

The Travelers Companies, Inc.
Financial Supplement - Fourth Quarter 2008



	Page Number
Consolidated Results	
Financial Highlights	1
Reconciliation to Net Income and Earnings Per Share	2
Statement of Income	3
Net Income by Major Component and Combined Ratio	4
Operating Income	5
Selected Statistics - Property and Casualty Operations	6
Written and Earned Premiums - Property and Casualty Operations	7
Business Insurance	
Operating Income	8
Operating Income by Major Component and Combined Ratio	9
Selected Statistics	10
Net Written Premiums	11
Financial, Professional & International Insurance	
Operating Income	12
Operating Income by Major Component and Combined Ratio	13
Selected Statistics	14
Net Written Premiums	15
Personal Insurance	
Operating Income (Loss)	16
Operating Income (Loss) by Major Component and Combined Ratio	17
Selected Statistics	18
Selected Statistics - Automobile	19
Selected Statistics - Homeowners and Other	20
Supplemental Detail	
Interest Expense and Other	21
Consolidated Balance Sheet	22
Investment Portfolio	23
Investment Portfolio - Fixed Maturities Data	24
Investment Income	25
Net Realized and Unrealized Investment Gains (Losses)	26
Reinsurance Recoverables	27
Net Reserves for Losses and Loss Adjustment Expense	28
Asbestos and Environmental Reserves	29
Capitalization	30
Statutory to GAAP Shareholders' Equity Reconciliation	31
Statement of Cash Flows	32
Statement of Cash Flows (continued)	33
Glossary of Financial Measures and Description of Reportable Business Segments	34
The information included in the Financial Supplement is unaudited. This document should be read in conjunction with the Company's Form 10-K which will be filed with the Securities and Exchange Commission.	

The Travelers Companies, Inc.
Financial Highlights

(\$ and shares in millions, except per share data)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
Net income per share:										
Basic	\$ 1.62	\$ 1.90	\$ 1.85	\$ 1.67	\$ 1.57	\$ 1.57	\$ 0.36	\$ 1.37	\$ 7.04	\$ 4.90
Diluted	\$ 1.56	\$ 1.86	\$ 1.81	\$ 1.64	\$ 1.54	\$ 1.54	\$ 0.36	\$ 1.35	\$ 6.86	\$ 4.82
Operating income	\$ 1,078	\$ 1,167	\$ 1,198	\$ 1,057	\$ 1,008	\$ 918	\$ 330	\$ 939	\$ 4,500	\$ 3,195
Operating income per share:										
Basic	\$ 1.61	\$ 1.77	\$ 1.85	\$ 1.66	\$ 1.63	\$ 1.53	\$ 0.56	\$ 1.61	\$ 6.89	\$ 5.35
Diluted	\$ 1.55	\$ 1.73	\$ 1.81	\$ 1.63	\$ 1.61	\$ 1.50	\$ 0.55	\$ 1.58	\$ 6.71	\$ 5.27
Return on equity	17.3%	19.9%	18.6%	16.1%	14.6%	14.4%	3.4%	12.8%	18.0%	11.4%
Operating return on equity	17.5%	18.6%	18.6%	16.3%	15.6%	14.3%	5.1%	14.7%	17.7%	12.4%
Total assets, at period end	\$ 115,688	\$ 115,361	\$ 115,644	\$ 115,224	\$ 114,144	\$ 113,625	\$ 112,695	\$ 109,751	\$ 115,224	\$ 109,751
Total equity, at period end	\$ 25,357	\$ 25,322	\$ 26,307	\$ 26,616	\$ 26,388	\$ 25,923	\$ 24,721	\$ 25,319	\$ 26,616	\$ 25,319
Book value per share, at period end	\$ 37.93	\$ 38.36	\$ 40.54	\$ 42.22	\$ 43.31	\$ 43.56	\$ 41.94	\$ 43.12	\$ 42.22	\$ 43.12
Less: Net unrealized investment gains (losses), net of tax	0.67	(0.40)	0.34	0.99	0.95	0.11	(1.40)	(0.25)	0.99	(0.25)
Adjusted book value per share, at period end	\$ 37.26	\$ 38.76	\$ 40.20	\$ 41.23	\$ 42.36	\$ 43.45	\$ 43.34	\$ 43.37	\$ 41.23	\$ 43.37
Weighted average number of common shares outstanding (basic)	669.9	658.6	648.4	634.5	616.2	598.7	587.5	583.6	652.7	596.4
Weighted average number of common shares outstanding and common stock equivalents (diluted)	701.2	676.0	661.9	648.7	628.1	610.8	598.0	593.0	672.3	607.3
Common shares outstanding at period end	665.3	657.0	646.1	627.8	606.9	592.8	587.2	585.1	627.8	585.1
Common stock dividends declared	\$ 174	\$ 192	\$ 188	\$ 184	\$ 178	\$ 180	\$ 177	\$ 177	\$ 738	\$ 712
Common stock repurchased:										
Under repurchase authorization (1)										
Shares	13.9	11.4	11.7	19.0	20.8	15.3	6.2	2.7	56.0	45.0
Cost	\$ 725	\$ 622	\$ 600	\$ 1,000	\$ 1,000	\$ 750	\$ 272	\$ 100	\$ 2,947	\$ 2,122
Other										
Shares	0.6	0.7	0.2	0.2	0.6	0.1	0.1	-	1.7	0.8
Cost	\$ 31	\$ 36	\$ 10	\$ 12	\$ 28	\$ 7	\$ 2	\$ 1	\$ 89	\$ 38

(1) Repurchased under Board of Director authorization.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Reconciliation to Net Income and Earnings Per Share



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

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Net income										
Operating income	\$ 1,078	\$ 1,167	\$ 1,198	\$ 1,057	\$ 1,008	\$ 918	\$ 330	\$ 939	\$ 4,500	\$ 3,195
Net realized investment gains (losses)	8	87	-	6	(41)	24	(116)	(138)	101	(271)
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
Basic earnings per share										
Operating income	\$ 1.61	\$ 1.77	\$ 1.85	\$ 1.66	\$ 1.63	\$ 1.53	\$ 0.56	\$ 1.61	\$ 6.89	\$ 5.35
Net realized investment gains (losses)	0.01	0.13	-	0.01	(0.06)	0.04	(0.20)	(0.24)	0.15	(0.45)
Net income	\$ 1.62	\$ 1.90	\$ 1.85	\$ 1.67	\$ 1.57	\$ 1.57	\$ 0.36	\$ 1.37	\$ 7.04	\$ 4.90
Diluted earnings per share										
Operating income	\$ 1.55	\$ 1.73	\$ 1.81	\$ 1.63	\$ 1.61	\$ 1.50	\$ 0.55	\$ 1.58	\$ 6.71	\$ 5.27
Net realized investment gains (losses)	0.01	0.13	-	0.01	(0.07)	0.04	(0.19)	(0.23)	0.15	(0.45)
Net income	\$ 1.56	\$ 1.86	\$ 1.81	\$ 1.64	\$ 1.54	\$ 1.54	\$ 0.36	\$ 1.35	\$ 6.86	\$ 4.82
Adjustments to net income and weighted average shares for net income EPS calculations: (1)										
	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Basic										
Net income, as reported	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
Preferred stock dividends, net of taxes	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(4)	(4)
Net income available to common shareholders - basic	\$ 1,085	\$ 1,253	\$ 1,197	\$ 1,062	\$ 966	\$ 941	\$ 213	\$ 800	\$ 4,597	\$ 2,920
Diluted										
Net income available to common shareholders - basic	\$ 1,085	\$ 1,253	\$ 1,197	\$ 1,062	\$ 966	\$ 941	\$ 213	\$ 800	\$ 4,597	\$ 2,920
Effect of dilutive securities:										
Convertible preferred stock	1	1	1	1	1	1	1	1	4	4
Zero coupon convertible notes	1	1	1	1	1	1	1	1	4	4
Convertible junior subordinated notes (2)	7	1	-	-	-	-	-	-	8	-
Net income available to common shareholders - diluted	\$ 1,094	\$ 1,256	\$ 1,199	\$ 1,064	\$ 968	\$ 943	\$ 215	\$ 802	\$ 4,613	\$ 2,928
Common Shares										
Basic										
Weighted average shares outstanding	669.9	658.6	648.4	634.5	616.2	598.7	587.5	583.6	652.7	596.4
Diluted										
Weighted average shares outstanding	669.9	658.6	648.4	634.5	616.2	598.7	587.5	583.6	652.7	596.4
Weighted average effects of dilutive securities:										
Stock options and other incentive plans	9.1	8.9	8.3	9.0	6.9	7.1	5.8	4.8	9.4	6.1
Convertible preferred stock	3.1	3.0	2.8	2.8	2.6	2.6	2.3	2.2	2.9	2.4
Zero coupon convertible notes	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Convertible junior subordinated notes (2)	16.7	3.1	-	-	-	-	-	-	4.9	-
Diluted weighted average shares outstanding	701.2	676.0	661.9	648.7	628.1	610.8	598.0	593.0	672.3	607.3

(1) Adjustments to net income and weighted average shares for net income EPS calculations can also be used for the operating income EPS calculations.

