



First Quarter 2009 Results

April 30, 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.

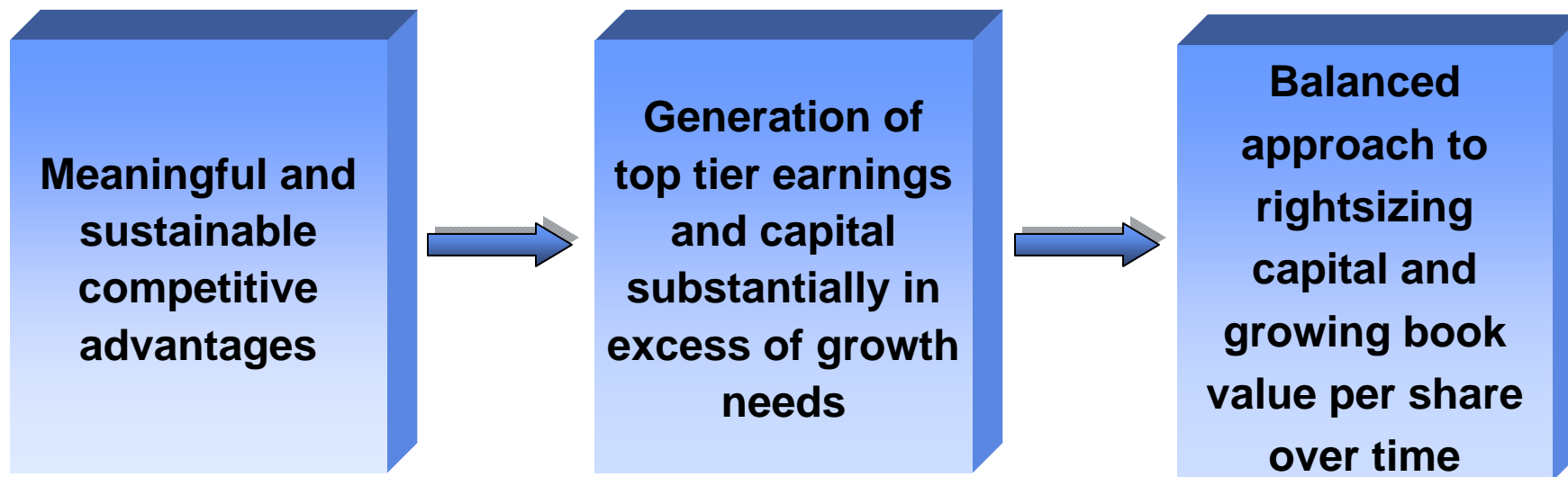
Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially and adversely affect our business; financial disruption or a prolonged economic downturn may materially and adversely affect our business; our investment portfolio may suffer reduced returns or material losses; 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; we are exposed to credit risk in certain of our business operations; 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; the intense competition that we face could harm our ability to maintain or increase our business volumes and our profitability; 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 the impact on our business practices 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; 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; loss of or significant restriction on the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce our future profitability; we are subject to a number of risks associated with our business outside the United States; we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; some strategic initiatives are long-term in nature and may negatively impact our expense ratios as we invest and may not be successful; if we experience difficulties with technology, data security and/or outsourcing relationships, our ability to conduct our business could be negatively impacted; and acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences.

For a more detailed discussion of these factors, see the information under the caption “Risk Factors” in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent annual report on Form 10-K and our quarterly report on 10-Q for the first quarter ended March 31, 2009 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



Create Shareholder Value
Objective: Mid-Teens ROE Over Time

First Quarter 2009 Highlights

- Operating income of \$799 million, or \$1.34 per diluted share
 - Consolidated GAAP combined ratio of 90.6%; solid underwriting results across all segments
 - Net favorable prior year reserve development of \$168 million after-tax (\$258 million pre-tax)
 - Catastrophes of \$54 million after-tax (\$83 million pre-tax)
 - Positive impact on net and operating income of \$40 million after-tax (\$61 million pre-tax) due to a reduction in the estimate of Texas Windstorm Insurance Association assessments relating to Hurricane Ike
 - Resolution of various prior year federal tax matters resulted in a \$69 million after-tax benefit
- Return on equity and operating return on equity of 10.2% and 12.4%, respectively
- Net written premiums of \$5.203 billion, increased from \$5.188 billion in the prior year quarter
- Book value per share of \$45.12 and adjusted book value (which excludes FAS 115) per share of \$44.19
 - Increased 5% and 2%, respectively, from December 31, 2008
 - Increased 4% from March 31, 2008, after repurchasing 24.2 million common shares for a total cost of \$1.122 billion and paying common stock dividends of \$711 million during the preceding twelve months
- All financial strength indicators at or better than target levels
 - Debt to capital ratio of 18.9%
 - Holding company liquidity of \$2.551 billion

Very Strong Financial Position

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

	Mar. 31, 2009	Dec. 31, 2008
Debt	\$ 6,039	\$ 6,181
Preferred equity	87	89
Common equity ¹	25,867	25,374
Total capital ¹	\$ 31,993	\$ 31,644
<i>Debt to capital</i>	<i>18.9%</i>	<i>19.5%</i>
Common shares outstanding	585.3	585.1
Book value per common share	\$ 45.12	\$ 43.12
Adjusted book value per common share ¹	\$ 44.19	\$ 43.37
Tangible book value per common share ¹	\$ 37.45	\$ 36.58
Statutory surplus	\$ 21,561	\$ 21,491
Holding company liquidity	\$ 2,551	\$ 2,146

