Travelers website under the investor section (www.travelers.com).

First Quarter 2008 Highlights

- Operating income per diluted share of $1.61, up 4% from the prior year quarter
- Return on equity and operating return on equity of 14.6% and 15.6%, respectively
- Operating income of $1.008 billion
  - Consolidated GAAP combined ratio of 87.6%
  - Net favorable prior year development of $261 million after-tax ($400 million pre-tax)
  - Catastrophes of $62 million after-tax ($95 million pre-tax)
- Net written premiums of $5.188 billion, a 1% increase from the prior year quarter, or 2% increase when adjusted for the sales of Afianzadora Insurgentes and Mendota
- Very strong financial position
  - Book value per share (ex FAS 115) of $42.36
    - 3% increase from year-end 2007 after repurchasing 20.8 million shares under the company's share repurchase authorization for a total cost of $1.0 billion
    - 14% increase from prior year quarter after repurchasing 62.9 million shares under the company's share repurchase authorization for a total cost of $3.2 billion
  - Debt-to-total capital ratio of 18.5%
  - Holding company liquidity of $1.513 billion

Long-Term Financial Strategy

Meaningful and sustainable competitive advantages

↓

Generation of top tier earnings and substantial free cash flow

↓

Balanced approach to rightsizing capital & growing book value per share over time

↓

Create shareholder value

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Consolidated Financial Performance

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

	First Quarter	
	2008	**2007**
Net earned premiums	$ 5,340	$ 5,295
Operating income	$ 1,008	$ 1,078
per diluted share	*$ 1.61*	*$ 1.55*
Net realized investment gains (losses), after-tax	$ (41)	$ 8
Net income	$ 967	$ 1,086
per diluted share	*$ 1.54*	*$ 1.56*
Weighted average diluted shares outstanding	*628*	*701*

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Very Strong Financial Position

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

	Mar. 31, 2008	Dec. 31, 2007
Debt	$ 5,841	$ 6,242
Preferred equity	108	112
Common equity [1]	25,704	25,884
Total capital [1]	**$ 31,653**	**$ 32,238**
Debt-to-total capital [1]	***18.5%***	***19.4%***
Common shares outstanding	**606.9**	**627.8**
Book value per common share	**$ 43.31**	**$ 42.22**
Adjusted book value per common share [1]	**$ 42.36**	**$ 41.23**
Tangible book value per common share [1]	**$ 35.69**	**$ 34.74**
Statutory surplus	**$ 22,353**	**$ 22,878**
Holding company liquidity	**$ 1,513**	**$ 1,617**

[1] Excludes FAS 115

Capital

- At or above target levels for all rating agencies
- Under review for upgrade from Moody's (11/20/2007)
- Continue to generate excess capital and repurchase shares
  - $1.0 billion of share repurchases in 1Q 2008

Leverage

- Debt-to-total capital ratio below targets
- Low level of maturing debt
  - 4Q 2008 $149 million
  - 1Q 2009 $135 million

  Can self-fund all maturing debt

Liquidity

- Holding company liquidity $400 million above target level
- Not reliant on and not active in commercial paper market
- Substantial liquidity allows opportunistic access to capital markets

Very high credit quality investment portfolio

- Fixed maturities portfolio average quality rating: Aa1, AA+
  - Below investment grade: 2.5%
  - Duration: 4.4
- Pre-tax unrealized gain of $863 million at 3/31/2008
- Negligible exposure to sub-prime / Alt-A mortgages, commercial mortgage-backed securities, SIV related assets and owned investment real estate
- Immaterial exposure to changes in ratings of municipal bond insurers
- Level 3 financial assets of only $519 million, only 2% of common equity

