TRAVELERS

Fourth Quarter and Full Year 2008 Results

January 27, 2009

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, statements about the potential impact of the recent disruption in the investment markets and other economic conditions 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, expected current returns 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; investment, economic and underwriting 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; deteriorating economic conditions in the United States and abroad could adversely impact our ability to grow our business profitability, and inflation or other adverse economic circumstances could result in an increase in loss costs which could negatively impact our profitability; 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 including operational, legal and foreign exchange rate risk; we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; loss or significant restriction of the use of credit scoring in the pricing and underwriting of insurance products could reduce our future profitability; 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 technology 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.

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 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and quarterly report on Form 10-Q filed with the Securities and Exchange Commission.

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.

In this presentation, we may refer to some non-GAAP financial measures, including, among others, operating income, operating income per diluted share, 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).

Long-term Financial Strategy

Meaningful and sustainable competitive advantages

→

Generation of top tier earnings and capital substantially in excess of growth needs

→

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

Create Shareholder Value

Objective: Mid-Teens ROE Over Time

Fourth Quarter and Full Year 2008 Highlights

- Operating income of $939 million for the quarter and $3.195 billion for the full year
  - After-tax positive impact to income of $56 million due to a downward adjustment of current year catastrophe losses for the quarter and after-tax catastrophes losses of $919 million for the full year
  - After-tax net favorable prior year reserve development of $189 million for the quarter and $1.000 billion for the full year
  - Sold Unionamerica Holdings Limited, the company's United Kingdom-based runoff insurance and reinsurance businesses, and recorded a tax benefit of $89 million in operating income along with an insignificant net realized investment gain
  - GAAP combined ratio of 85.9% for the quarter and 91.9% for the full year
- Operating return on equity of 14.7% for the quarter and 12.4% for the full year
- Net written premiums of $5.385 billion for the quarter and $21.683 billion for the full year
- Book value per share of $43.12 and adjusted book value (which excludes FAS 115) per share of $43.37
  - Increased 2% and 5%, respectively, from December 31, 2007 after repurchasing 45.0 million shares under the company's share repurchase authorization during the past year for a total cost of $2.122 billion and paying common stock dividends of $712 million
- All financial strength indicators at or better than target levels
  - Debt to capital ratio of 19.5%
  - Holding company liquidity of $2.146 billion

Very Strong Financial Position

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

	December 31,	
	2008	**2007**
Debt	$ 6,181	$ 6,242
Preferred equity	89	112
Common equity [1]	25,374	25,884
Total capital [1]	$ 31,644	$ 32,238
Debt to capital	*19.5%*	*19.4%*
Common shares outstanding	585.1	627.8
Book value per common share	$ 43.12	$ 42.22
Adjusted book value per common share [1]	$ 43.37	$ 41.23
Tangible book value per common share [1]	$ 36.58	$ 34.74
Statutory surplus	$ 21,491	$ 22,878
Holding company liquidity	$ 2,146	$ 1,617

[1] Excludes FAS 115

Capital

- At or above target levels for all rating agencies
- Continued to generate excess capital and repurchased shares
  - $2.122 billion of share repurchases in full year 2008

Leverage

- Debt to capital ratio of 19.5% below 20.0% target
- Low level of maturing debt
  - 2009 $143 million
  - 2010 $273 million
  - 2011 $ 11 million

  Can self-fund all maturing debt

Liquidity

- Holding company liquidity almost twice the target of $1.1 billion
- Not reliant on commercial paper market

Very high credit quality investment portfolio

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Areas of Market Disruption	Travelers Status
Subprime / Alt-A mortgage-backed securities	Holdings of $206 million - negligible exposure
Collateralized debt obligations	None
Collateralized loan obligations	None
Monoline insurer guarantee of municipal bonds	Municipal bond portfolio AA+ with or without guarantee (based on underlying ratings)
Structured investment vehicles	None
Asset-backed commercial paper	None
Auction-rate securities	None
Loss of access to commercial paper market	Not reliant on; only approximately $100 million outstanding
Credit default swaps	Not a party to any
Securities lending	Only $8 million of loans outstanding; company believes it has no exposure to loss
Madoff	No direct investment

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Note: As of December 31, 2008