¹ Excludes FAS 115

Capital

- At or above target levels for all rating agencies
- Continued to generate excess capital

Leverage

- Debt to capital ratio of 18.9% better than 20.0% target
- March 3, 2009: zero coupon convertible notes with a remaining par value of \$141 million matured and were fully paid
- Low level of maturing debt
 - 2009 \$ 2 million
 - 2010 \$273 million
 - 2011 \$ 11 million

} Can self-fund all maturing debt

Liquidity

- Holding company liquidity was \$1.5 billion more than the company's target level
- Not reliant on commercial paper market

Very high credit quality investment portfolio

Areas of Market Disruption

- Subprime / Alt-A mortgage-backed securities
- Collateralized debt / loan obligations
- Monoline insurer guarantee of municipal bonds
- Structured investment vehicles
- Asset-backed commercial paper
- Auction-rate securities
- Loss of access to commercial paper market
- Credit default swaps
- Securities lending
- Madoff
- Global financial institution preferreds / hybrids

Travelers Status

- Holdings of \$205 million - negligible exposure
- None
- Municipal bond portfolio AA+ with or without guarantee (based on underlying ratings)
- None
- None
- None
- Not reliant on; only approximately \$100 million outstanding
- Not a party to any
- Only \$34 million of loans outstanding; company believes it has no exposure to loss
- No direct investment
- Impairments of \$55 million in current quarter; remaining holdings of \$56 million

Moody's "Bottom Rung" Analysis

(\$ in millions)

- In the first quarter 2009 publication titled "*Bottom Rung*", Moody's provided a list of 283 speculative-grade, non-financial U.S. issuers with high default risk and weak liquidity
- Of the 283 issuers listed in this publication, Travelers has investment in only 14

At March 31, 2009			
Industry	Travelers		
	Book Value	Market Value	
Media	\$ 0.5	\$ 0.5	
Forest Products	2.1	2.1	
Chemicals	1.7	1.7	
Chemicals	1.2	0.6	
Gaming	0.9	0.9	
Aerospace	0.3	0.3	
Homebuilding	1.9	2.0	
Media	1.8	1.8	
Media	0.1	0.1	
Automotive Parts	2.0	2.0	
Gaming	6.4	6.4	
Media	0.4	0.4	
Gaming	3.0	3.6	
Automotive Parts	3.6	0.8	
	<u>\$ 25.9</u>	<u>\$ 23.2</u>	

- Negligible exposure in the company's surety business

Unrealized Gross Investment Losses Less Than 80% of Amortized Cost

(\$ in millions)

	<u>Less than 3 months</u>	<u>Greater than 3 months Less than 6 months</u>	<u>Greater than 6 months Less than 12 months</u>	<u>Greater than 12 months</u>	<u>Total</u>
At March 31, 2009					
Fixed maturities					
Mortgage-backed securities	\$ 56	\$ 116	\$ 28	\$ -	\$ 200
Other	169	189	67	-	425
Total fixed maturities	<u>225</u>	<u>305</u>	<u>95</u>	<u>-</u>	<u>625</u>
Equity securities	18	30	-	-	48
Total	<u>\$ 243</u>	<u>\$ 335</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 673</u>
% of total invested assets	-	1%	-	-	1%
<hr/>					
At December 31, 2008					
Fixed maturities	\$ 551	\$ 109	\$ 13	\$ -	\$ 673
Equity securities	41	30	-	-	71
Total	<u>\$ 592</u>	<u>\$ 139</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 744</u>
% of total invested assets	1%	-	-	-	1%

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 March 31, 2009 and at December 31, 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.

Consolidated Performance

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

	First Quarter		
	2009	2008	Change
Operating income	\$ 799	\$ 1,008	(21) %
<i>per diluted share</i> ¹	\$ 1.34	\$ 1.60	(16) %
Included the following items:			
Net favorable prior year reserve development	\$ 168	\$ 261	
Catastrophes, net of reinsurance	(54)	(62)	
Resolution of prior year tax matters	69	-	
Total Items	\$ 183	\$ 199	
Loss and loss adjustment ratio	59.7 %	55.7 %	
Underwriting expense ratio	30.9	31.9	
GAAP combined ratio ²	90.6 %	87.6 %	(3.0) pts
Net favorable prior year reserve development	4.9	7.5	
Catastrophes, net of reinsurance	(1.6)	(1.8)	
Adjusted GAAP combined ratio	93.9 %	93.3 %	(0.6) pts

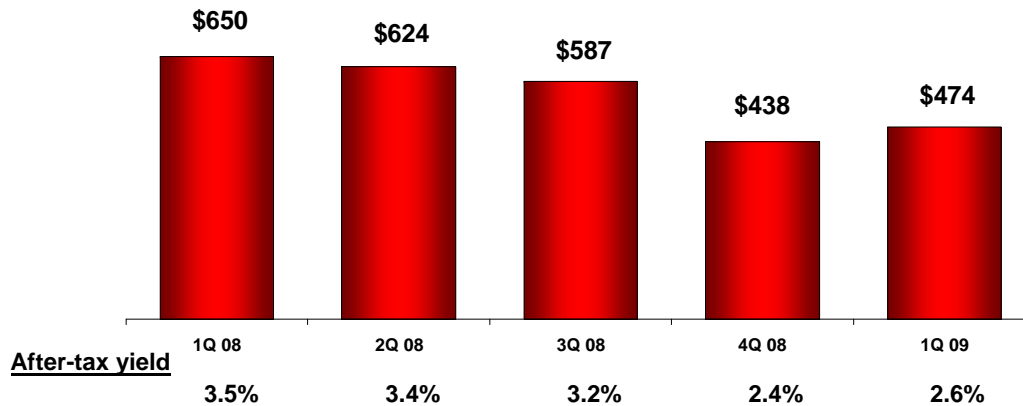
¹ In accordance with the provisions of FSP EITF 03-06-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*, which was effective January 1, 2009, all prior-period diluted EPS data has been restated to reflect the retrospective application of this guidance. First quarter 2008 operating income per diluted share was previously reported as \$1.61.