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Consolidated Performance

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

	First Quarter 2008	First Quarter 2007	Change
Operating income	$ **1,008**	$ **1,078**	**(6)** %
per diluted share	$ *1.61*	$ *1.55*	*4* %
Included the following items:			
Net favorable prior year reserve development	$ 261	$ 40	
Catastrophes, net of reinsurance	(62)	(29)	
Timing impact of agent compensation program [1]	-	47	
Resolution of prior year tax matters	-	28	
Total Items	$ **199**	$ **86**	
Loss and loss adjustment ratio	55.7 %	59.2 %	
Underwriting expense ratio	31.9	30.0	
GAAP combined ratio [2]	**87.6** %	**89.2** %	**1.6** pts
Net favorable prior year reserve development	7.5	1.2	
Catastrophes, net of reinsurance	(1.8)	(0.9)	
Timing impact of agent compensation program [1]	-	1.4	
	93.3 %	**90.9** %	**(2.4)** pts

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[1] Timing impact for the transition to the fixed, value-based agent compensation program.
[2] A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

Consolidated Performance

First Quarter 2007 Combined Ratio[1]	**90.9 %**
Expected increase	1.0 pts
Business Insurance:	
Higher large property losses	0.6
Personal Insurance:	
Higher non-catastrophe related weather losses	0.7
All other, net	0.1
Total Variance	2.4 pts
First Quarter 2008 Combined Ratio[1]	**93.3 %**

[1] Excluding impact of net favorable prior year reserve development, catastrophes, net of reinsurance, and timing impact for the transition to the fixed, value-based agent compensation program.

Commercial Segments - Illustrative Business Statistics

Retention

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Select Accounts	81%	82%	81%	82%	82%
Commercial Accounts	86%	86%	85%	85%	85%
Other Business Insurance [1]	82%	80%	80%	80%	82%
Financial Products	84%	85%	82%	83%	84%
International	86%	84%	82%	86%	81%

Continued historically high retentions

Rate Change [2]

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Select Accounts	-1%	-2%	-2%	-3%	-3%
Commercial Accounts	-3%	-4%	-5%	-5%	-4%
Other Business Insurance [1]	-2%	-4%	-5%	-6%	-5%
Financial Products	-2%	-5%	-4%	-5%	-3%
International	-3%	-5%	-5%	-6%	-4%

Rate changes improved slightly from the recent quarter

[1] Includes all other groups within Business Insurance Core operations excluding National Accounts.
[2] Each percentage represents the estimated change in average premium on policies that renew, excluding exposure changes, vs. the average premium on those same policies for their prior term.

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

Commercial Segments - Illustrative Business Statistics

($ in millions)

Renewal Price Change[1]

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Select Accounts	4%	2%	2%	1%	1%
Commercial Accounts	-1%	-4%	-2%	-5%	-3%
Other Business Insurance [2]	1%	-1%	-3%	-5%	-3%
Financial Products	5%	-1%	1%	-2%	0%
International	0%	-3%	-1%	-2%	-6%

Renewal price changes improved slightly from the recent quarter

New Business

	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Select Accounts	$143	$140	$123	$113	$129
Commercial Accounts	$167	$123	$143	$124	$143
Other Business Insurance [2]	$294	$316	$304	$276	$299
Financial Products	$53	$59	$49	$50	$46
International	$59	$82	$72	$93	$62

Some softening, but overall strong performance

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

[2] Includes all other groups within Business Insurance Core operations excluding National Accounts.

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

Business Insurance Performance

($ in millions)

	First Quarter		
	2008	2007	Change
Operating income	$ **683**	$ **678**	**1** %
Loss and loss adjustment ratio	54.2 %	61.2 %	
Underwriting expense ratio	32.4	30.3	
GAAP combined ratio [1]	**86.6** %	**91.5** %	**4.9** pts
Net favorable prior year reserve development	11.2	0.9	
Catastrophes, net of reinsurance	(2.1)	-	
Timing impact of agent compensation program [2]	-	1.3	
	95.7 %	**93.7** %	**(2.0)** pts

[1] A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.
[2] Timing impact for the transition to the fixed, value-based agent compensation program.