Consolidated Performance

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

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Operating income	$ **939**	$ **1,057**	**(11)** %	$ **3,195**	$ **4,500**	**(29)** %
per diluted share	$ *1.58*	$ *1.63*	*(3)* %	$ *5.27*	$ *6.71*	*(21)* %
Included the following items:						
Net favorable prior year reserve development	$ 189	$ 83		$ 1,000	$ 351	
Catastrophe (losses) / reduction of losses, net of reinsurance	56	(45)		(919)	(109)	
Tax benefit related to sale of subsidiary [1]	89	-		89	-	
Current year re-estimation [2]	(27)	35		-	-	
Timing impact of agent compensation program [3]	-	2		-	106	
Charge on the redemption of securities [4]	-	-		-	(25)	
Resolution of prior year tax matters	-	-		-	86	
Total Items	$ **307**	$ **75**		$ **170**	$ **409**	

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Loss and loss adjustment ratio	54.9 %	56.6 %		59.4 %	56.6 %	
Underwriting expense ratio	31.0	31.8		32.5	30.8	
GAAP combined ratio [5]	**85.9** %	**88.4** %	**2.5** pts	**91.9** %	**87.4** %	**(4.5)** pts
Net favorable prior year reserve development	5.1	2.4		7.1	2.5	
Catastrophes, net of reinsurance	1.6	(1.3)		(6.5)	(0.7)	
Current year re-estimation [2]	(0.8)	1.0		-	-	
Timing impact of agent compensation program [3]	-	0.1		-	0.8	
Adjusted GAAP combined ratio	**91.8** %	**90.6** %	**(1.2)** pts	**92.5** %	**90.0** %	**(2.5)** pts

[1] In December 2008, the company completed the sale of its subsidiary Unionamerica Holdings, Ltd.
[2] Re-estimation of the current year loss ratios for the first three quarters of the respective year.
[3] Timing impact for the transition to the fixed, value-based agent compensation program.
[4] Redemption of 4.5% convertible junior subordinated notes due 2032 in 2007.
[5] A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

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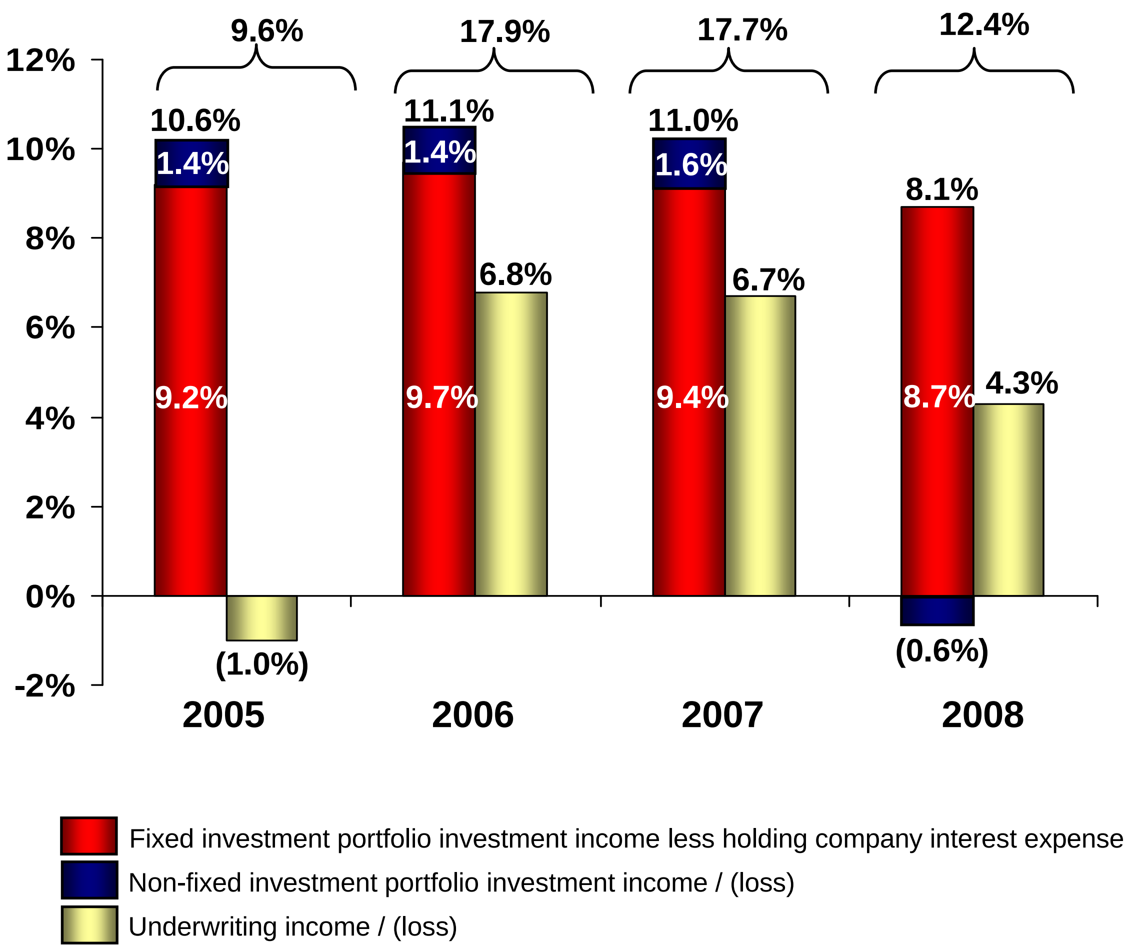
Components of Operating Return on Equity