² A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

Net Investment Income

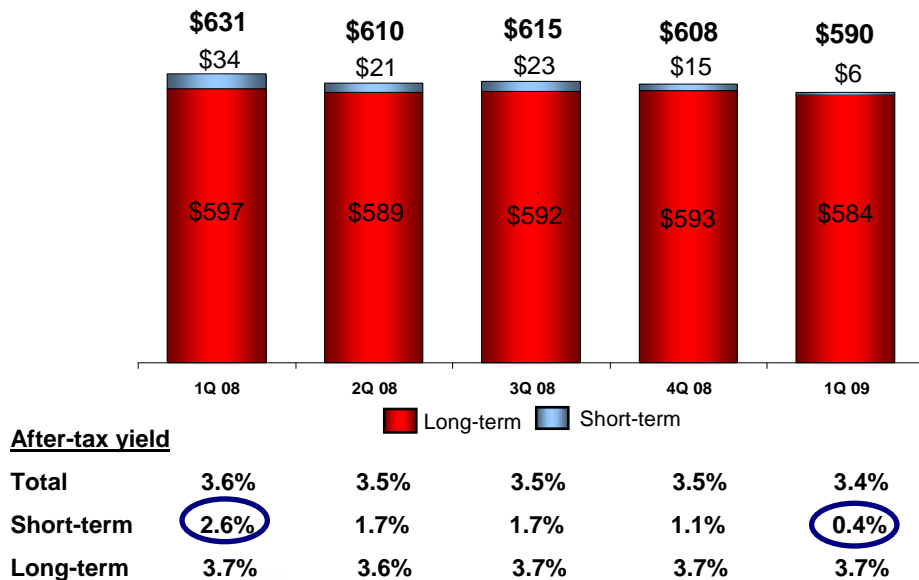
(\$ in millions, after-tax)

Total



- Long-term fixed income portfolio continued to produce steady returns
- Short-term portion of fixed income portfolio impacted by very low interest rates
- Non-fixed income portfolio, representing \$4.0 billion or 6% of total investment portfolio and comprised substantially of private equity funds, real estate partnerships and hedge funds, recorded a loss reflective of difficult investment market conditions

Fixed Income¹

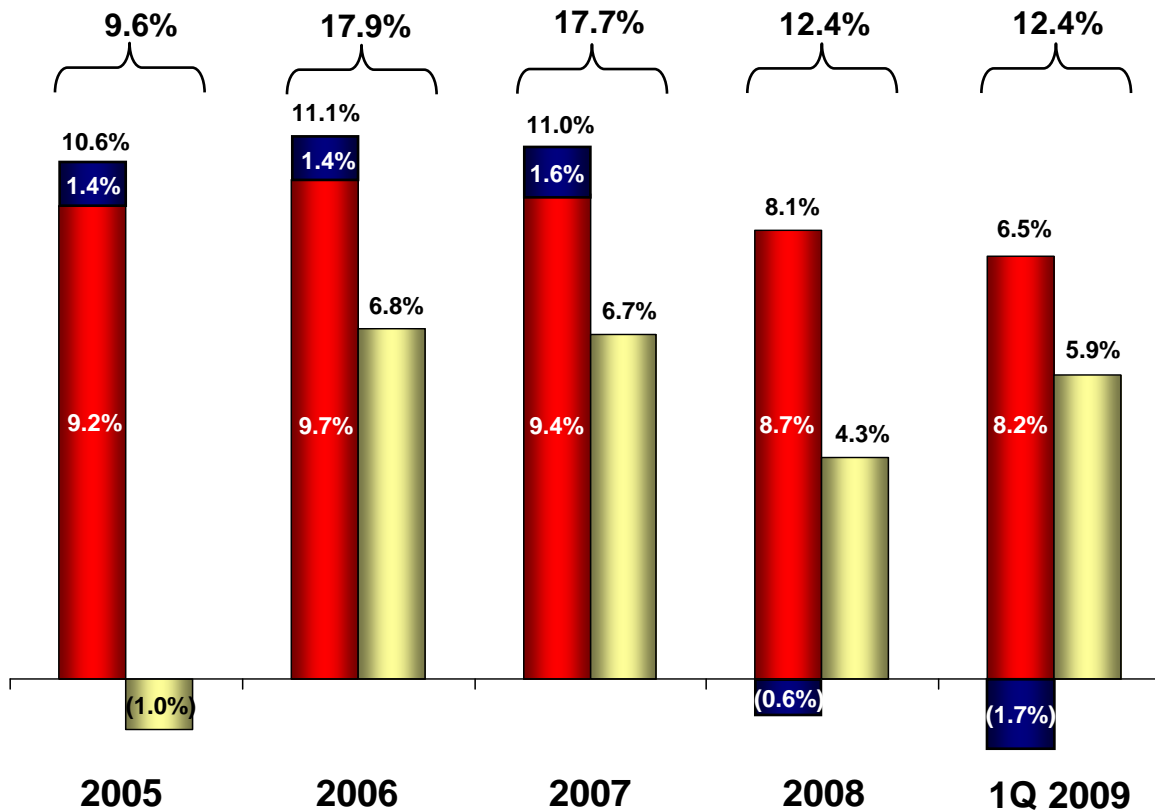


Non-Fixed Income¹



¹ Excludes investment expenses

Components of Operating Return on Equity



- Fixed investment portfolio investment income less holding company interest expense
- Non-fixed investment portfolio investment income / (loss)
- Underwriting gain / (loss) and other