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Business Insurance Performance

($ in millions)

	First Quarter		
	2008	2007	Change
Net Written Premiums			
Select Accounts	$ 708	$ 701	
Commercial Accounts	673	641	
National Accounts	246	255	
Industry-Focused Underwriting	613	582	
Target Risk Underwriting	423	417	
Specialized Distribution	244	252	
Business Insurance Core	**2,907**	**2,848**	**2 %**
Business Insurance Other	4	32	
Total Business Insurance	**$ 2,911**	**$ 2,880**	**1 %**

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Financial, Professional & International Insurance (FP&II) Performance

($ in millions)

	First Quarter		
	2008	2007	Change
Operating income	$ **208**	$ **156**	**33** %
Loss and loss adjustment ratio	45.7 %	53.0 %	
Underwriting expense ratio	35.7	36.4	
GAAP combined ratio [1]	**81.4** %	**89.4** %	**8.0** pts
Net favorable prior year reserve development	7.4	-	
Catastrophes, net of reinsurance	-	-	
	88.8 %	**89.4** %	**0.6** pts
Net Written Premiums			
Bond & Financial Products	$ 378	311	
International	266	289	
Total FP&II	$ **644**	$ **600**	**7** %
Total FP&II (excl Afianzadora Insurgentes[2])	$ **644**	$ **581**	**11** %
Gross Written Premiums - Surety (excl Afianzadora Insurgentes[2])	$ **284**	$ **269**	**6** %

[1] A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.
[2] Afianzadora Insurgentes, the company's Mexican surety operation, was sold in the first quarter of 2007.

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Personal Insurance Performance

($ in millions)

	First Quarter 2008		First Quarter 2007		Change	
Operating income	$ **181**		$ **266**		**(32)**	%
Loss and loss adjustment ratio	62.9	%	59.0	%		
Underwriting expense ratio	29.3		26.5			
GAAP combined ratio [1]	**92.2**	%	**85.5**	%	**(6.7)**	pts
Net favorable prior year reserve development	1.5		2.1			
Catastrophes, net of reinsurance	(2.2)		(2.7)			
Timing impact of agent compensation program [2]	-		1.9			
	91.5	%	**86.8**	%	**(4.7)**	pts

(3.2) pts attributed to higher non-catastrophe related weather losses

	2008	2007	Change	
Net Written Premiums				
Automobile	$ 922	$ 965		
Homeowners and Other	711	699		
Total Personal Insurance	$ **1,633**	$ **1,664**	**(2)**	%
Total Personal Insurance (excl Mendota [3])	$ **1,633**	$ **1,615**	**1**	%

[1] A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.
[2] Timing impact for the transition to the fixed, value-based agent compensation program.
[3] Mendota, the company's non-standard personal auto operation, was sold in early second quarter 2007.

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Personal Insurance – Illustrative Business Statistics

($ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008
Automobile					
Retention [1,2]	83%	83%	83%	83%	**83%**
Renewal price change [2,3]	4%	3%	3%	2%	**1%**
PIF growth over prior year quarter [4]	6%	4%	2%	1%	**2%**
New business [4]	$ 178	$ 171	$ 173	$ 168	**$ 184**
Homeowners and Other					
Retention [1]	86%	87%	86%	86%	**86%**
Renewal price change [3]	9%	9%	8%	8%	**6%**
PIF growth over prior year quarter [4]	7%	6%	4%	3%	**3%**
New business [4]	$ 93	$ 115	$ 121	$ 104	**$ 96**

[1] The ratio of expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.
[2] Statistics for standard voluntary auto, excluding Massachusetts.
[3] Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes, vs. the average premium on those same policies for their prior term.
[4] PIF growth and new business have been adjusted to exclude Mendota, the company's non-standard personal auto operation sold in early second quarter 2007.