(2) Redeemed in April 2007.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Statement of Income - Consolidated

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Premiums	\$ 5,295	\$ 5,327	\$ 5,416	\$ 5,432	\$ 5,340	\$ 5,357	\$ 5,448	\$ 5,434	\$ 21,470	\$ 21,579
Net investment income	960	990	929	882	815	778	716	483	3,761	2,792
Fee income	120	127	148	113	105	90	120	75	508	390
Net realized investment gains (losses)	14	128	-	12	(62)	36	(170)	(219)	154	(415)
Other revenues	38	1	33	52	34	34	31	32	124	131
Total revenues	6,427	6,573	6,526	6,491	6,232	6,295	6,145	5,805	26,017	24,477
Claims and expenses										
Claims and claim adjustment expenses	3,189	3,096	2,985	3,127	3,021	3,092	3,871	3,009	12,397	12,993
Amortization of deferred acquisition costs	869	915	956	966	954	961	990	975	3,706	3,880
General and administrative expenses	833	836	817	866	853	864	1,001	800	3,352	3,518
Interest expense	76	85	94	91	90	91	95	94	346	370
Total claims and expenses	4,967	4,932	4,852	5,050	4,918	5,008	5,957	4,878	19,801	20,761
Income before income taxes	1,460	1,641	1,674	1,441	1,314	1,287	188	927	6,216	3,716
Income tax expense (benefit)	374	387	476	378	347	345	(26)	126	1,615	792
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
Other statistics										
Effective tax rate on net investment income	23.2%	23.4%	22.2%	21.1%	20.2%	19.8%	18.1%	9.5%	22.5%	17.7%
Net investment income (after-tax)	\$ 737	\$ 758	\$ 724	\$ 696	\$ 650	\$ 624	\$ 587	\$ 438	\$ 2,915	\$ 2,299
Catastrophes, net of reinsurance:										
Pre-tax	\$ 45	\$ 40	\$ 14	\$ 68	\$ 95	\$ 356	\$ 1,042	\$ (85)	\$ 167	\$ 1,408
After-tax	\$ 29	\$ 26	\$ 9	\$ 45	\$ 62	\$ 231	\$ 682	\$ (56)	\$ 109	\$ 919

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Net Income by Major Component and Combined Ratio - Consolidated

(\$ in millions, net of tax)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Underwriting gain (loss)	\$ 341	\$ 449	\$ 520	\$ 389	\$ 401	\$ 338	\$ (208)	\$ 545	\$ 1,699	\$ 1,076
Net investment income	737	758	724	696	650	624	587	438	2,915	2,299
Other, including interest expense	-	(40)	(46)	(28)	(43)	(44)	(49)	(44)	(114)	(180)
Operating income	1,078	1,167	1,198	1,057	1,008	918	330	939	4,500	3,195
Net realized investment gains (losses)	8	87	-	6	(41)	24	(116)	(138)	101	(271)
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
GAAP Combined ratio (1) (2)										
Loss and loss adjustment expense ratio	59.2%	57.1%	53.6%	56.6%	55.7%	57.0%	69.9%	54.9%	56.6%	59.4%
Underwriting expense ratio	30.0%	30.7%	30.8%	31.8%	31.9%	32.3%	34.8%	31.0%	30.8%	32.5%
Combined ratio	<u>89.2%</u>	<u>87.8%</u>	<u>84.4%</u>	<u>88.4%</u>	<u>87.6%</u>	<u>89.3%</u>	<u>104.7%</u>	<u>85.9%</u>	<u>87.4%</u>	<u>91.9%</u>
Impact of catastrophes on combined ratio (3)	0.9%	0.8%	0.3%	1.3%	1.8%	6.6%	19.1%	-1.6%	0.7%	6.5%
Impact of prior year reserve development on combined ratio	-1.2%	-2.4%	-4.3%	-2.4%	-7.5%	-9.8%	-6.2%	-5.1%	-2.5%	-7.1%

(1) Before policyholder dividends.

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

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Billing and policy fees	\$ 29	\$ 25	\$ 26	\$ 27	\$ 27	\$ 26	\$ 27	\$ 26	\$ 107	\$ 106
Fee income:										
Loss and loss adjustment expenses	\$ 47	\$ 48	\$ 71	\$ 47	\$ 43	\$ 30	\$ 58	\$ 13	\$ 213	\$ 144
Underwriting expenses	73	79	77	66	62	60	62	62	295	246
Total fee income	<u>\$ 120</u>	<u>\$ 127</u>	<u>\$ 148</u>	<u>\$ 113</u>	<u>\$ 105</u>	<u>\$ 90</u>	<u>\$ 120</u>	<u>\$ 75</u>	<u>\$ 508</u>	<u>\$ 390</u>

(3) The impact of catastrophes on the combined ratios for the three months ended September 30, 2008, and the three and twelve months ended December 31, 2008 included 15.8, (1.0) and 5.8 point impacts, respectively, on the loss and loss adjustment expense ratio, and 3.3, (0.6) and 0.7 point impacts, respectively, on the underwriting expense ratio.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income - Consolidated

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Premiums	\$ 5,295	\$ 5,327	\$ 5,416	\$ 5,432	\$ 5,340	\$ 5,357	\$ 5,448	\$ 5,434	\$ 21,470	\$ 21,579
Net investment income	960	990	929	882	815	778	716	483	3,761	2,792
Fee income	120	127	148	113	105	90	120	75	508	390
Other revenues	38	1	33	52	34	34	31	32	124	131
Total revenues	6,413	6,445	6,526	6,479	6,294	6,259	6,315	6,024	25,863	24,892
Claims and expenses										
Claims and claim adjustment expenses	3,189	3,096	2,985	3,127	3,021	3,092	3,871	3,009	12,397	12,993
Amortization of deferred acquisition costs	869	915	956	966	954	961	990	975	3,706	3,880
General and administrative expenses	833	836	817	866	853	864	1,001	800	3,352	3,518
Interest expense	76	85	94	91	90	91	95	94	346	370
Total claims and expenses	4,967	4,932	4,852	5,050	4,918	5,008	5,957	4,878	19,801	20,761
Operating income before income taxes	1,446	1,513	1,674	1,429	1,376	1,251	358	1,146	6,062	4,131
Income tax expense	368	346	476	372	368	333	28	207	1,562	936
Operating income	\$ 1,078	\$ 1,167	\$ 1,198	\$ 1,057	\$ 1,008	\$ 918	\$ 330	\$ 939	\$ 4,500	\$ 3,195
Other statistics										
Effective tax rate on net investment income	23.2%	23.4%	22.2%	21.1%	20.2%	19.8%	18.1%	9.5%	22.5%	17.7%
Net investment income (after-tax)	\$ 737	\$ 758	\$ 724	\$ 696	\$ 650	\$ 624	\$ 587	\$ 438	\$ 2,915	\$ 2,299
Catastrophes, net of reinsurance (1):										
Pre-tax	\$ 45	\$ 40	\$ 14	\$ 68	\$ 95	\$ 356	\$ 1,042	\$ (85)	\$ 167	\$ 1,408
After-tax	\$ 29	\$ 26	\$ 9	\$ 45	\$ 62	\$ 231	\$ 682	\$ (56)	\$ 109	\$ 919

(1) In 4Q 2008, "Catastrophes, net of reinsurance" includes a net benefit from re-estimation of current year catastrophe losses.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Property and Casualty Operations

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 6,071	\$ 6,262	\$ 6,097	\$ 5,768	\$ 5,933	\$ 6,061	\$ 6,134	\$ 5,709	\$ 24,198	\$ 23,837
Net written premiums	\$ 5,144	\$ 5,714	\$ 5,394	\$ 5,366	\$ 5,188	\$ 5,629	\$ 5,481	\$ 5,385	\$ 21,618	\$ 21,683
Net earned premiums	\$ 5,295	\$ 5,327	\$ 5,416	\$ 5,432	\$ 5,340	\$ 5,357	\$ 5,448	\$ 5,434	\$ 21,470	\$ 21,579
Losses and loss adjustment expenses	3,128	3,059	2,921	3,067	2,978	3,118	3,781	2,974	12,175	12,851
Underwriting expenses	1,670	1,732	1,694	1,676	1,706	1,766	1,811	1,643	6,772	6,926
Statutory underwriting gain (loss)	497	536	801	689	656	473	(144)	817	2,523	1,802
Policyholder dividends	7	6	11	8	7	9	4	11	32	31
Statutory underwriting gain (loss) after policyholder dividends	\$ 490	\$ 530	\$ 790	\$ 681	\$ 649	\$ 464	\$ (148)	\$ 806	\$ 2,491	\$ 1,771
Other statutory statistics										
Reserves for losses and loss adjustment expenses	\$ 42,942	\$ 43,029	\$ 43,000	\$ 43,068	\$ 42,840	\$ 42,885	\$ 42,848	\$ 41,307	\$ 43,068	\$ 41,307
Increase (decrease) in reserves	\$ (6)	\$ 87	\$ (29)	\$ 68	\$ (228)	\$ 45	\$ (37)	\$ (1,541)	\$ 120	\$ (1,761)
Statutory surplus	\$ 21,204	\$ 21,843	\$ 22,221	\$ 22,878	\$ 22,353	\$ 22,288	\$ 21,929	\$ 21,491	\$ 22,878	\$ 21,491
Net written premiums/surplus (1)	1.01:1	0.99:1	0.98:1	0.94:1	0.97:1	0.97:1	0.99:1	1.01:1	0.94:1	1.01:1

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

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Written and Earned Premiums - Property and Casualty Operations

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Written premiums										
Gross	\$ 6,071	\$ 6,262	\$ 6,097	\$ 5,768	\$ 5,933	\$ 6,061	\$ 6,134	\$ 5,709	\$ 24,198	\$ 23,837
Ceded	(927)	(548)	(703)	(402)	(745)	(432)	(653)	(324)	(2,580)	(2,154)
Net	<u>\$ 5,144</u>	<u>\$ 5,714</u>	<u>\$ 5,394</u>	<u>\$ 5,366</u>	<u>\$ 5,188</u>	<u>\$ 5,629</u>	<u>\$ 5,481</u>	<u>\$ 5,385</u>	<u>\$ 21,618</u>	<u>\$ 21,683</u>
Earned premiums										
Gross	\$ 6,001	\$ 6,031	\$ 6,073	\$ 6,075	\$ 5,932	\$ 5,957	\$ 6,035	\$ 5,978	\$ 24,180	\$ 23,902
Ceded	(706)	(704)	(657)	(643)	(592)	(600)	(587)	(544)	(2,710)	(2,323)
Net	<u>\$ 5,295</u>	<u>\$ 5,327</u>	<u>\$ 5,416</u>	<u>\$ 5,432</u>	<u>\$ 5,340</u>	<u>\$ 5,357</u>	<u>\$ 5,448</u>	<u>\$ 5,434</u>	<u>\$ 21,470</u>	<u>\$ 21,579</u>