- Investment income from the fixed income portfolio, net of interest expense on holding company debt, produced an operating return on equity of 8.2%, down slightly due to lower short-term interest rates
- Underwriting income produced an operating return on equity of 5.9%, including catastrophe losses and net favorable prior year reserve development
- From January 1, 2005 through March 31, 2009, average annual operating return on equity of approximately 14.4%

Business Insurance - Performance

(\$ in millions)

	First Quarter		
	2009	2008	Change
Operating income	\$ 547	\$ 683	(20) %
Loss and loss adjustment ratio	57.8 %	54.2 %	
Underwriting expense ratio	31.2	32.4	
GAAP combined ratio ¹	89.0 %	86.6 %	(2.4) pts
Net favorable prior year reserve development	6.6	11.2	
Catastrophes, net of reinsurance	(0.4)	(2.1)	
Adjusted GAAP combined ratio	95.2 %	95.7 %	0.5 pts
Net Written Premiums			
Select Accounts	\$ 731	\$ 708	
Commercial Accounts	710	673	
National Accounts	259	246	
Industry-Focused Underwriting	617	613	
Target Risk Underwriting	422	423	
Specialized Distribution	222	244	
Business Insurance Core	2,961	2,907	2 %
Business Insurance Other	2	4	
Total Business Insurance	\$ 2,963	\$ 2,911	2 %



¹ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

Business Insurance - Illustrative Business Statistics

Retention

	2008				2009
	1Q	2Q	3Q	4Q	1Q
Select Accounts	81%	80%	82%	82%	82%
Commercial Accounts	86%	85%	87%	88%	88%
Other Business Insurance ¹	82%	82%	82%	81%	83%

**Retention
remains at
historically high
levels**

Renewal Price Change ²

	2008				2009
	1Q	2Q	3Q	4Q	1Q
Select Accounts	1%	1%	-%	(1%)	-%
Commercial Accounts	(4%)	(4%)	(4%)	(3%)	(3%)
Other Business Insurance ¹	(5%)	(6%)	(5%)	(5%)	(1%)

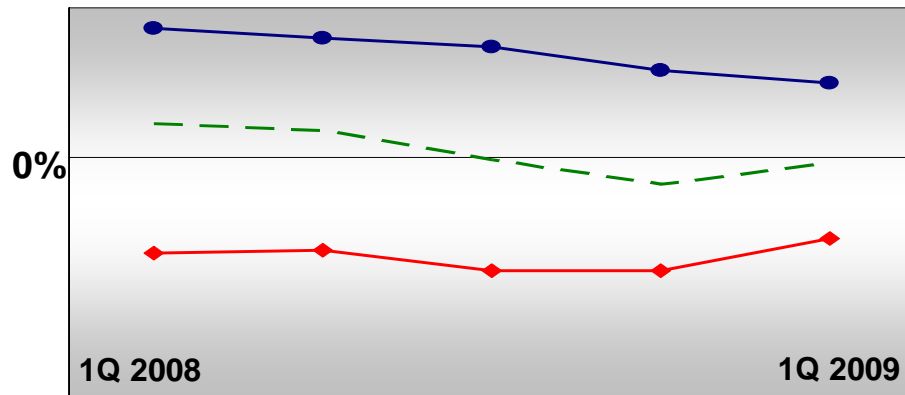
**Renewal price
changes
improved from
recent quarters**

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

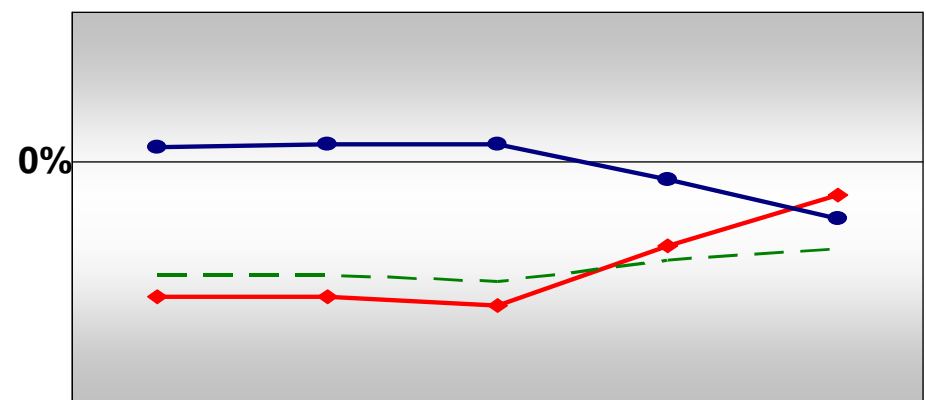
² Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes, versus the average premium on those same policies for their prior term.