- Investment income from the fixed income portfolio, net of interest expense on holding company debt, produced an operating return on equity of 8.7% down slightly due to lower short-term interest rates

- Underwriting income produced an operating return on equity of 4.3% including significant catastrophe losses and net favorable prior year reserve development

- January 1, 2005 through December 31, 2008 average annual operating return on equity of approximately 14.5%

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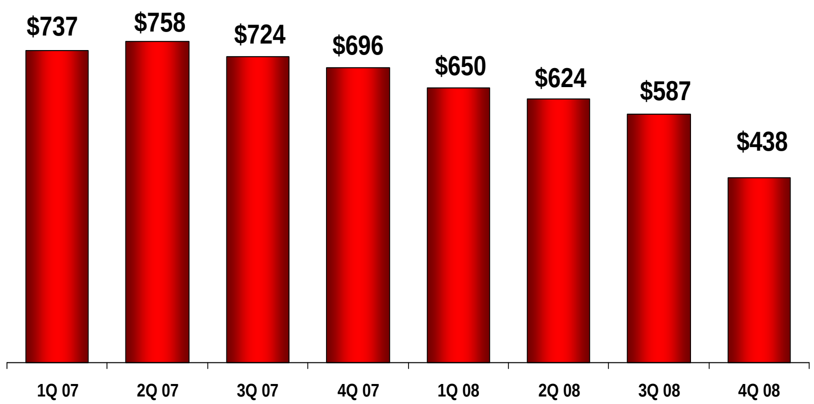
Net Investment Income

($ in millions, after-tax)

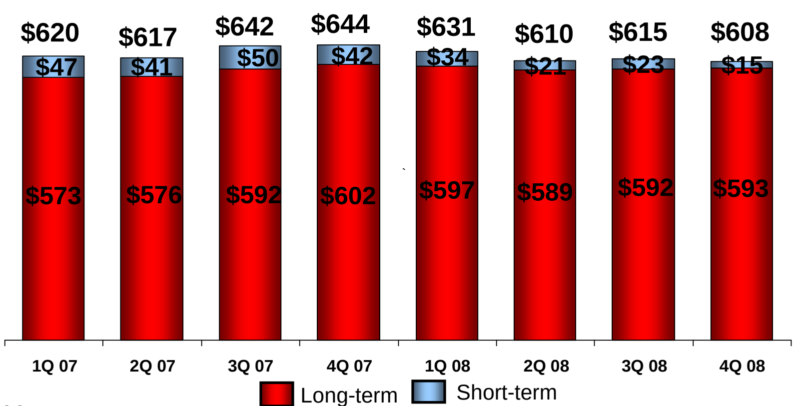
Total



	1Q 07	2Q 07	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08	4Q 08
After-tax yield	**4.1%**	**4.2%**	**3.9%**	**3.7%**	**3.5%**	**3.4%**	**3.2%**	**2.4%**

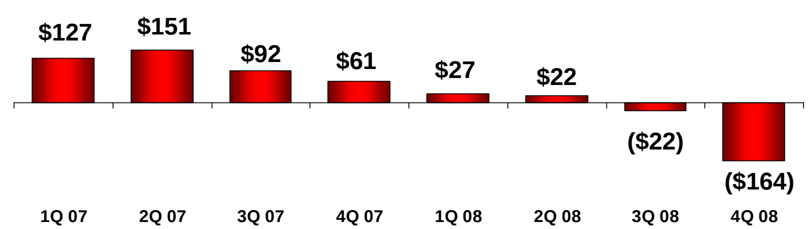
- Long-term fixed income portfolio continued to produce stable returns
- Short-term portion of fixed income portfolio impacted by very low interest rates
- Non-fixed income portfolio, comprised substantially of private equity funds, real estate partnerships and hedge funds, recorded a loss reflective of difficult investment markets

Fixed Income[1]