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income - Business Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Premiums	\$ 2,763	\$ 2,802	\$ 2,850	\$ 2,868	\$ 2,786	\$ 2,781	\$ 2,823	\$ 2,790	\$ 11,283	\$ 11,180
Net investment income	694	717	664	633	573	540	494	310	2,708	1,917
Fee income	120	127	148	113	105	90	120	75	508	390
Other revenues	4	10	1	9	6	7	8	9	24	30
Total revenues	<u>3,581</u>	<u>3,656</u>	<u>3,663</u>	<u>3,623</u>	<u>3,470</u>	<u>3,418</u>	<u>3,445</u>	<u>3,184</u>	<u>14,523</u>	<u>13,517</u>
Claims and expenses										
Claims and claim adjustment expenses	1,741	1,664	1,594	1,674	1,558	1,556	1,952	1,542	6,673	6,608
Amortization of deferred acquisition costs	403	435	451	453	451	451	466	450	1,742	1,818
General and administrative expenses	509	503	504	512	516	516	565	482	2,028	2,079
Interest expense	-	-	1	-	-	-	-	1	1	1
Total claims and expenses	<u>2,653</u>	<u>2,602</u>	<u>2,550</u>	<u>2,639</u>	<u>2,525</u>	<u>2,523</u>	<u>2,983</u>	<u>2,475</u>	<u>10,444</u>	<u>10,506</u>
Operating income before federal income taxes	928	1,054	1,113	984	945	895	462	709	4,079	3,011
Income taxes	250	249	310	255	262	237	84	90	1,064	673
Operating income	<u>\$ 678</u>	<u>\$ 805</u>	<u>\$ 803</u>	<u>\$ 729</u>	<u>\$ 683</u>	<u>\$ 658</u>	<u>\$ 378</u>	<u>\$ 619</u>	<u>\$ 3,015</u>	<u>\$ 2,338</u>
Other statistics										
Effective tax rate on net investment income	23.1%	23.3%	22.0%	20.8%	19.7%	19.2%	17.4%	6.3%	22.3%	16.8%
Net investment income (after-tax)	\$ 534	\$ 550	\$ 518	\$ 502	\$ 460	\$ 436	\$ 409	\$ 291	\$ 2,104	\$ 1,596
Catastrophes, net of reinsurance (1):										
Pre-tax	\$ -	\$ -	\$ -	\$ 4	\$ 57	\$ 185	\$ 488	\$ (24)	\$ 4	\$ 706
After-tax	\$ -	\$ -	\$ -	\$ 3	\$ 37	\$ 120	\$ 318	\$ (16)	\$ 3	\$ 459

(1) In 4Q 2008, "Catastrophes, net of reinsurance" includes a net benefit from re-estimation of current year catastrophe losses.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income by Major Component and Combined Ratio - Business Insurance

(\$ in millions, net of tax)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Underwriting gain (loss)	\$ 140	\$ 249	\$ 284	\$ 221	\$ 219	\$ 217	\$ (35)	\$ 325	\$ 894	\$ 726
Net investment income	534	550	518	502	460	436	409	291	2,104	1,596
Other	4	6	1	6	4	5	4	3	17	16
Operating income	\$ 678	\$ 805	\$ 803	\$ 729	\$ 683	\$ 658	\$ 378	\$ 619	\$ 3,015	\$ 2,338
GAAP Combined ratio (1) (2)										
Loss and loss adjustment expense ratio	61.2%	57.6%	53.3%	56.6%	54.2%	54.7%	67.1%	54.6%	57.1%	57.7%
Underwriting expense ratio	30.3%	30.5%	30.7%	31.2%	32.4%	32.4%	34.2%	31.1%	30.7%	32.5%
Combined ratio	<u>91.5%</u>	<u>88.1%</u>	<u>84.0%</u>	<u>87.8%</u>	<u>86.6%</u>	<u>87.1%</u>	<u>101.3%</u>	<u>85.7%</u>	<u>87.8%</u>	<u>90.2%</u>
Impact of catastrophes on combined ratio (3)	0.0%	0.0%	0.0%	0.1%	2.1%	6.6%	17.3%	-0.8%	0.0%	6.3%
Impact of prior year reserve development on combined ratio	-0.9%	-2.1%	-5.9%	-1.7%	-11.2%	-12.8%	-8.7%	-7.3%	-2.6%	-10.0%

(1) Before policyholder dividends.

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

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Billing and policy fees	\$ 3	\$ 3	\$ 3	\$ 4	\$ 3	\$ 4	\$ 3	\$ 4	\$ 13	\$ 14
Fee income:										
Loss and loss adjustment expenses	\$ 47	\$ 48	\$ 71	\$ 47	\$ 43	\$ 30	\$ 58	\$ 13	\$ 213	\$ 144
Underwriting expenses	73	79	77	66	62	60	62	62	295	246
Total fee income	<u>\$ 120</u>	<u>\$ 127</u>	<u>\$ 148</u>	<u>\$ 113</u>	<u>\$ 105</u>	<u>\$ 90</u>	<u>\$ 120</u>	<u>\$ 75</u>	<u>\$ 508</u>	<u>\$ 390</u>

(3) The impact of catastrophes on the combined ratios for the three months ended September 30, 2008, and the three and twelve months ended December 31, 2008 included 14.6, (0.3) and 5.7 point impacts, respectively, on the loss and loss adjustment expense ratio, and 2.7, (0.5) and 0.6 point impacts, respectively, on the underwriting expense ratio.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Business Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 3,387	\$ 3,321	\$ 3,243	\$ 3,066	\$ 3,308	\$ 3,087	\$ 3,215	\$ 2,970	\$ 13,017	\$ 12,580
Net written premiums	\$ 2,880	\$ 2,935	\$ 2,726	\$ 2,777	\$ 2,911	\$ 2,805	\$ 2,748	\$ 2,756	\$ 11,318	\$ 11,220
Net earned premiums	\$ 2,763	\$ 2,802	\$ 2,850	\$ 2,868	\$ 2,786	\$ 2,781	\$ 2,823	\$ 2,790	\$ 11,283	\$ 11,180
Losses and loss adjustment expenses	1,684	1,628	1,530	1,616	1,517	1,576	1,868	1,509	6,458	6,470
Underwriting expenses	866	882	870	867	903	897	922	842	3,485	3,564
Statutory underwriting gain	213	292	450	385	366	308	33	439	1,340	1,146
Policyholder dividends	3	3	5	4	4	6	2	6	15	18
Statutory underwriting gain after policyholder dividends	\$ 210	\$ 289	\$ 445	\$ 381	\$ 362	\$ 302	\$ 31	\$ 433	\$ 1,325	\$ 1,128

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Net Written Premiums - Business Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Net written premiums by market										
Select Accounts	\$ 701	\$ 731	\$ 637	\$ 642	\$ 708	\$ 724	\$ 662	\$ 662	\$ 2,711	\$ 2,756
Commercial Accounts	641	581	615	681	673	550	635	666	2,518	2,524
National Accounts	255	286	245	270	246	241	240	269	1,056	996
Industry-Focused Underwriting	582	580	584	555	613	584	613	586	2,301	2,396
Target Risk Underwriting	417	475	394	379	423	445	366	359	1,665	1,593
Specialized Distribution	252	276	243	244	244	259	228	208	1,015	939
Total core	2,848	2,929	2,718	2,771	2,907	2,803	2,744	2,750	11,266	11,204
Business Insurance other	32	6	8	6	4	2	4	6	52	16
Total	\$ 2,880	\$ 2,935	\$ 2,726	\$ 2,777	\$ 2,911	\$ 2,805	\$ 2,748	\$ 2,756	\$ 11,318	\$ 11,220
Net written premiums by product line										
Commercial multi-peril	\$ 805	\$ 778	\$ 713	\$ 770	\$ 791	\$ 726	\$ 693	\$ 728	\$ 3,066	\$ 2,938
Workers' compensation	614	553	538	562	674	566	598	614	2,267	2,452
Commercial automobile	506	526	493	486	500	476	511	465	2,011	1,952
Property	494	549	476	471	482	515	433	430	1,990	1,860
General liability	434	527	501	481	462	520	510	519	1,943	2,011
Other	27	2	5	7	2	2	3	-	41	7
Total	\$ 2,880	\$ 2,935	\$ 2,726	\$ 2,777	\$ 2,911	\$ 2,805	\$ 2,748	\$ 2,756	\$ 11,318	\$ 11,220
National accounts										
Additions to claim volume under administration (1)	\$ 836	\$ 640	\$ 554	\$ 641	\$ 712	\$ 522	\$ 482	\$ 566	\$ 2,671	\$ 2,282
Written fees	\$ 123	\$ 104	\$ 100	\$ 93	\$ 103	\$ 80	\$ 85	\$ 77	\$ 420	\$ 345

(1) Includes new and renewal business.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income - Financial, Professional & International Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Premiums	\$ 844	\$ 844	\$ 854	\$ 842	\$ 847	\$ 852	\$ 863	\$ 867	\$ 3,384	\$ 3,429
Net investment income	121	125	126	122	122	120	114	98	494	454
Other revenues	5	6	5	13	5	8	5	6	29	24
Total revenues	<u>970</u>	<u>975</u>	<u>985</u>	<u>977</u>	<u>974</u>	<u>980</u>	<u>982</u>	<u>971</u>	<u>3,907</u>	<u>3,907</u>
Claims and expenses										
Claims and claim adjustment expenses	451	464	419	403	390	376	545	458	1,737	1,769
Amortization of deferred acquisition costs	163	160	166	165	159	163	166	164	654	652
General and administrative expenses	145	146	144	155	144	149	149	139	590	581
Interest expense	-	-	-	-	-	1	1	-	-	2
Total claims and expenses	<u>759</u>	<u>770</u>	<u>729</u>	<u>723</u>	<u>693</u>	<u>689</u>	<u>861</u>	<u>761</u>	<u>2,981</u>	<u>3,004</u>
Operating income before federal income taxes	211	205	256	254	281	291	121	210	926	903
Income taxes	55	53	73	70	73	87	38	56	251	254
Operating income	<u>\$ 156</u>	<u>\$ 152</u>	<u>\$ 183</u>	<u>\$ 184</u>	<u>\$ 208</u>	<u>\$ 204</u>	<u>\$ 83</u>	<u>\$ 154</u>	<u>\$ 675</u>	<u>\$ 649</u>
Other statistics										
Effective tax rate on net investment income	24.6%	24.5%	24.0%	23.6%	23.5%	23.5%	22.0%	20.6%	24.2%	22.5%
Net investment income (after-tax)	\$ 91	\$ 95	\$ 95	\$ 94	\$ 93	\$ 92	\$ 89	\$ 78	\$ 375	\$ 352
Catastrophes, net of reinsurance (1):										
Pre-tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 91	\$ (13)	\$ -	\$ 84
After-tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 64	\$ (10)	\$ -	\$ 58