Renewal Price Change: Rate Versus Exposure/Other

Select Accounts

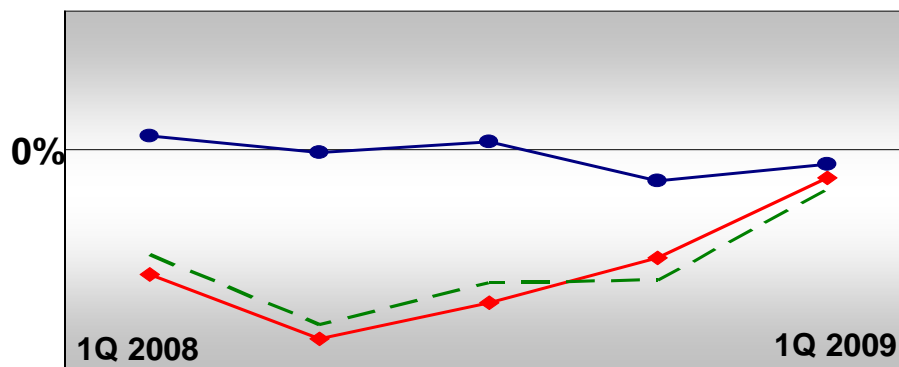


Commercial Accounts



Rate² % ◀▶ Exposure/Other % ●● RPC³ % - -

Other Business Insurance¹



Improving rate trend continued, although coverage demands from existing policyholders declined due to general economic conditions

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

² Each percentage represents the estimated change in average premium on policies that renew, excluding exposure changes, versus the average premium on those same policies for their prior term.

³ Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes, versus 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.

Business Insurance - Illustrative Business Statistics

(\$ in millions)

New Business					
	2008				2009
	1Q	2Q	3Q	4Q	1Q
Select Accounts	\$ 125	\$ 131	\$ 141	\$ 139	\$ 150
Commercial Accounts	141	116	116	119	139
Other Business Insurance ¹	303	291	283	239	284
Total	\$ 569	\$ 538	\$ 540	\$ 497	\$ 573
<i>Change from prior year period</i>	<i>(7%)</i>	<i>(8%)</i>	<i>(6%)</i>	<i>(2%)</i>	<i>1%</i>

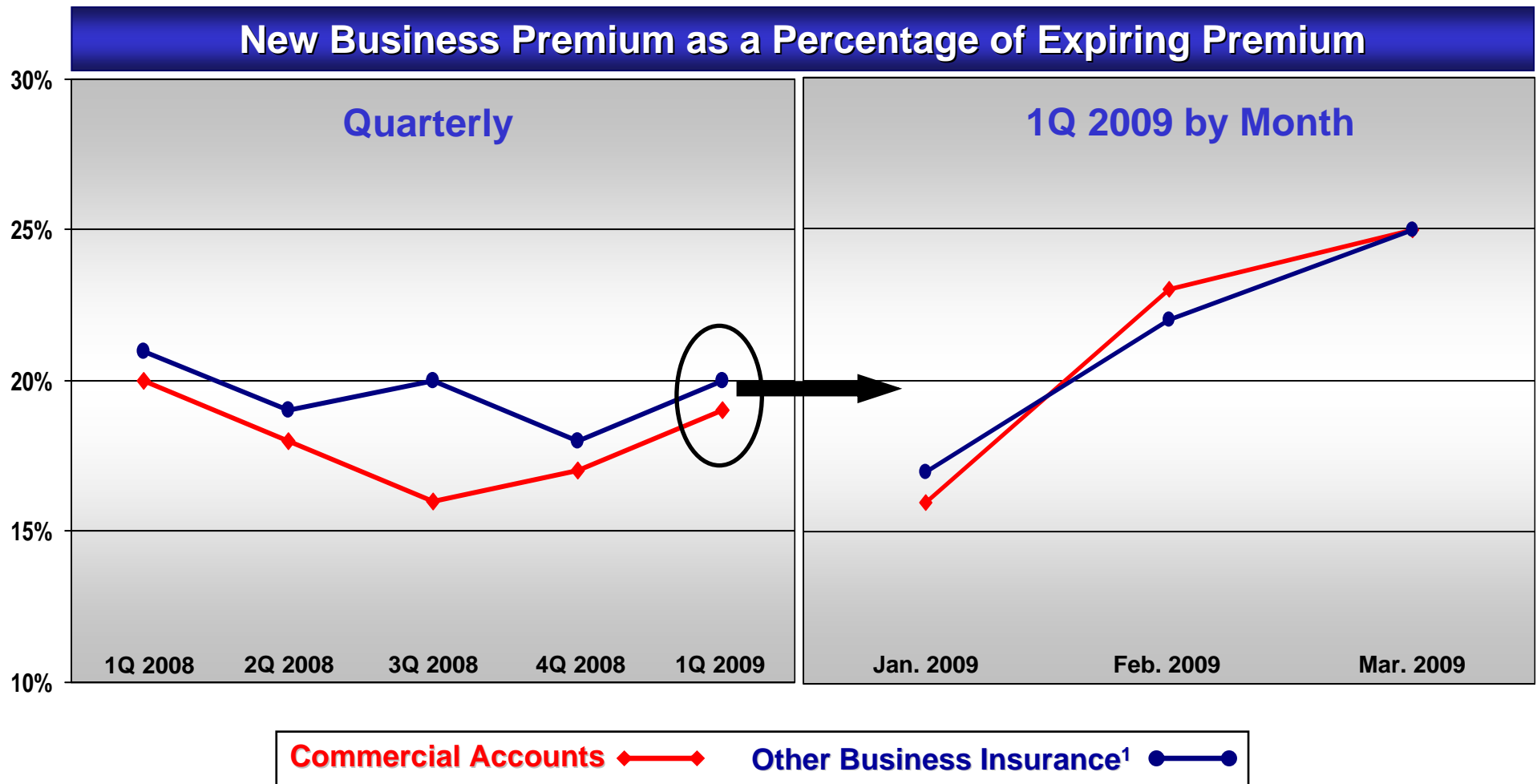
Disciplined performance, but finding opportunities in a competitive marketplace



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.