After-tax yield								
Total	**3.6%**	**3.6%**	**3.7%**	**3.6%**	**3.6%**	**3.5%**	**3.5%**	**3.5%**
Short-term	**3.9%**	**3.8%**	**4.0%**	**3.3%**	**2.6%**	**1.7%**	**1.7%**	**1.1%**
Long-term	**3.6%**	**3.6%**	**3.6%**	**3.7%**	**3.7%**	**3.6%**	**3.7%**	**3.7%**

Non-Fixed Income[1]



After-tax yield								
Total	**11.6%**	**13.8%**	**8.3%**	**5.4%**	**2.4%**	**2.0%**	**(1.9%)**	**(14.9%)**

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[1] Excludes investment expenses

Unrealized Gross Investment Losses Less Than 80% of Amortized Cost

($ in millions)

At December 31, 2008	**Less than 3 months**	**Greater than 3 months Less than 6 months**	**Greater than 6 months Less than 12 months**	**Greater than 12 months**	**Total**
Fixed maturities					
Mortgage-backed securities	$ 222	$ 36	$ 1	$ -	$ 259
Other	329	73	12	-	414
Total fixed maturities	551	109	13	-	673
Equity securities	41	30	-	-	71
Other Investments	-	-	-	-	-
Total	$ 592	$ 139	$ 13	$ -	$ 744
% of total invested assets	*1%*	*- %*	*- %*	*- %*	*1%*

At September 30, 2008	**Less than 3 months**	**Greater than 3 months Less than 6 months**	**Greater than 6 months Less than 12 months**	**Greater than 12 months**	**Total**
Fixed maturities	$ 188	55	-	-	$ 243
Equity securities	24	3	-	-	27
Other Investments	-	-	-	-	-
Total	$ 212	$ 58	$ -	$ -	$ 270
% of total invested assets	*- %*	*- %*	*- %*	*- %*	*- %*

Note: The table summarizes for all fixed maturities and equity securities available for sale and for equity securities reported at fair value for which fair value is less than 80% of amortized cost at December 31, 2008 and at September 30, 2008, the gross unrealized investment loss by length of time those securities have continuously been in an unrealized loss position of greater than 20% of amortized cost.

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Business Insurance - Performance

($ in millions)

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Operating income	$ **619**	$ **729**	**(15)** %	$ **2,338**	$ **3,015**	**(22)** %
Loss and loss adjustment ratio	54.6 %	56.6 %		57.7 %	57.1 %	
Underwriting expense ratio	31.1	31.2		32.5	30.7	
GAAP combined ratio [1]	**85.7** %	**87.8** %	**2.1** pts	**90.2** %	**87.8** %	**(2.4)** pts
Net favorable prior year reserve development	7.3	1.7		10.0	2.6	
Catastrophes, net of reinsurance	0.8	(0.1)		(6.3)	-	
Current year re-estimation [2]	(0.6)	1.9		-	-	
Timing impact of agent compensation program [3]	-	0.1		-	0.7	
Adjusted GAAP combined ratio	**93.2** %	**91.4** %	**(1.8)** pts	**93.9** %	**91.1** %	**(2.8)** 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] Re-estimation of the current year loss ratios for the first three quarters of the respective year.
[3] Timing impact for the transition to the fixed, value-based agent compensation program.

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Business Insurance - Performance

($ in millions)

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Net Written Premiums						
Select Accounts	$ 662	$ 642		$ 2,756	$ 2,711	
Commercial Accounts	666	681		2,524	2,518	
National Accounts	269	270		996	1,056	
Industry-Focused Underwriting	586	555		2,396	2,301	
Target Risk Underwriting	359	379		1,593	1,665	
Specialized Distribution	208	244		939	1,015	
Business Insurance Core	**2,750**	**2,771**	**(1) %**	**11,204**	**11,266**	**(1) %**
Business Insurance Other	6	6		16	52	
Total Business Insurance	**$ 2,756**	**$ 2,777**	**(1) %**	**$ 11,220**	**$ 11,318**	**(1) %**

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Business Insurance - Illustrative Business Statistics

Retention

	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Select Accounts	81%	81%	81%	81%	81%	81%	82%	**82%**
Commercial Accounts	86%	86%	85%	85%	86%	85%	86%	**88%**
Other Business Insurance [1]	82%	80%	80%	80%	82%	82%	82%	**82%**

Overall, retention remains at historically high levels

Renewal Price Change[2]

	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Select Accounts	4%	2%	2%	1%	1%	1%	0%	**-1%**
Commercial Accounts	0%	-3%	-2%	-6%	-4%	-3%	-3%	**-4%**
Other Business Insurance [1]	1%	-1%	-3%	-5%	-4%	-6%	-4%	**-4%**

Renewal price changes generally consistent with recent quarters

[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, including rate and exposure changes vs. the average premium on those same policies for their prior term.