(1) In 4Q 2008, "Catastrophes, net of reinsurance" includes a net benefit from re-estimation of current year catastrophe losses.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income by Major Component and Combined Ratio - Financial, Professional & International Insurance



(\$ in millions, net of tax)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Underwriting gain (loss)	\$ 62	\$ 53	\$ 84	\$ 83	\$ 112	\$ 107	\$ (8)	\$ 72	\$ 282	\$ 283
Net investment income	91	95	95	94	93	92	89	78	375	352
Other	3	4	4	7	3	5	2	4	18	14
Operating income	\$ 156	\$ 152	\$ 183	\$ 184	\$ 208	\$ 204	\$ 83	\$ 154	\$ 675	\$ 649
GAAP Combined ratio (1)										
Loss and loss adjustment expense ratio	53.0%	54.7%	48.3%	47.4%	45.7%	43.7%	62.9%	52.3%	50.8%	51.2%
Underwriting expense ratio	36.4%	36.3%	36.3%	37.9%	35.7%	36.7%	36.5%	34.9%	36.8%	36.0%
Combined ratio	<u>89.4%</u>	<u>91.0%</u>	<u>84.6%</u>	<u>85.3%</u>	<u>81.4%</u>	<u>80.4%</u>	<u>99.4%</u>	<u>87.2%</u>	<u>87.6%</u>	<u>87.2%</u>
Impact of catastrophes on combined ratio (2)	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	10.5%	-1.6%	0.0%	2.5%
Impact of prior year reserve development on combined ratio	0.0%	-1.7%	-4.8%	-4.3%	-7.4%	-15.5%	-4.9%	-4.2%	-2.7%	-8.0%

(1) Before policyholder dividends.

(2) The impact of catastrophes on the combined ratios for the three months ended September 30, 2008, and the three and twelve months ended December 31, 2008 included 9.8, (1.5) and 2.3 point impacts, respectively, on the loss and loss adjustment expense ratio, and 0.7, (0.1) and 0.2 point impacts, respectively, on the underwriting expense ratio.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Financial, Professional & International Insurance



(\$ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 975	\$ 1,063	\$ 978	\$ 1,021	\$ 946	\$ 1,065	\$ 965	\$ 990	\$ 4,037	\$ 3,966
Net written premiums	\$ 600	\$ 984	\$ 918	\$ 963	\$ 644	\$ 985	\$ 901	\$ 938	\$ 3,465	\$ 3,468
Net earned premiums	\$ 844	\$ 844	\$ 854	\$ 842	\$ 847	\$ 852	\$ 863	\$ 867	\$ 3,384	\$ 3,429
Losses and loss adjustment expenses	447	463	419	401	387	383	539	456	1,730	1,765
Underwriting expenses	322	314	302	305	311	317	299	286	1,243	1,213
Statutory underwriting gain	75	67	133	136	149	152	25	125	411	451
Policyholder dividends	4	3	6	4	3	3	2	5	17	13
Statutory underwriting gain after policyholder dividends	\$ 71	\$ 64	\$ 127	\$ 132	\$ 146	\$ 149	\$ 23	\$ 120	\$ 394	\$ 438

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Net Written Premiums - Financial, Professional & International Insurance



(\$ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Net written premiums by market										
Bond & Financial Products excluding Afianzadora Insurgentes	\$ 292	\$ 652	\$ 655	\$ 604	\$ 378	\$ 621	\$ 643	\$ 586	\$ 2,203	\$ 2,228
Afianzadora Insurgentes (1)	19	6	-	-	-	-	-	-	25	-
Total Bond & Financial Products	311	658	655	604	378	621	643	586	2,228	2,228
International	289	326	263	359	266	364	258	352	1,237	1,240
Total	\$ 600	\$ 984	\$ 918	\$ 963	\$ 644	\$ 985	\$ 901	\$ 938	\$ 3,465	\$ 3,468
Net written premiums by product line										
General liability	\$ 96	\$ 275	\$ 284	\$ 287	\$ 101	\$ 259	\$ 271	\$ 290	\$ 942	\$ 921
Fidelity & surety	180	344	341	287	239	328	341	264	1,152	1,172
International	289	326	263	359	266	364	258	352	1,237	1,240
Other	35	39	30	30	38	34	31	32	134	135
Total	\$ 600	\$ 984	\$ 918	\$ 963	\$ 644	\$ 985	\$ 901	\$ 938	\$ 3,465	\$ 3,468

(1) In March 2007, the Company completed the sale of its Mexican surety subsidiary, Afianzadora Insurgentes.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Operating Income (Loss) - Personal Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Premiums	\$ 1,688	\$ 1,681	\$ 1,712	\$ 1,722	\$ 1,707	\$ 1,724	\$ 1,762	\$ 1,777	\$ 6,803	\$ 6,970
Net investment income	145	148	139	127	120	118	108	75	559	421
Other revenues	24	21	23	22	21	19	18	17	90	75
Total revenues	1,857	1,850	1,874	1,871	1,848	1,861	1,888	1,869	7,452	7,466
Claims and expenses										
Claims and claim adjustment expenses	997	968	972	1,050	1,073	1,160	1,374	1,009	3,987	4,616
Amortization of deferred acquisition costs	303	320	339	348	344	347	358	361	1,310	1,410
General and administrative expenses	170	177	162	190	181	193	281	174	699	829
Total claims and expenses	1,470	1,465	1,473	1,588	1,598	1,700	2,013	1,544	5,996	6,855
Operating income (loss) before federal income taxes	387	385	401	283	250	161	(125)	325	1,456	611
Income taxes	121	109	125	82	69	39	(61)	99	437	146
Operating income (loss)	\$ 266	\$ 276	\$ 276	\$ 201	\$ 181	\$ 122	\$ (64)	\$ 226	\$ 1,019	\$ 465
Other statistics										
Effective tax rate on net investment income	22.8%	22.8%	21.6%	20.1%	19.1%	18.9%	17.2%	8.2%	21.9%	16.6%
Net investment income (after-tax)	\$ 112	\$ 113	\$ 111	\$ 100	\$ 97	\$ 96	\$ 89	\$ 69	\$ 436	\$ 351
Catastrophes, net of reinsurance (1):										
Pre-tax	\$ 45	\$ 40	\$ 14	\$ 64	\$ 38	\$ 165	\$ 463	\$ (48)	\$ 163	\$ 618
After-tax	\$ 29	\$ 26	\$ 9	\$ 42	\$ 25	\$ 107	\$ 300	\$ (30)	\$ 106	\$ 402

(1) In 4Q 2008, "Catastrophes, net of reinsurance" includes a net benefit from re-estimation of current year catastrophe losses.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.

Operating Income (Loss) by Major Component and Combined Ratio - Personal Insurance

(\$ in millions, net of tax)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Underwriting gain (loss)	\$ 139	\$ 147	\$ 152	\$ 85	\$ 70	\$ 14	\$ (165)	\$ 148	\$ 523	\$ 67
Net investment income	112	113	111	100	97	96	89	69	436	351
Other	15	16	13	16	14	12	12	9	60	47
Operating income (loss)	\$ 266	\$ 276	\$ 276	\$ 201	\$ 181	\$ 122	\$ (64)	\$ 226	\$ 1,019	\$ 465
GAAP Combined ratio (1)										
Loss and loss adjustment expense ratio	59.0%	57.6%	56.8%	61.0%	62.9%	67.3%	77.9%	56.8%	58.6%	66.2%
Underwriting expense ratio	26.5%	28.3%	28.0%	29.8%	29.3%	30.0%	35.0%	28.8%	28.2%	30.8%
Combined ratio	85.5%	85.9%	84.8%	90.8%	92.2%	97.3%	112.9%	85.6%	86.8%	97.0%
Impact of catastrophes on combined ratio (2)	2.7%	2.4%	0.8%	3.7%	2.2%	9.6%	26.2%	-2.7%	2.4%	8.9%
Impact of prior year reserve development on combined ratio	-2.1%	-3.0%	-1.4%	-2.5%	-1.5%	-2.2%	-2.5%	-2.1%	-2.2%	-2.1%

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

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Billing and policy fees	\$ 26	\$ 22	\$ 23	\$ 23	\$ 24	\$ 22	\$ 24	\$ 22	\$ 94	\$ 92

(2) The impact of catastrophes on the combined ratios for the three months ended September 30, 2008, and the three and twelve months ended December 31, 2008 included 20.8, (1.6) and 7.8 point impacts, respectively, on the loss and loss adjustment expense ratio, and 5.4, (1.1) and 1.1 point impacts, respectively, on the underwriting expense ratio.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 1,709	\$ 1,878	\$ 1,876	\$ 1,681	\$ 1,679	\$ 1,909	\$ 1,954	\$ 1,749	\$ 7,144	\$ 7,291
Net written premiums	\$ 1,664	\$ 1,795	\$ 1,750	\$ 1,626	\$ 1,633	\$ 1,839	\$ 1,832	\$ 1,691	\$ 6,835	\$ 6,995
Net earned premiums	\$ 1,688	\$ 1,681	\$ 1,712	\$ 1,722	\$ 1,707	\$ 1,724	\$ 1,762	\$ 1,777	\$ 6,803	\$ 6,970
Losses and loss adjustment expenses	997	968	972	1,050	1,074	1,159	1,374	1,009	3,987	4,616
Underwriting expenses	482	536	522	504	492	552	590	515	2,044	2,149
Statutory underwriting gain (loss)	\$ 209	\$ 177	\$ 218	\$ 168	\$ 141	\$ 13	\$ (202)	\$ 253	\$ 772	\$ 205
Policies in force (in thousands) (1)										
Automobile	2,456	2,464	2,473	2,479	2,495	2,526	2,538	2,526	2,479	2,526
Homeowners and other	4,579	4,631	4,666	4,682	4,702	4,755	4,808	4,831	4,682	4,831