Business Insurance - Illustrative Business Statistics



¹ Includes all other groups within Business Insurance Core operations excluding Select, Commercial, & National Accounts.

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

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

(\$ in millions)

	First Quarter		
	2009	2008	Change
Operating income	\$ 148	\$ 208	(29) %
Loss and loss adjustment ratio	54.7 %	45.7 %	
Underwriting expense ratio	35.5	35.7	
GAAP combined ratio ¹	90.2 %	81.4 %	(8.8) pts
Net favorable prior year reserve development	1.4	7.4	
Catastrophes, net of reinsurance	-	-	
Adjusted GAAP combined ratio	91.6 %	88.8 %	(2.8) pts
Net Written Premiums			
Bond & Financial Products	\$ 350	\$ 378	
International	213	266	
Total FP&II	\$ 563	\$ 644	(13) %

(6)% adjusted for the impact of changes in foreign exchange rates



¹ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

Financial, Professional & International Insurance Illustrative Business Statistics

(\$ in millions)

	2008				2009
	1Q	2Q	3Q	4Q	1Q
Management Liability					
Retention	84%	84%	84%	85%	85%
Renewal price change ¹	-%	(2%)	(1%)	1%	2%
New business	\$46	\$51	\$49	\$59	\$43
Surety					
Gross written premium	\$284	\$298	\$316	\$234	\$234
International					
Retention	82%	80%	78%	78%	78%
Renewal price change ¹	(6%)	(1%)	-%	5%	-%
New business	\$73	\$123	\$69	\$83	\$68

¹ Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes, versus 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.

Personal Insurance - Performance

(\$ in millions)

	First Quarter		
	2009	2008	Change
Operating income	\$ 154	\$ 181	(15) %
Loss and loss adjustment ratio	64.9 %	62.9 %	
Underwriting expense ratio	28.4	29.3	
GAAP combined ratio ¹	93.3 %	92.2 %	(1.1) pts
Net favorable prior year reserve development	3.7	1.5	
Catastrophes, net of reinsurance	(4.1)	(2.2)	
Adjusted GAAP combined ratio	92.9 %	91.5 %	(1.4) pts
Net Written Premiums			
Automobile	\$ 925	\$ 922	
Homeowners and Other	752	711	
Total Personal Insurance	\$ 1,677	\$ 1,633	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.

Personal Insurance - Automobile

	First Quarter	
	2009	2008
Reported GAAP combined ratio	102%	99%
<u>Included the following items:</u>		
Net unfavorable prior year reserve development - New Jersey PIP	2%	-
Direct to consumer initiative impact	2%	-

- The full year 2009 guidance assumes:
 - Personal Insurance Automobile combined ratio in the high 90's, excluding the direct to consumer initiative impact
 - A 2 1/2 point increase in the Automobile combined ratio for the direct to consumer initiative impact

Personal Insurance – Illustrative Business Statistics

(\$ in millions)

	2008				2009
	1Q	2Q	3Q	4Q	1Q
Automobile					
Retention ^{1,2}	83%	83%	83%	82%	82%
Renewal price change ^{2,3}	2%	2%	3%	4%	5%
PIF growth over prior year quarter	2%	3%	3%	2%	1%
New business	\$184	\$192	\$195	\$179	\$174
Homeowners and Other					
Retention ¹	86%	86%	86%	86%	86%
Renewal price change ³	6%	6%	6%	6%	6%
PIF growth over prior year quarter	3%	3%	3%	3%	3%
New business	\$96	\$125	\$129	\$108	\$101

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, versus the average premium on those same policies for their prior term.

2009 Annual Guidance

- Travelers continues to expect that its full year 2009 operating income per diluted share will be in the range of \$4.50 to \$4.90, unchanged from the previously announced guidance range
- This guidance includes the reported results for the first three months of 2009 and estimates for the remainder of 2009 based on a number of assumptions, including:

Assumptions

- Catastrophe losses of \$552 million pre-tax and \$360 million after-tax, or \$0.62 per diluted share for the full year
- No additional prior year reserve development, favorable or unfavorable
- No significant changes in private equity and hedge fund valuations due to an assumption of unchanged market conditions. Lower real estate partnership valuations due to a continuing downward trend in commercial real estate values
- No significant change in average invested assets (ex. FAS 115) after taking into account dividends and approximately \$750 million of share repurchases for the full year
- Weighted average diluted share count of approximately 585 million