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

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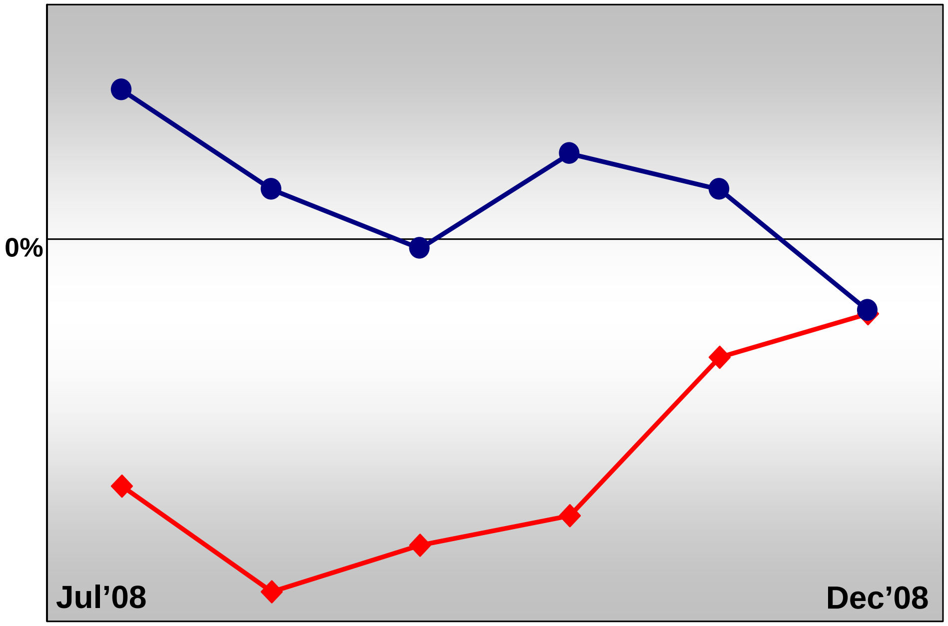
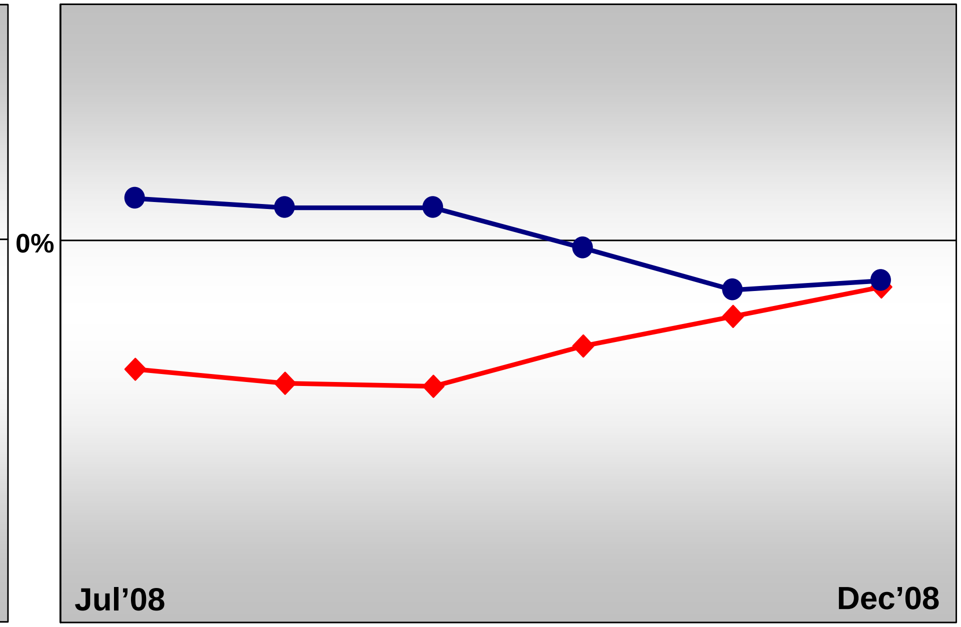
Renewal Price Change: Rate Versus Exposure/Other

National Property



Commercial Accounts



Rate % — Exposure/Other %

Impact of improving rate trend across several lines, partially offset by lower exposures due to general economic conditions

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

Business Insurance - Illustrative Business Statistics

($ in millions)

New Business

	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	**4Q**
Select Accounts	$145	$143	$125	$111	$124	$133	$142	**$139**
Commercial Accounts	$168	$125	$145	$123	$142	$118	$117	**$121**
Other Business Insurance [1]	$296	$315	$303	$275	$297	$292	$285	**$241**