(1) In April 2007, the Company completed the sale of its subsidiary, Mendota Insurance Company and its wholly-owned subsidiaries, Mendakota Insurance Company and Mendota Insurance Agency, Inc. Policies in force have been restated to exclude sold entities.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance (Automobile)



(\$ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 975	\$ 927	\$ 914	\$ 857	\$ 930	\$ 939	\$ 938	\$ 882	\$ 3,673	\$ 3,689
Net written premiums:										
Excluding Mendota	\$ 916	\$ 915	\$ 901	\$ 847	\$ 922	\$ 933	\$ 929	\$ 876	\$ 3,579	\$ 3,660
Mendota (1)	49	-	-	-	-	-	-	-	49	-
Total	\$ 965	\$ 915	\$ 901	\$ 847	\$ 922	\$ 933	\$ 929	\$ 876	\$ 3,628	\$ 3,660
Net earned premiums	\$ 939	\$ 912	\$ 920	\$ 921	\$ 911	\$ 919	\$ 937	\$ 941	\$ 3,692	\$ 3,708
Losses and loss adjustment expenses	595	593	599	622	649	637	655	674	2,409	2,615
Underwriting expenses	254	262	253	243	262	271	270	257	1,012	1,060
Statutory underwriting gain	\$ 90	\$ 57	\$ 68	\$ 56	\$ -	\$ 11	\$ 12	\$ 10	\$ 271	\$ 33
Other statistics										
GAAP Combined ratio (2):										
Loss and loss adjustment expense ratio	63.3%	65.1%	65.1%	67.6%	71.3%	69.3%	69.9%	71.5%	65.3%	70.5%
Underwriting expense ratio	24.1%	26.6%	26.3%	27.2%	27.7%	28.6%	28.5%	28.6%	26.1%	28.4%
Combined ratio	87.4%	91.7%	91.4%	94.8%	99.0%	97.9%	98.4%	100.1%	91.4%	98.9%
Impact of catastrophes on combined ratio	0.1%	0.4%	0.0%	0.0%	0.0%	1.5%	0.7%	0.0%	0.1%	0.5%
Catastrophe losses, net of reinsurance:										
Pre-tax	\$ 1	\$ 4	\$ -	\$ -	\$ -	\$ 14	\$ 6	\$ -	\$ 5	\$ 20
After-tax	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ 9	\$ 4	\$ -	\$ 3	\$ 13
Policies in force (in thousands) (3)	2,456	2,464	2,473	2,479	2,495	2,526	2,538	2,526		
Change from prior year quarter (3)	6.3%	3.6%	1.7%	1.2%	1.6%	2.5%	2.6%	1.9%		
Change from prior quarter (3)	0.2%	0.3%	0.4%	0.2%	0.6%	1.2%	0.5%	-0.5%		

(1) In April 2007, the Company completed the sale of its subsidiary, Mendota Insurance Company and its wholly-owned subsidiaries, Mendakota Insurance Company and Mendota Insurance Agency, Inc. (collectively, Mendota).

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

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Billing and policy fees	\$ 17	\$ 13	\$ 14	\$ 13	\$ 14	\$ 13	\$ 14	\$ 13	\$ 57	\$ 54

(3) Policies in force have been restated to exclude sold entities.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance (Homeowners and Other)



(\$ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Statutory underwriting										
Gross written premiums	\$ 734	\$ 951	\$ 962	\$ 824	\$ 749	\$ 970	\$ 1,016	\$ 867	\$ 3,471	\$ 3,602
Net written premiums	\$ 699	\$ 880	\$ 849	\$ 779	\$ 711	\$ 906	\$ 903	\$ 815	\$ 3,207	\$ 3,335
Net earned premiums	\$ 749	\$ 769	\$ 792	\$ 801	\$ 796	\$ 805	\$ 825	\$ 836	\$ 3,111	\$ 3,262
Losses and loss adjustment expenses	402	375	373	428	425	522	719	335	1,578	2,001
Underwriting expenses	228	274	269	261	230	281	320	258	1,032	1,089
Statutory underwriting gain (loss)	\$ 119	\$ 120	\$ 150	\$ 112	\$ 141	\$ 2	\$ (214)	\$ 243	\$ 501	\$ 172
Other statistics										
GAAP Combined ratio (1):										
Loss and loss adjustment expense ratio	53.7%	48.7%	47.1%	53.4%	53.3%	64.9%	87.1%	40.2%	50.7%	61.4%
Underwriting expense ratio	29.4%	30.2%	30.0%	32.9%	31.3%	31.6%	42.4%	29.1%	30.7%	33.6%
Combined ratio	83.1%	78.9%	77.1%	86.3%	84.6%	96.5%	129.5%	69.3%	81.4%	95.0%
Impact of catastrophes on combined ratio	5.9%	4.6%	1.8%	8.0%	4.8%	18.8%	55.3%	-5.6%	5.1%	18.4%
Catastrophe losses, net of reinsurance:										
Pre-tax	\$ 44	\$ 36	\$ 14	\$ 64	\$ 38	\$ 151	\$ 457	\$ (48)	\$ 158	\$ 598
After-tax	\$ 28	\$ 24	\$ 9	\$ 42	\$ 25	\$ 98	\$ 296	\$ (30)	\$ 103	\$ 389
Policies in force (in thousands) (2)	4,579	4,631	4,666	4,682	4,702	4,755	4,808	4,831		
Change from prior year quarter (2)	7.2%	5.6%	3.9%	3.0%	2.7%	2.7%	3.0%	3.2%		
Change from prior quarter (2)	0.8%	1.1%	0.8%	0.3%	0.4%	1.1%	1.1%	0.5%		

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

Billing and policy fees are as follows:

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Billing and policy fees	\$ 9	\$ 9	\$ 9	\$ 10	\$ 10	\$ 9	\$ 10	\$ 9	\$ 37	\$ 38

(2) In April 2007, the Company completed the sale of its subsidiary, Mendota Insurance Company and its wholly-owned subsidiaries, Mendakota Insurance Company and Mendota Insurance Agency, Inc. Policies in force have been restated to exclude sold entities.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Interest Expense and Other

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Revenues										
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenues (1)	5	(36)	4	8	2	-	-	-	(19)	2
Total revenues	5	(36)	4	8	2	-	-	-	(19)	2
Claims and expenses										
Interest expense	76	85	93	91	90	90	94	93	345	367
General and administrative expenses	9	10	7	9	12	6	6	5	35	29
Total claims and expenses	85	95	100	100	102	96	100	98	380	396
Operating loss before federal income tax benefit	(80)	(131)	(96)	(92)	(100)	(96)	(100)	(98)	(399)	(394)
Income taxes	(58)	(65)	(32)	(35)	(36)	(30)	(33)	(38)	(190)	(137)
Operating loss	\$ (22)	\$ (66)	\$ (64)	\$ (57)	\$ (64)	\$ (66)	\$ (67)	\$ (60)	\$ (209)	\$ (257)

(1) In the second quarter of 2007, other revenues includes a \$39 million loss on the Company's redemption of its 4.50% convertible junior subordinated notes, representing the redemption premium paid and the write off of the remaining unamortized debt issuance costs.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Consolidated Balance Sheet

(in millions)



	December 31, 2008 (1)	December 31, 2007		December 31, 2008 (1)	December 31, 2007
Assets			Liabilities		
Fixed maturities, available for sale at fair value (including \$8 and \$1,988 subject to securities lending) (amortized cost \$61,569 and \$64,152)	\$ 61,275	\$ 64,920	Claims and claim adjustment expense reserves	\$ 54,723	\$ 57,700
Equity securities, at fair value (cost \$461 and \$473)	379	488	Unearned premium reserves	10,957	11,227
Real estate	827	850	Contractholder payables	6,350	6,696
Short-term securities	5,222	5,186	Payables for reinsurance premiums	528	618
Other investments	3,035	3,374	Debt	6,181	6,242
Total investments	<u>70,738</u>	<u>74,818</u>	Other liabilities	5,693	6,125
			Total liabilities	<u>84,432</u>	<u>88,608</u>
Cash	350	271	Shareholders' equity		
Investment income accrued	823	861	Preferred Stock Savings Plan - convertible preferred stock (0.3 shares issued and outstanding)	89	112
Premiums receivable	5,954	6,142	Common stock (1,750.0 shares authorized; 585.1 and 627.8 shares issued and outstanding)	19,242	18,990
Reinsurance recoverables	14,232	15,641	Retained earnings	13,314	11,110
Ceded unearned premiums	941	1,123	Accumulated other changes in equity from nonowner sources	(900)	670
Deferred acquisition costs	1,774	1,809	Treasury stock, at cost (128.8 and 82.9 shares)	(6,426)	(4,266)
Deferred tax asset	1,965	1,207	Total shareholders' equity	<u>25,319</u>	<u>26,616</u>
Contractholder receivables	6,350	6,696	Total liabilities and shareholders' equity	<u>\$ 109,751</u>	<u>\$ 115,224</u>
Goodwill	3,366	3,366			
Other intangible assets	688	814			
Other assets	2,570	2,476			
Total assets	<u>\$ 109,751</u>	<u>\$ 115,224</u>			

(1) Preliminary.

The Travelers Companies, Inc.