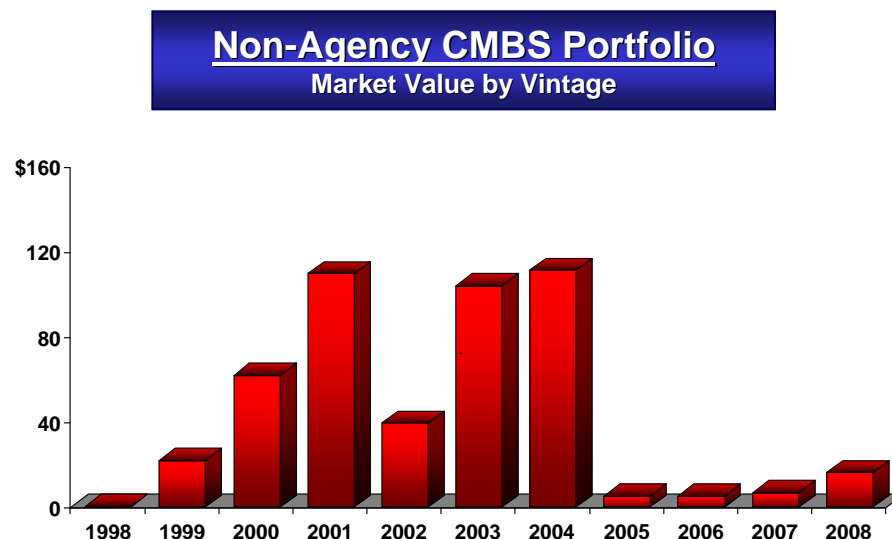
Appendix

Negligible Exposure to Commercial Mortgage-Backed Securities

(\$ in millions)

- Commercial mortgage-backed securities within fixed maturities portfolio:

	March 31, 2009
Non-Agency U.S.	\$ 464
- Percent of total fixed maturities portfolio	0.7%
- Average credit rating	AAA
- Vintage: 93% from 2004 & prior	
Non-Agency Canada	18
Agency	249
Total CMBS	\$ 731