Overall strong, but disciplined performance

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

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

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

($ in millions)

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Operating income	**$ 154**	**$ 184**	**(16) %**	**$ 649**	**$ 675**	**(4) %**
Loss and loss adjustment ratio	52.3 %	47.4 %		51.2 %	50.8 %	
Underwriting expense ratio	34.9	37.9		36.0	36.8	
GAAP combined ratio [1]	**87.2 %**	**85.3 %**	**(1.9)** pts	**87.2 %**	**87.6 %**	**0.4** pts
Net favorable prior year reserve development	4.2	4.3		8.0	2.7	
Catastrophes, net of reinsurance	1.6	-		(2.5)	-	
Current year re-estimation [2]	(0.6)	-		-	-	
Timing impact of agent compensation program [3]	-	0.1		-	0.3	
Adjusted GAAP combined ratio	**92.4 %**	**89.7 %**	**(2.7)** pts	**92.7 %**	**90.6 %**	**(2.1)** pts

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Full Year 2008	Full Year 2007	Full Year Change
Net Written Premiums						
Bond & Financial Products	$ 586	604		$ 2,228	2,228	
International	352	359		1,240	1,237	
Total FP&II	**$ 938**	**$ 963**	**(3) %**	**$ 3,468**	**$ 3,465**	**- %**
Total FP&II (excl Afianzadora Insurgentes[4])	**$ 938**	**$ 963**	**(3) %**	**$ 3,468**	**$ 3,440**	**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] Re-estimation of the current year loss ratios for the first three quarters of the respective year.
[3] Timing impact for the transition to the fixed, value-based agent compensation program.
[4] Afianzadora Insurgentes, the company's Mexican surety operation, was sold in the first quarter 2007.

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Financial, Professional & International Insurance Illustrative Business Statistics

($ in millions)

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008
Management Liability								
Retention	84%	85%	82%	83%	84%	84%	84%	**84%**
Renewal price change[1]	5%	-1%	2%	0%	0%	-2%	0%	**1%**
New business	$53	$60	$49	$50	$46	$51	$48	**$57**
Surety[2]								
Gross Written Premium	$269	$317	$315	$264	$284	$298	$316	**$234**
International								
Retention	87%	84%	81%	85%	81%	80%	79%	**76%**
Renewal price change[1]	0%	-3%	-4%	-1%	-6%	0%	0%	**6%**
New business	$58	$83	$71	$87	$74	$124	$71	**$84**

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 Excludes Afianzadora Insurgentes, the company's Mexican surety operation, which was sold in the first quarter of 2007.

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

Well-Diversified Portfolio of Management Liability Products

($ in millions)

The Management Liability products (E&O, D&O, Crime, Employment Practices Liability and Fiduciary) are sold through various market focused business units such as Private & Non-Profit, Financial Institutions, Professional Liability, Public Company, International, Technology and Public Sector

Management Liability Products Estimated to Have Significantly Elevated Levels of Risk from the Financial Market Disruption

2008 Gross Written Premium

Coverage	With Significant Elevated Risk Level [1]	Other [2]	Total
Directors & Officers (D&O)	$106	$332	$438
Errors & Ommissions (E&O)	146	525	671
Fiduciary	22	74	96
Other Coverages [3]	-	377	377
Total	**$274**	**$1,308**	**$1,582**
GWP exposed as a % of Total management liability GWP	17.3%		
GWP exposed as a % of Total Travelers GWP	1.1%		

[1] Includes accounts in directly-impacted industries including large Financial Institutions, Insurance Companies, Mutual Funds/Investment Advisors, Community Banks, Rating Agencies, Sub-Prime Lenders, Bond insurers, Homebuilders and Suppliers, Title Agents, etc.

[2] Primarily includes accounts in our Private/Non-Profit and Professional Liability business units, and most industries within our Public Company Liability business unit.

[3] "Other coverages" include Fidelity, Crime, Employment Practices Liability, and Identity Theft.