Investment Portfolio

(at carrying value, \$ in millions)



	December 31, 2008	Pre-tax Book Yield (1)	December 31, 2007	Pre-tax Book Yield (1)
Investment portfolio				
Taxable fixed maturities (including redeemable preferred stock)	\$ 22,481	5.32%	\$ 26,369	5.21%
Tax-exempt fixed maturities	38,794	4.14%	38,551	4.16%
Total fixed maturities	61,275	4.59%	64,920	4.59%
Non-redeemable preferred stocks	219	6.35%	305	6.27%
Common stocks	160		183	
Total equity securities	379		488	
Real estate	827		850	
Short-term securities	5,222	1.20%	5,186	4.95%
Private equities	1,505		1,437	
Hedge funds	531		914	
Real estate joint ventures & other	886		948	
Mortgage loans	94	8.06%	45	7.31%
Trading securities	19		30	
Total other investments	3,035		3,374	
Total investments	\$ 70,738		\$ 74,818	
Net unrealized investment gains (losses), net of tax, included in shareholders' equity	\$ (144)		\$ 620	

(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)



Fixed maturities

U.S. Treasury securities and obligations of U.S. Government corporations and agencies	
Obligations of states and political subdivisions	
Debt securities issued by foreign governments	
Mortgage-backed securities - principally obligations of U.S. Government agencies	
Corporates (including redeemable preferreds)	
Total fixed maturities	

December 31, 2008		December 31, 2007	
\$	1,841	\$	2,150
	39,062		38,822
	1,519		1,635
	6,059		7,116
	12,794		15,197
<u>\$</u>	<u>61,275</u>	<u>\$</u>	<u>64,920</u>

Fixed Maturities Quality Characteristics (1)

Quality Ratings

Aaa	
Aa	
A	
Baa	
Total investment grade	
Ba	
B	
Caa and lower	
Total below investment grade	
Total fixed maturities	
Average weighted quality	
Average duration of fixed maturities and short-term securities, net of securities lending activities and net receivables and payables on investment sales and purchases	

December 31, 2008		
	Amount	% of Total
\$	30,878	50.4 %
	20,282	33.1
	6,030	9.8
	2,883	4.7
	<u>60,073</u>	<u>98.0</u>
	642	1.1
	382	0.6
	178	0.3
	<u>1,202</u>	<u>2.0</u>
<u>\$</u>	<u>61,275</u>	<u>100.0 %</u>
	Aa1, AA+	
	<u>4.2</u>	

(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)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Gross investment income										
Fixed maturities	\$ 709	\$ 712	\$ 731	\$ 741	\$ 736	\$ 726	\$ 727	\$ 726	\$ 2,893	\$ 2,915
Short-term securities	73	64	76	66	52	32	36	23	279	143
Other	193	229	137	89	39	32	(37)	(256)	648	(222)
	975	1,005	944	896	827	790	726	493	3,820	2,836
Investment expenses	15	15	15	14	12	12	10	10	59	44
Net investment income, pre-tax	960	990	929	882	815	778	716	483	3,761	2,792
Income taxes	223	232	205	186	165	154	129	45	846	493
Net investment income, after-tax	<u>\$ 737</u>	<u>\$ 758</u>	<u>\$ 724</u>	<u>\$ 696</u>	<u>\$ 650</u>	<u>\$ 624</u>	<u>\$ 587</u>	<u>\$ 438</u>	<u>\$ 2,915</u>	<u>\$ 2,299</u>
Effective tax rate	23.2%	23.4%	22.2%	21.1%	20.2%	19.8%	18.1%	9.5%	22.5%	17.7%
Average invested assets (1)	\$ 72,737	\$ 73,063	\$ 74,451	\$ 75,215	\$ 74,733	\$ 74,156	\$ 74,256	\$ 73,588	\$ 73,872	\$ 74,197
Average yield pre-tax (1)	5.3%	5.4%	5.0%	4.7%	4.4%	4.2%	3.9%	2.6%	5.1%	3.8%
Average yield after-tax	4.1%	4.2%	3.9%	3.7%	3.5%	3.4%	3.2%	2.4%	3.9%	3.1%

(1) Excludes net unrealized investment gains (losses), net of tax, 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)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Net realized investment gains (losses)										
Fixed maturities	\$ 9	\$ 13	\$ (7)	\$ (10)	\$ (32)	\$ 6	\$ (153)	\$ (192)	\$ 5	\$ (371)
Equity securities	2	3	(1)	(2)	(1)	(14)	(28)	(29)	2	(72)
Other (1) (2)	3	112	8	24	(29)	44	11	2	147	28
Realized investment gains (losses) before tax	14	128	-	12	(62)	36	(170)	(219)	154	(415)
Related taxes	6	41	-	6	(21)	12	(54)	(81)	53	(144)
Net realized investment gains (losses)	<u>\$ 8</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (41)</u>	<u>\$ 24</u>	<u>\$ (116)</u>	<u>\$ (138)</u>	<u>\$ 101</u>	<u>\$ (271)</u>
Gross investment gains (2)	\$ 69	\$ 173	\$ 64	\$ 155	\$ 89	\$ 138	\$ 91	\$ 160	\$ 461	\$ 478
Gross investment losses before impairments (2)	(46)	(36)	(50)	(105)	(113)	(74)	(105)	(181)	(237)	(473)
Impairments	(9)	(9)	(14)	(38)	(38)	(28)	(156)	(198)	(70)	(420)
Realized investment gains (losses) before tax	14	128	-	12	(62)	36	(170)	(219)	154	(415)
Related taxes	6	41	-	6	(21)	12	(54)	(81)	53	(144)
Net realized investment gains (losses)	<u>\$ 8</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (41)</u>	<u>\$ 24</u>	<u>\$ (116)</u>	<u>\$ (138)</u>	<u>\$ 101</u>	<u>\$ (271)</u>
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008		
Net unrealized investment gains (losses), net of tax, by asset type										
Fixed maturities	\$ 417	\$ (591)	\$ 155	\$ 768	\$ 695	\$ (73)	\$ (1,406)	\$ (294)		
Equity securities & other	252	174	175	169	168	159	115	41		
Unrealized investment gains (losses) before tax	669	(417)	330	937	863	86	(1,291)	(253)		
Related taxes	230	(154)	109	317	287	23	(473)	(109)		
Balance, end of period	<u>\$ 439</u>	<u>\$ (263)</u>	<u>\$ 221</u>	<u>\$ 620</u>	<u>\$ 576</u>	<u>\$ 63</u>	<u>\$ (818)</u>	<u>\$ (144)</u>		

(1) In the second quarter of 2007, includes \$81 million from the bundled sale of a substantial portion of the Company's venture capital investment holdings.

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

Gross investment Treasury future gains	\$ 18	\$ 18	\$ 13	\$ 21	\$ 42	\$ 49	\$ 48	\$ 51	\$ 70	\$ 190
Gross investment Treasury future losses	\$ 19	\$ 11	\$ 18	\$ 30	\$ 56	\$ 39	\$ 52	\$ 96	\$ 78	\$ 243

The Company entered into these arrangements as part of its strategy to shorten the duration of the 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)



Gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses
 Allowance for uncollectible reinsurance
 Net reinsurance recoverables
 Mandatory pools and associations
 Structured settlements
 Total reinsurance recoverables

December 31, 2008	December 31, 2007
\$ 9,376	\$ 10,731
(618)	(688)
8,758	10,043
1,957	1,983
3,517	3,615
<u>\$ 14,232</u>	<u>\$ 15,641</u>

The Company's top five reinsurer groups, including retroactive reinsurance, by reinsurance recoverable is as follows:

Reinsurer	A.M. Best Rating of Group's Predominant Reinsurer	December 31, 2008	December 31, 2007
Swiss Re Group	A+ second highest of 16 ratings	\$ 1,009	\$ 1,266
Munich Re Group	A+ second highest of 16 ratings	831	994
Berkshire Hathaway Group	A++ highest of 16 ratings	495	591
Transatlantic Holdings, Inc. (1)	A third highest of 16 ratings	495	475
XL Capital Group	A third highest of 16 ratings	465	511

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 unasserted 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 reinsurer groups.

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 December 31, 2008, after deducting mandatory pool and structured settlement balances, \$6.9 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% net recoverables from reinsurers were comprised of the following: 7% related to the Company's participation in voluntary pools, 9% related to recoverables from captive insurance companies and 5% were balances from other companies not rated by A.M. Best Company. In addition, \$2.6 billion of the net recoverables were collateralized by letters of credit, funds held and trust agreements at December 31, 2008.

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.

The structured settlements represent recoverables from annuities that were purchased from life insurance companies to settle personal physical injury claims, with workers' compensation claims comprising a significant proportion. In cases where the Company did not receive a release from the claimant, the Company retains the liability to the claimant in the event that the life insurance company fails to pay; accordingly, the Company continues to report the amount due from the life insurance company as a liability and as a recoverable for GAAP purposes. The Company's top five groups by structured settlement is as follows:

Group	A.M. Best Rating of Group's Predominant Insurer	December 31, 2008	December 31, 2007
Old Mutual	A third highest of 16 ratings	\$ 1,075	\$ 1,087
Metlife	A+ second highest of 16 ratings	554	578
Genworth	A+ second highest of 16 ratings	485	496
Symetra	A third highest of 16 ratings	296	307
ING Group	A+ second highest of 16 ratings	242	248

(1) As a result of the September 29, 2008 announcement that a Special Committee of Transatlantic Holdings, Inc.'s (TRH) independent directors is evaluating proposals received from AIG relating to the possible disposition of AIG's 59% common stock interest in TRH, as well as possible business combination transactions involving TRH's outstanding shares, the reinsurance recoverables from TRH are now being reported separately. These amounts were previously reported combined with the reinsurance recoverables from AIG (totaling \$71 million and \$78 million at December 31, 2008 and 2007 exclusive of TRH, respectively).