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

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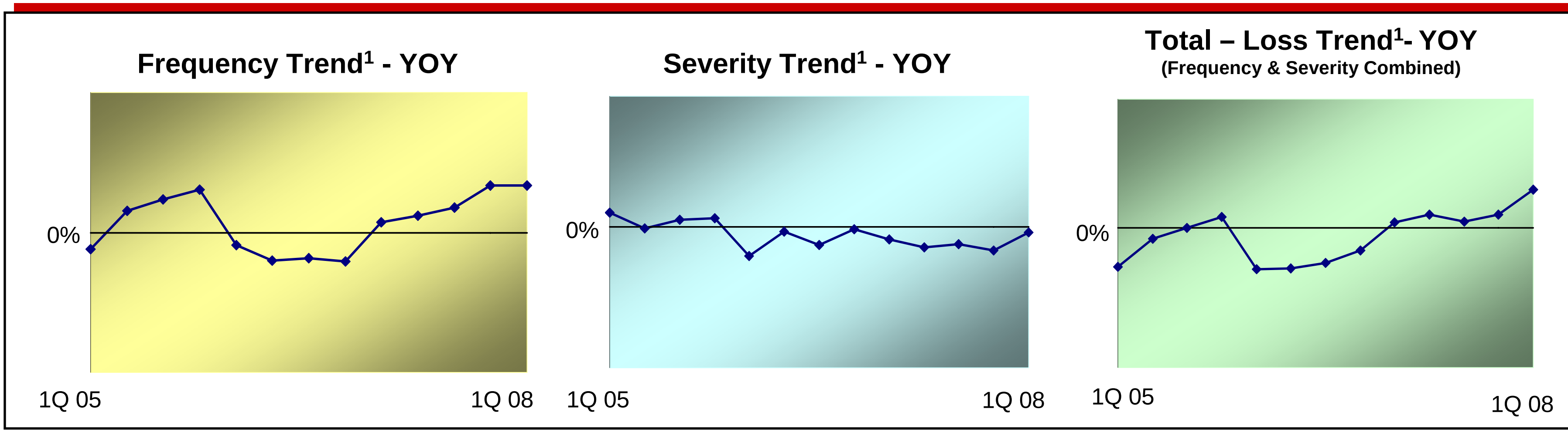
Personal Insurance - Automobile

	First Quarter		Full Year
	2008	2007	2007
Reported GAAP combined ratio	**99%**	**87%**	**91%**
Net favorable prior year reserve development Non-catastrophe related weather losses Timing impact for the transition to the fixed, value-based agent compensation program	(2%)	5%	4%
Normalized GAAP Combined Ratio	**97%**	**92%**	**95%**

- First quarter 2008 Automobile reported GAAP combined ratio increase of 12 points is not reflective of the change in underlying underwriting results
- The increase in first quarter 2008 reported GAAP combined ratio includes increased non-catastrophe related weather losses as well as no net favorable prior year reserve development and no benefit from the timing impact for the transition to the fixed, value-based agent compensation program
- The 2008 guidance anticipates the Automobile combined ratio in the high 90's or 2 to 4 points higher than the normalized Automobile 2007 combined ratio
- Total company 2008 guidance incorporates an assumption of a 1.5 point increase in the combined ratio (see page 18) which incorporates the anticipated change in the Automobile combined ratio

Personal Insurance - Automobile



- Generally consistent with last quarter
- Observed total loss trend in the low to mid single digits
- Modestly increasing frequency trend drove the total
- Severity trend essentially flat
  - Physical damage related coverages up slightly
  - Bodily injury coverages slightly decreasing influenced by continued claim initiative impact

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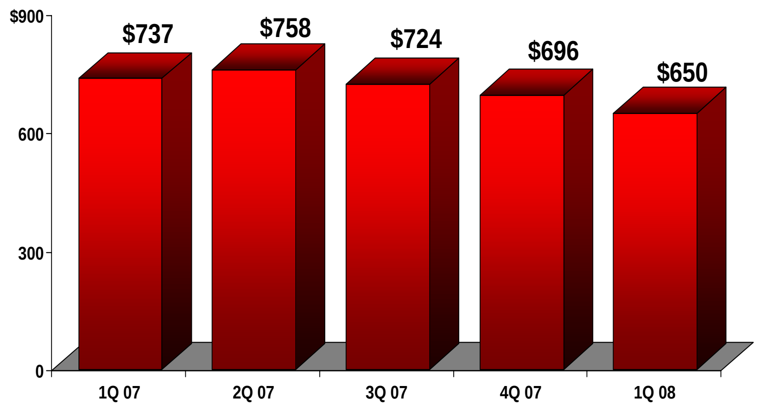
[1] Observed trend excluding the expected impact of Quantum introduction.