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Management Liability: Elevated Risk Policy Information

($ in millions)

- Claims-made policies
  - Contains cumulative exposure vs. occurrence policies
  - Defense costs inside limits

- Profile of policies with elevated exposure including the Community Bank portfolio:

2007 & 2008	Gross Policy Limits	Gross Average Policy Limits	Percentage of GWP Primary/Excess	Average Excess Attachment Point
D&O, Fiduciary, E&O	$1 – 25	$4	50% / 50%	$37
D&O only	$1 – 25	$6	46% / 54%	$46

- 2008 Reinsurance generally limits the maximum retention to $12 million per policy, and for average policy limits, the retention would be $4 million subject to an approximate annual aggregate recovery of $375 million

- 2009 Reinsurance, after an annual aggregate deductible, generally limits the maximum retention to $15 million per policy, and for average policy limits, the retention would be $3 million subject to an approximate annual aggregate recovery of $316 million

Management Liability: Exposed Policies – Action Taken

- Since March 2007, have increasingly incorporated consideration of financial market disruption into the company's underwriting approach

- In the fourth quarter of 2007, as reported last year, the company initiated an in-depth review of its policies that have a significantly elevated risk to the financial market disruption (see appendix). Throughout 2008, the company has continued performing this review on a monthly basis

- In the fourth quarter of 2008, the company expanded its analysis to include accounts identified with potential exposure to Madoff (accounts with investment losses or other exposures, including investment advisors, non-profit entities, pension funds, etc.)

Management Liability: Financial Market Disruption Impact on Results (as of December 31, 2008)

- Claim notices reported in 2008 were at a consistent pace with 2007
- Accounts with 2008 claim notices displayed average limits and excess attachment points slightly favorable when compared to the 2007 claim notices
- The company's estimate of financial market disruption losses for 2007 improved from last year to this year, and, excluding exposure to the Madoff matter, the company's estimate for losses for 2008 is consistent with the current 2007 estimate
- Total limits for identified accounts exposed to the Madoff matter are approximately \$150 million, net of reinsurance. Aggregate losses (recorded in 2008 and to be recorded in 2009) estimated to be less than \$75 million pre-tax (\$50 million after-tax)
- 2009 guidance reflects estimated financial market disruption and Madoff losses. The company expects its management liability business will remain profitable in 2009

Personal Insurance - Performance

($ in millions)

	Fourth Quarter 2008	Fourth Quarter 2007	Fourth Quarter Change	Year-to-Date 2008	Year-to-Date 2007	Year-to-Date Change
Operating income	$ **226**	$ **201**	**12** %	$ **465**	$ **1,019**	**(54)** %
Loss and loss adjustment ratio	56.8 %	61.0 %		66.2 %	58.6 %	
Underwriting expense ratio	28.8	29.8		30.8	28.2	
GAAP combined ratio [1]	**85.6** %	**90.8** %	**5.2** pts	**97.0** %	**86.8** %	**(10.2)** pts
Net favorable prior year reserve development	2.1	2.5		2.1	2.2	
Catastrophes, net of reinsurance	2.7	(3.7)		(8.9)	(2.4)	
Current year re-estimation [2]	(1.2)	-		-	-	
Timing impact of agent compensation program [3]	-	0.1		-	1.0	
Adjusted GAAP combined ratio	**89.2** %	**89.7** %	**0.5** pts	**90.2** %	**87.6** %	**(2.6)** pts
Net Written Premiums						
Automobile	$ 876	$ 847		$ 3,660	$ 3,628	
Homeowners and Other	815	779		3,335	3,207	
Total Personal Insurance	$ **1,691**	$ **1,626**	**4** %	$ **6,995**	$ **6,835**	**2** %
Total Personal Insurance (excl Mendota [4])	$ **1,691**	$ **1,626**	**4** %	$ **6,995**	$ **6,786**	**3** %

[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] Re-estimation of the current year loss ratios for the first three quarters of the respective year.
[3] Timing impact for the transition to the fixed, value-based agent compensation program.
[4] 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	2Q 2008	3Q 2008	4Q 2008
Automobile								
Retention [1,2]	83%	83%	83%	83%	83%	83%	83%	**83%**
Renewal price change [2,3]	4%	3%	3%	2%	2%	2%	3%	**4%**
PIF growth over prior year quarter [4]	6%	4%	2%	1%	2%	3%	3%	**2%**
New business [4]	$ 178	$ 171	$ 173	$ 168	$ 184	$ 192	$ 195	**$ 179**
Homeowners and Other								
Retention [1]	86%	86%	86%	86%	85%	86%	86%	**86%**
Renewal price change [3]	9%	9%	8%	8%	6%	6%	6%	**6%**
PIF growth over prior year quarter [4]	7%	6%	4%	3%	3%	3%	3%	**3%**
New business [4]	$ 93	$ 115	$ 121	$ 104	$ 96	$ 125	$ 129	**$ 108**