The Travelers Companies, Inc.
Net Reserves for Losses and Loss Adjustment Expense

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Business Insurance										
Beginning of period	\$ 34,444	\$ 34,456	\$ 34,295	\$ 34,131	\$ 34,021	\$ 33,718	\$ 33,649	\$ 33,310	\$ 34,444	\$ 34,021
Incurred	1,684	1,628	1,530	1,616	1,517	1,576	1,868	1,509	6,458	6,470
Paid	(1,661)	(1,814)	(1,708)	(1,767)	(1,736)	(1,696)	(2,148)	(1,683)	(6,950)	(7,263)
Acquired (sold) reserves, foreign exchange and other (1)	(11)	25	14	41	(84)	51	(59)	(866)	69	(958)
End of period	\$ 34,456	\$ 34,295	\$ 34,131	\$ 34,021	\$ 33,718	\$ 33,649	\$ 33,310	\$ 32,270	\$ 34,021	\$ 32,270
Financial, Professional & International Insurance										
Beginning of period	\$ 5,014	\$ 4,991	\$ 5,285	\$ 5,416	\$ 5,520	\$ 5,590	\$ 5,650	\$ 5,703	\$ 5,014	\$ 5,520
Incurred	447	463	419	401	387	383	539	456	1,730	1,765
Paid	(318)	(256)	(333)	(339)	(324)	(294)	(324)	(468)	(1,246)	(1,410)
Acquired (sold) reserves, foreign exchange and other (2)	(152)	87	45	42	7	(29)	(162)	(294)	22	(478)
End of period	\$ 4,991	\$ 5,285	\$ 5,416	\$ 5,520	\$ 5,590	\$ 5,650	\$ 5,703	\$ 5,397	\$ 5,520	\$ 5,397
Personal Insurance										
Beginning of period	\$ 3,490	\$ 3,495	\$ 3,449	\$ 3,453	\$ 3,527	\$ 3,532	\$ 3,586	\$ 3,835	\$ 3,490	\$ 3,527
Incurred	997	968	972	1,050	1,074	1,159	1,374	1,009	3,987	4,616
Paid	(992)	(952)	(968)	(976)	(1,069)	(1,105)	(1,125)	(1,204)	(3,888)	(4,503)
Sold reserves (3)	-	(62)	-	-	-	-	-	-	(62)	-
End of period	\$ 3,495	\$ 3,449	\$ 3,453	\$ 3,527	\$ 3,532	\$ 3,586	\$ 3,835	\$ 3,640	\$ 3,527	\$ 3,640
Total										
Beginning of period	\$ 42,948	\$ 42,942	\$ 43,029	\$ 43,000	\$ 43,068	\$ 42,840	\$ 42,885	\$ 42,848	\$ 42,948	\$ 43,068
Incurred	3,128	3,059	2,921	3,067	2,978	3,118	3,781	2,974	12,175	12,851
Paid	(2,971)	(3,022)	(3,009)	(3,082)	(3,129)	(3,095)	(3,597)	(3,355)	(12,084)	(13,176)
Acquired (sold) reserves, foreign exchange and other (1) (2) (3)	(163)	50	59	83	(77)	22	(221)	(1,160)	29	(1,436)
End of period	\$ 42,942	\$ 43,029	\$ 43,000	\$ 43,068	\$ 42,840	\$ 42,885	\$ 42,848	\$ 41,307	\$ 43,068	\$ 41,307
Prior Year Reserve Development: Unfavorable (Favorable)										
Business Insurance										
Asbestos	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ 70
Environmental	-	185	-	-	-	85	-	-	185	85
All other	(27)	(245)	(165)	(49)	(312)	(442)	(317)	(205)	(486)	(1,276)
Prior year development excluding accretion of discount	(27)	(60)	(165)	(49)	(312)	(357)	(247)	(205)	(301)	(1,121)
Accretion of discount	15	15	15	15	15	16	15	14	60	60
Total Business Insurance	(12)	(45)	(150)	(34)	(297)	(341)	(232)	(191)	(241)	(1,061)
Financial, Professional & International Insurance	-	(15)	(42)	(36)	(63)	(132)	(43)	(36)	(93)	(274)
Personal Insurance	(35)	(50)	(24)	(43)	(25)	(37)	(44)	(37)	(152)	(143)
Total	\$ (47)	\$ (110)	\$ (216)	\$ (113)	\$ (385)	\$ (510)	\$ (319)	\$ (264)	\$ (486)	\$ (1,478)

(1) Reflects the sale of Unionamerica Holdings, Ltd. in 4Q 2008, decreasing net reserves by \$790 million in Business Insurance.

(2) Reflects the sale of Afianzadora Insurgentes in 1Q 2007, decreasing net reserves by \$118 million in Financial, Professional & International Insurance.

(3) Reflects the sale of Mendota and its subsidiaries in 2Q 2007, decreasing net reserves by \$62 million in Personal Insurance.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.
Asbestos and Environmental Reserves

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Asbestos reserves										
Beginning reserves:										
Direct	\$ 4,777	\$ 4,625	\$ 4,532	\$ 4,447	\$ 4,353	\$ 4,272	\$ 4,184	\$ 3,728	\$ 4,777	\$ 4,353
Ceded	(726)	(699)	(673)	(662)	(619)	(600)	(588)	(501)	(726)	(619)
Net	4,051	3,926	3,859	3,785	3,734	3,672	3,596	3,227	4,051	3,734
Incurred losses and loss expenses:										
Direct	-	-	(1)	-	-	-	70	-	(1)	70
Ceded	-	-	1	-	-	-	-	-	1	-
Losses paid:										
Direct (1)	152	93	84	94	81	88	526	99	423	794
Ceded	(27)	(26)	(10)	(43)	(19)	(12)	(87)	(18)	(106)	(136)
Sale of subsidiary: (2)										
Direct	-	-	-	-	-	-	-	330	-	330
Ceded	-	-	-	-	-	-	-	(98)	-	(98)
Ending reserves:										
Direct	4,625	4,532	4,447	4,353	4,272	4,184	3,728	3,299	4,353	3,299
Ceded	(699)	(673)	(662)	(619)	(600)	(588)	(501)	(385)	(619)	(385)
Net	\$ 3,926	\$ 3,859	\$ 3,785	\$ 3,734	\$ 3,672	\$ 3,596	\$ 3,227	\$ 2,914	\$ 3,734	\$ 2,914
Environmental reserves										
Beginning reserves:										
Direct	\$ 413	\$ 364	\$ 529	\$ 498	\$ 478	\$ 450	\$ 499	\$ 472	\$ 413	\$ 478
Ceded	5	8	8	14	12	12	12	13	5	12
Net	418	372	537	512	490	462	511	485	418	490
Incurred losses and loss expenses:										
Direct	-	185	(3)	-	-	85	-	-	182	85
Ceded	-	-	3	-	-	-	-	-	3	-
Losses paid:										
Direct	49	20	28	20	28	36	27	32	117	123
Ceded	(3)	-	(3)	2	-	-	(1)	6	(4)	5
Sale of subsidiary: (2)										
Direct	-	-	-	-	-	-	-	40	-	40
Ceded	-	-	-	-	-	-	-	(7)	-	(7)
Ending reserves:										
Direct	364	529	498	478	450	499	472	400	478	400
Ceded	8	8	14	12	12	12	13	14	12	14
Net	\$ 372	\$ 537	\$ 512	\$ 490	\$ 462	\$ 511	\$ 485	\$ 414	\$ 490	\$ 414

(1) Third quarter of 2008 includes the final payment in connection with the ACandS settlement.

(2) In December 2008, the Company completed the sale of its subsidiary Unionamerica Holdings, Ltd.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 34.

The Travelers Companies, Inc.

Capitalization

(\$ in millions)



Debt	December 31, 2008	December 31, 2007
Short-term debt		
Commercial paper	\$ 100	\$ 100
3.75% Senior notes due March 15, 2008	-	400
7.81% Private placement note due September 16, 2008	-	3
6.38% Medium-term note due December 15, 2008	-	149
Zero coupon convertible notes due March 3, 2009, effective yield 4.17%	140	-
7.81% Private placement note due September 16, 2009	2	-
Total short-term debt	242	652
Long-term debt		
Zero coupon convertible notes due March 3, 2009, effective yield 4.17%	-	134
8.125% Senior notes due April 15, 2010 (1)	250	250
7.415% Medium-term notes due August 23, 2010	21	21
7.22% Real estate non-recourse debt due September 1, 2011	9	9
7.81% Private placement notes due on various dates through 2011	4	6
5.375% Senior notes due June 15, 2012 (1)	250	250
5.00% Senior notes due March 15, 2013 (1)	500	500
5.50% Senior notes due December 1, 2015	400	400
6.25% Senior notes due June 20, 2016 (1)	400	400
5.75% Senior notes due December 15, 2017 (1)	450	450
5.80% Senior notes due May 15, 2018 (1)	500	-
7.75% Senior notes due April 15, 2026	200	200
7.625% Junior subordinated debentures due December 15, 2027	125	125
6.375% Senior notes due March 15, 2033 (1)	500	500
6.75% Senior notes due June 20, 2036 (1)	400	400
6.25% Senior notes due June 15, 2037 (1)	800	800
8.50% Junior subordinated debentures due December 15, 2045	56	56
8.312% Junior subordinated debentures due July 1, 2046	73	73
6.25% Fixed-to-floating rate junior subordinated debentures due March 15, 2067	1,000	1,000
Total long-term debt	5,938	5,574
Unamortized fair value adjustment	68	83
Unamortized debt issuance costs	(67)	(67)
Total debt	6,181	6,242
Preferred equity	89	112
Common equity (excluding net unrealized investment gains (losses), net of tax)	25,374	25,884
Total capital	\$ 31,644	\$ 32,238
Total debt to capital	19.5%	19.4%

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

The Travelers Companies, Inc.
Statutory to GAAP Shareholders' Equity Reconciliation

(\$ in millions)



	<u>December 31, 2008 (1)</u>	<u>December 31, 2007</u>
Statutory capital and surplus	\$ 21,491	\$ 22,878
GAAP adjustments		
Goodwill and intangible assets	3,841	3,958
Investments	342	1,407
Noninsurance companies	(3,924)	(4,307)
Deferred acquisition costs	1,774	1,809
Deferred federal income tax	699	(18)
Current federal income tax	(86)	(124)
Reinsurance recoverables	295	370
Furniture, equipment & software	526	423
Employee benefits	40	68
Agents balances	122	130
Other	199	22
Total GAAP adjustments	<u>3,828</u>	<u>3,738</u>
GAAP shareholders' equity	<u>\$ 25,319</u>	<u>\$ 26,616</u>