Net Investment Income

($ in millions, after-tax)

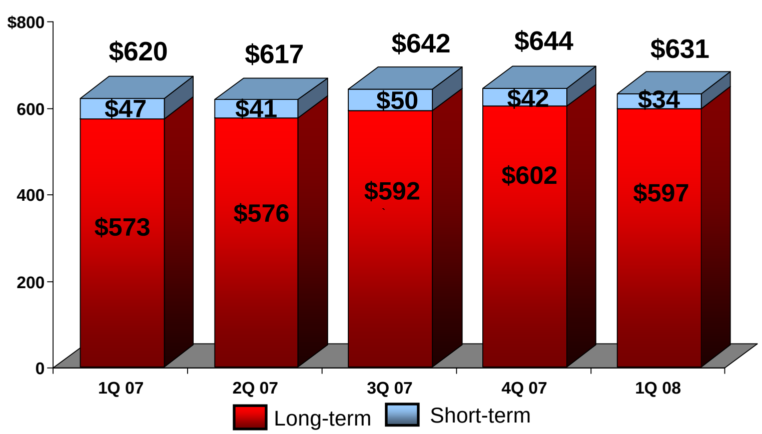
Total



	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
After-tax yield	**4.1%**	**4.2%**	**3.9%**	**3.7%**	**3.5%**

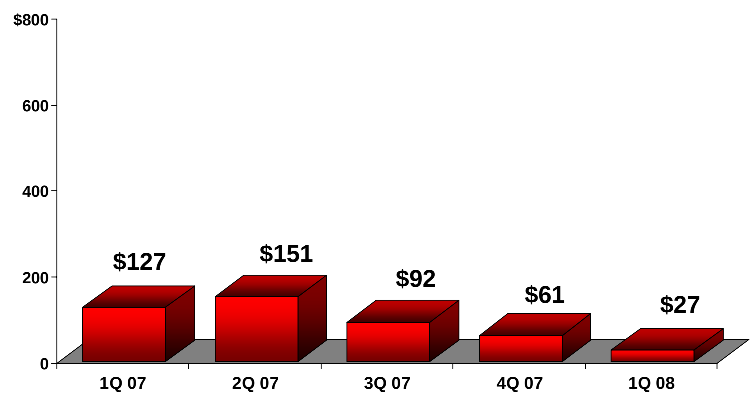
- Fixed income portfolio continuing to perform well. Impacted by lower short-term rates
- Non-fixed income portfolio impacted by much smaller real estate and private equity gains
- After-tax net unrealized gain of $576 million versus $620 million at year-end

Fixed Income[1]



After-tax yield	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Total	**3.6%**	**3.6%**	**3.7%**	**3.6%**	**3.6%**
Short-term	**3.9%**	**3.8%**	**4.0%**	**3.3%**	**2.6%**
Long-term	**3.6%**	**3.6%**	**3.6%**	**3.7%**	**3.7%**

Non-Fixed Income[1]



After-tax yield	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08
Total	**11.6%**	**13.8%**	**8.3%**	**5.4%**	**2.4%**

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[1] Excludes investment expenses

2008 Annual Guidance

- Operating income per diluted share range of $5.55 to $5.85, compared with the previously announced guidance range of $5.40 to $5.75. The revised range incorporates the net favorable prior year reserve development in the first quarter 2008 and a reduced full year outlook for net investment income
- This range equates approximately to an operating return on equity of 13% to 14%

Guidance assumptions

- Catastrophe losses of $525 million pre-tax and $340 million after-tax, or $0.56 per diluted share, for the full year
- No additional prior year reserve development, favorable or unfavorable
- GAAP combined ratio increase of 1.5 points compared to 2007 excluding prior year reserve development, catastrophe losses and the timing impact for the transition to the fixed, value-based agent compensation program
- Average invested assets are expected to grow slightly
    - After dividends and approximately $2.7 billion of share repurchases for the full year
- Weighted average diluted share count of approximately 612 million, which includes the impact of:
    - Assumed share repurchases
    - Normal growth in share count from employee equity awards

Disclosure

- **For further information please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (www.sec.gov)**

- **Copies of this presentation and related financial supplement are publicly available on the Travelers website (www.travelers.com)**

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