[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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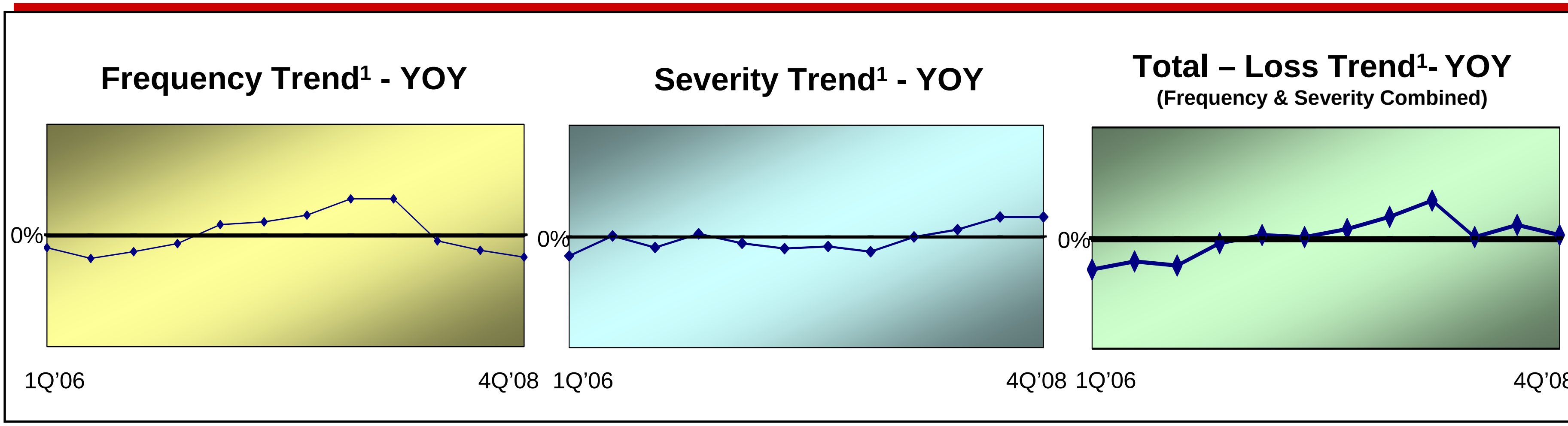
Personal Insurance - Automobile

Excludes catastrophes
Equates QuantumAuto℠ share at each data point



- Observed total loss trend is relatively flat
- Frequency is decreasing low single digits
- Severity is slightly increasing

[1] As QuantumAuto℠ program targets a broader customer risk profile than the company's prior programs, unadjusted frequency trends will be higher over time as mix changes.

2009 Annual Guidance

- Operating income per diluted share range of $4.50 to $4.90

Guidance assumptions

- Catastrophe losses of $552 million pre-tax and $360 million after-tax, or $0.62 per diluted share
- No prior year reserve development, favorable or unfavorable
- Investment yield on non-fixed income portfolio of 2.4%
- No significant change in average assets (excluding FAS 115)
  - After dividends and approximately $1.0 billion of share repurchases
- Weighted average diluted share count of approximately 585 million

2009 Annual Guidance

2008 operating income per diluted share[1]	**$5.27**
<u>2008 Impacted by the following items:</u>	
Net favorable prior year reserve development	$1.65
Higher than expected level of catastrophe losses	($0.95)
Tax benefit related to sale of subsidiary	$0.15
2009 operating income per diluted share guidance	**$4.50 - $4.90**

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[1] See page 2 of the financial supplement for a reconciliation of the company's operating income per share to net income per share.

Appendix

Management Liability: Exposed Policy Analysis

- In-depth review of exposed policies
  - **Step 1**: Individual accounts with reported claims or notice of circumstance
  - **Step 2**: Individual accounts with heightened risk to financial market disruption (accounts with credit-related announcements or individual accounts with particular risk characteristics, such as large financial institutions, sub-prime lenders, bond insurers, and homebuilders and suppliers, etc.)
  - **Step 3**: Aggregate actuarial review of all remaining accounts
  - **Step 4**: Expanded analysis to include accounts identified with known exposure to Madoff (accounts with investment losses or other exposures, including investment advisors, non-profit entities, pension funds, etc.)
- Individual accounts reviewed by a team of specialists from claim, actuarial, and underwriting. Reviews consisted of:
  - Current circumstances and information available-to-date
  - Coverage structure, including product, limit and attachment point
  - Reinsurance limit, application and availability

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)

- Travelers uses its Web site as a channel of distribution of material company information. Financial and other material information regarding the company is routinely posted on and accessible at http://investor.travelers.com. In addition, you may automatically receive email alerts and other information about Travelers by enrolling your email by visiting the "Email Alert Service" section at http://investor.travelers.com.

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