(1) Estimated and Preliminary

The Travelers Companies, Inc.
Statement of Cash Flows - Preliminary

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Cash flows from operating activities										
Net income	\$ 1,086	\$ 1,254	\$ 1,198	\$ 1,063	\$ 967	\$ 942	\$ 214	\$ 801	\$ 4,601	\$ 2,924
Adjustments to reconcile net income to net cash provided by operating activities:										
Net realized investment (gains) losses	(14)	(128)	-	(12)	62	(36)	170	219	(154)	415
Depreciation and amortization	205	203	197	206	213	201	213	194	811	821
Deferred federal income tax expense (benefit)	(188)	369	68	(19)	(8)	34	23	(107)	230	(58)
Amortization of deferred acquisition costs	869	915	956	966	954	961	990	975	3,706	3,880
Equity in (income) loss from other investments	(167)	(205)	(117)	(81)	(17)	(16)	67	278	(570)	312
Premiums receivable	17	(368)	216	131	(28)	(177)	158	213	(4)	166
Reinsurance recoverables	548	531	615	478	272	10	251	676	2,172	1,209
Deferred acquisition costs	(967)	(1,024)	(997)	(937)	(968)	(991)	(991)	(895)	(3,925)	(3,845)
Claims and claim adjustment expense reserves	(350)	(255)	(469)	(336)	(386)	(38)	(249)	(1,360)	(1,410)	(2,033)
Unearned premium reserves	60	275	28	(260)	15	97	38	(420)	103	(270)
Trading account activities	(1)	(3)	1	-	2	5	(2)	6	(3)	11
Loss (gain) on redemption of subordinated debentures	(7)	39	-	-	-	-	-	-	32	-
Excess tax benefits from share-based payment arrangements	(9)	(11)	(3)	(2)	(4)	(3)	(1)	(2)	(25)	(10)
Other	(215)	(535)	322	150	(147)	(285)	61	(16)	(278)	(387)
Net cash provided by operating activities	867	1,057	2,015	1,347	927	704	942	562	5,286	3,135
Cash flows from investing activities										
Proceeds from maturities of fixed maturities	1,637	927	1,393	1,348	1,604	1,084	982	1,199	5,305	4,869
Proceeds from sales of investments:										
Fixed maturities	729	809	2,143	3,642	1,044	1,405	1,139	3,344	7,323	6,932
Equity securities	25	31	21	29	12	24	11	6	106	53
Real estate	-	-	10	1	-	25	-	-	11	25
Other investments	325	606	222	307	246	178	123	108	1,460	655
Purchases of investments:										
Fixed maturities	(3,006)	(3,007)	(3,673)	(5,033)	(2,350)	(2,063)	(2,222)	(4,492)	(14,719)	(11,127)
Equity securities	(29)	(26)	(8)	(72)	(21)	(25)	(43)	(6)	(135)	(95)
Real estate	(26)	(27)	(16)	(5)	(9)	(16)	(6)	(7)	(74)	(38)
Other investments	(139)	(232)	(191)	(178)	(123)	(162)	(242)	(140)	(740)	(667)
Net (purchases) sales of short-term securities	(103)	407	(368)	(498)	320	(667)	407	(466)	(562)	(406)
Securities transactions in course of settlement	305	(251)	(385)	208	43	31	(461)	69	(123)	(318)
Other	(203)	(7)	(82)	(86)	(72)	(91)	(104)	222	(378)	(45)
Net cash provided by (used in) investing activities	(485)	(770)	(934)	(337)	694	(277)	(416)	(163)	(2,526)	(162)

The Travelers Companies, Inc.
Statement of Cash Flows - Preliminary (Continued)

(\$ in millions)



	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008	YTD 4Q 2007	YTD 4Q 2008
Cash flows from financing activities										
Issuance of debt	986	1,475	-	-	-	496	-	-	2,461	496
Payment of debt	(611)	(857)	(488)	-	(400)	-	(3)	(149)	(1,956)	(552)
Dividends paid to shareholders	(175)	(193)	(189)	(185)	(179)	(180)	(177)	(176)	(742)	(712)
Issuance of common stock - employee share options	54	106	32	26	15	44	13	17	218	89
Treasury stock acquired - share repurchase authorization	(698)	(637)	(612)	(973)	(1,000)	(765)	(290)	(112)	(2,920)	(2,167)
Treasury stock acquired - net employee share-based compensation	(26)	(12)	(1)	-	(26)	(2)	-	(1)	(39)	(29)
Excess tax benefits from share-based payment arrangements	9	11	3	2	4	3	1	2	25	10
Other	(1)	1	1	(1)	-	-	-	-	-	-
Net cash used in financing activities	(462)	(106)	(1,254)	(1,131)	(1,586)	(404)	(456)	(419)	(2,953)	(2,865)
Effect of exchange rate changes on cash	(1)	3	2	1	2	(2)	(12)	(17)	5	(29)
Net increase (decrease) in cash	(81)	184	(171)	(120)	37	21	58	(37)	(188)	79
Cash at beginning of period	459	378	562	391	271	308	329	387	459	271
Cash at end of period	\$ 378	\$ 562	\$ 391	\$ 271	\$ 308	\$ 329	\$ 387	\$ 350	\$ 271	\$ 350
Income taxes paid	\$ 88	\$ 698	\$ 149	\$ 411	\$ 78	\$ 637	\$ 117	\$ 9	\$ 1,346	\$ 841
Interest paid	\$ 75	\$ 86	\$ 79	\$ 117	\$ 72	\$ 112	\$ 64	\$ 127	\$ 357	\$ 375

Glossary of Financial Measures and Description of Reportable Business Segments

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 statement of income or required to be disclosed in the notes to financial statements, and 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 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.

Operating income (loss) is net income (loss) excluding the after-tax impact of net realized investment gains (losses). **Operating income (loss) per share** is operating income (loss) on a per share basis.

Return on equity is the ratio of net income to average equity. **Operating return on equity** is the ratio of operating income to average equity excluding net unrealized investment gains and losses, net of tax.

In the opinion of the Company's management, operating income, operating income per share and operating return on equity are meaningful indicators of underwriting and operating results. These measures exclude net realized investment gains or losses which can be significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. Internally, the Company's management uses operating income, operating income per share and operating return on equity to evaluate performance against historical results and establish financial targets on a consolidated basis.

Underwriting gain (loss) is net earned premiums and fee income less claims and claim adjustment expenses and insurance-related expenses.

A **catastrophe** is a severe loss, resulting from natural and man-made events, including risks such as fire, earthquake, windstorm, explosion, terrorism and other similar events. Each catastrophe has unique characteristics, and catastrophes are not predictable as to timing or amount. Their effects are included in net and operating income and claims and claim adjustment expense reserves upon occurrence. A catastrophe may result in the payment of reinsurance reinstatement premiums and assessments from various pools. In the opinion of the Company's management, a discussion of the impact of catastrophes is meaningful for investors to understand variability in periodic earnings.

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. Loss reserve development may be related to one or more prior years or the current year. In the opinion of the Company's management, discussion of loss reserve development is useful to investors as it allows them to assess the impact between prior and current year development on incurred claims and claim adjustment expenses, net and operating income, and changes in claims and claim adjustment expense reserve levels from period to period.

GAAP combined ratio is the sum of the loss and loss adjustment expense ratio (loss and LAE ratio), the underwriting expense ratio and, where applicable, the ratio of dividends to policyholders to net premiums earned. For GAAP, the loss and LAE ratio is the ratio of incurred losses and loss adjustment expenses reduced by an allocation of fee income to net earned premiums. The underwriting expense ratio is the ratio of underwriting expenses incurred reduced by an allocation of fee income, and billing and policy fees to net earned premiums. A GAAP combined ratio under 100% generally indicates an underwriting profit. A GAAP combined ratio over 100% generally indicates an underwriting loss. The GAAP combined ratio is an operating statistic that includes GAAP measures in the numerator and the denominator.

Gross written premiums reflect the direct and assumed contractually determined amounts charged to the policyholders for the effective period of the contract based on the terms and conditions of the insurance contract. Gross written premiums are a measure of overall business volume. **Net written premiums** reflect gross written premiums less premiums ceded to reinsurers.

Book value per share 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 (i.e., excluding FAS 115), divided by the number of common shares outstanding. In the opinion of the Company's management, adjusted book value is useful in an analysis of a property casualty company's book value 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 equivalent impact on unpaid claims and claim adjustment expense reserves.

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

Business Insurance - The Business Insurance segment offers a broad array of property and casualty insurance and insurance-related services to its clients primarily in the United States. Business Insurance is organized into the following six groups, which collectively comprise Business Insurance Core operations: Select Accounts; Commercial Accounts; National Accounts; Industry-Focused Underwriting including Construction, Technology, Public Sector Services, Oil & Gas, and Agribusiness; Target Risk Underwriting including National Property, Inland Marine, Ocean Marine, Excess Casualty, Boiler & Machinery, and Global Accounts; and Specialized Distribution including Northland and National Programs. Business Insurance also includes the Special Liability Group (which manages the Company's asbestos and environmental liabilities), and other runoff operations, which collectively are referred to as Business Insurance Other.

Financial, Professional & International Insurance - The Financial, Professional & International Insurance segment includes surety and financial liability businesses, which primarily use credit-based underwriting processes, as well as property and casualty products that are primarily marketed on a domestic basis in the United Kingdom, Ireland and Canada, and on an international basis through Lloyd's. The businesses in Financial, Professional & International Insurance are Bond & Financial Products and International.

Personal Insurance - The Personal Insurance segment writes virtually all types of property and casualty insurance covering personal risks. The primary coverages in this segment are personal automobile and homeowners insurance sold to individuals.