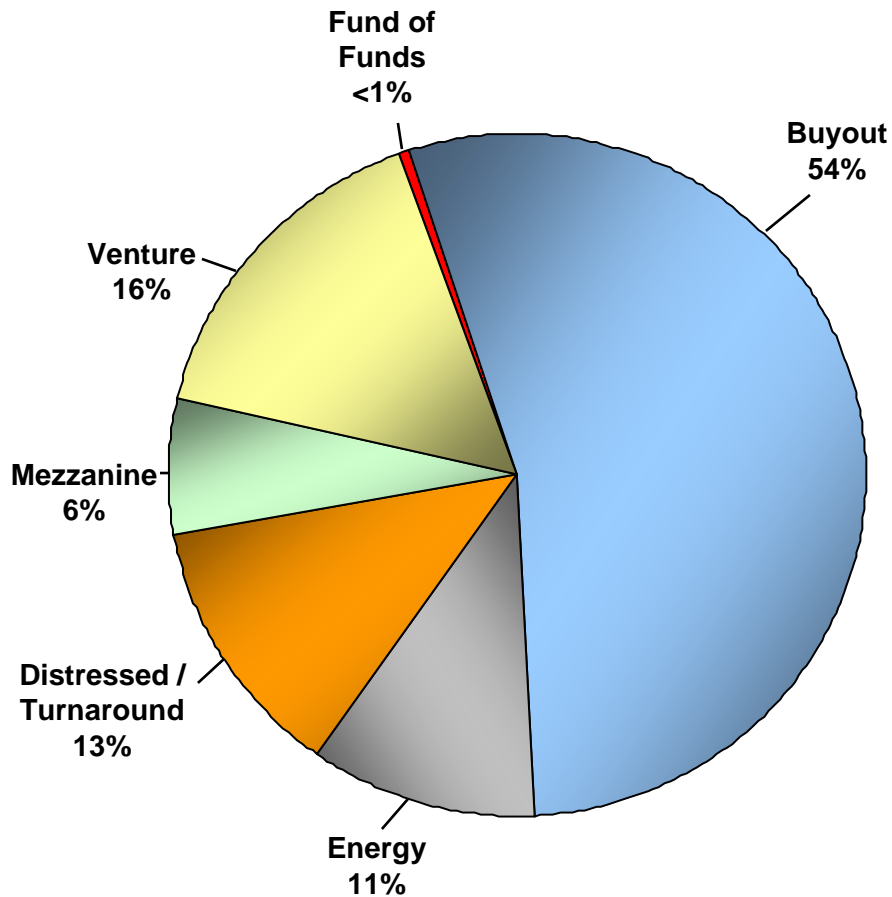


93% of non-agency CMBS vintages 2004 & prior

Private Equities & Hedge Fund Portfolios Highly Diversified

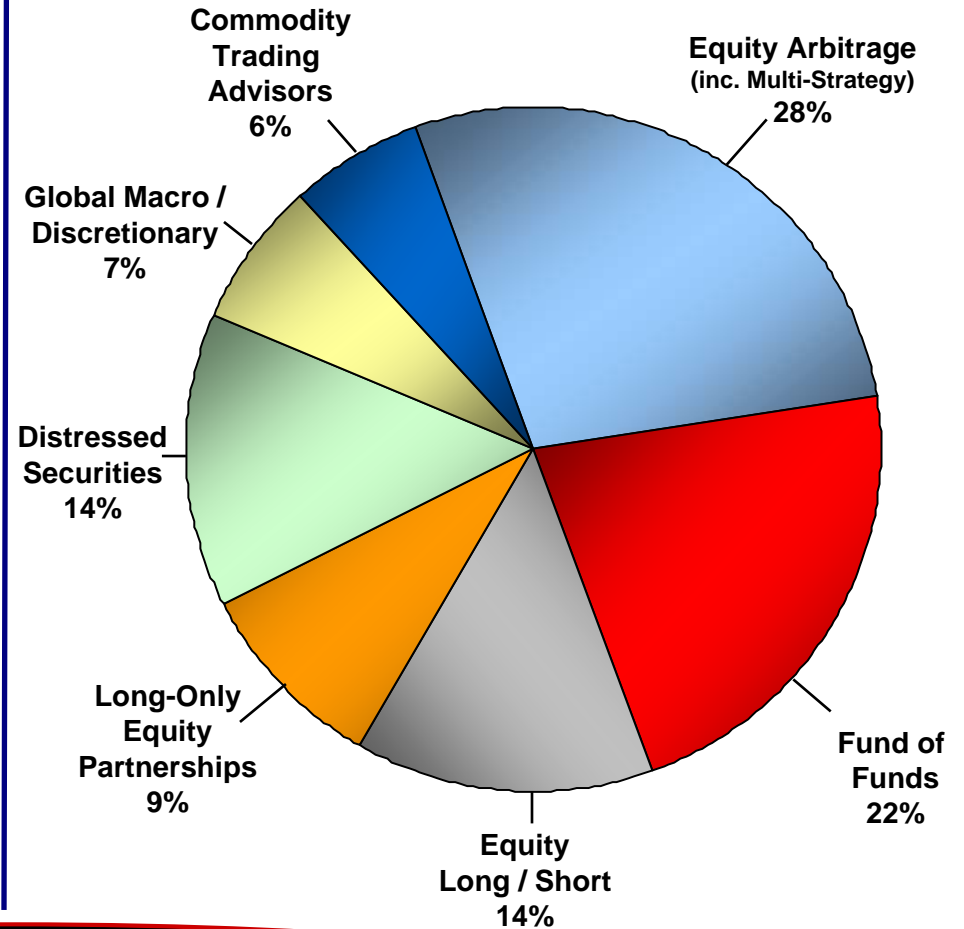
At March 31, 2009

Private Equities: \$1.409 Billion



Hedge Funds: \$466 Million

Average NAV: \$17 million



Well diversified portfolios

Real Estate Owned Portfolio

(\$ in millions)

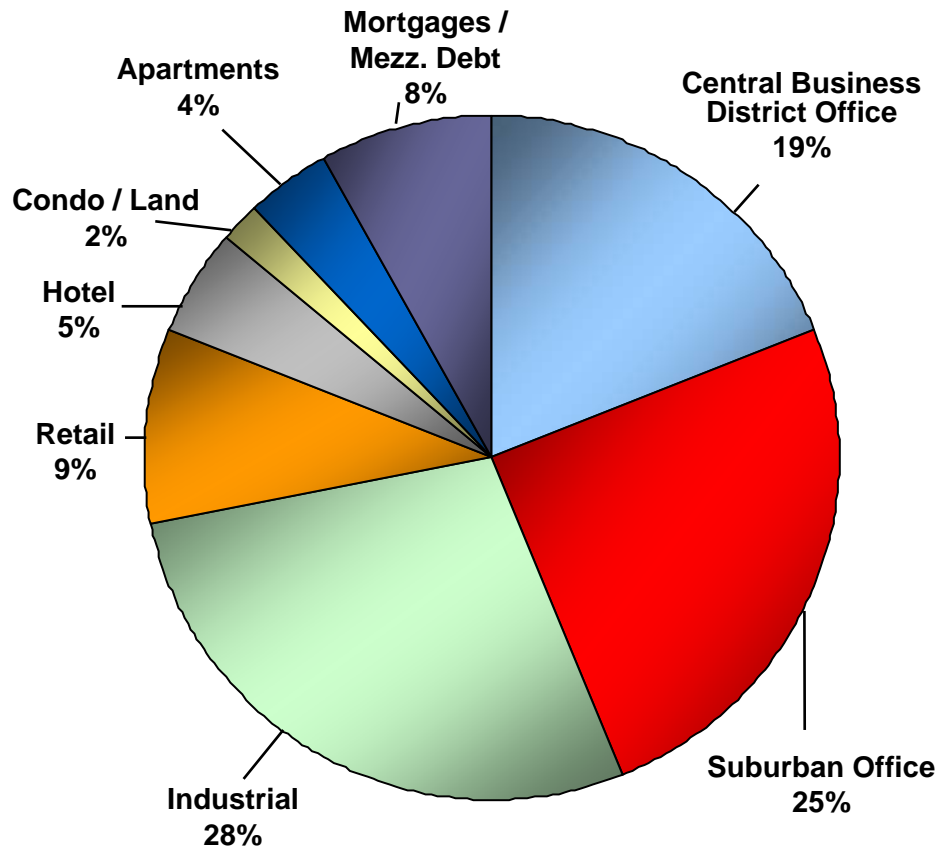
- The real estate investment portfolio consists of 4 categories:

	Mar. 31, 2009 Book Value	Most Recent Appraised Value	Applicable Accounting	Comments
Real estate wholly owned	\$ 884	\$ 1,150	Historic cost less depreciation	<ul style="list-style-type: none"> - Mark-to-market at time of merger (4/04) - Annual independent appraisals - Since the merger we have completed only 11 acquisitions for \$195 million
Joint ventures	198	505	Equity method accounting	<ul style="list-style-type: none"> - Equity method accounting generally results in book value equaling historical cost less depreciation - Annual independent appraisals
Real estate funds	369	NA	Equity method accounting	<ul style="list-style-type: none"> - Equity method accounting follows the fund's accounting which may result in book value equaling original cost less depreciation or fair market value - 51 different funds - 28% of book value outside of the U.S.
Mortgage loans	42	NA	Amortized cost	
Total	\$ 1,493			

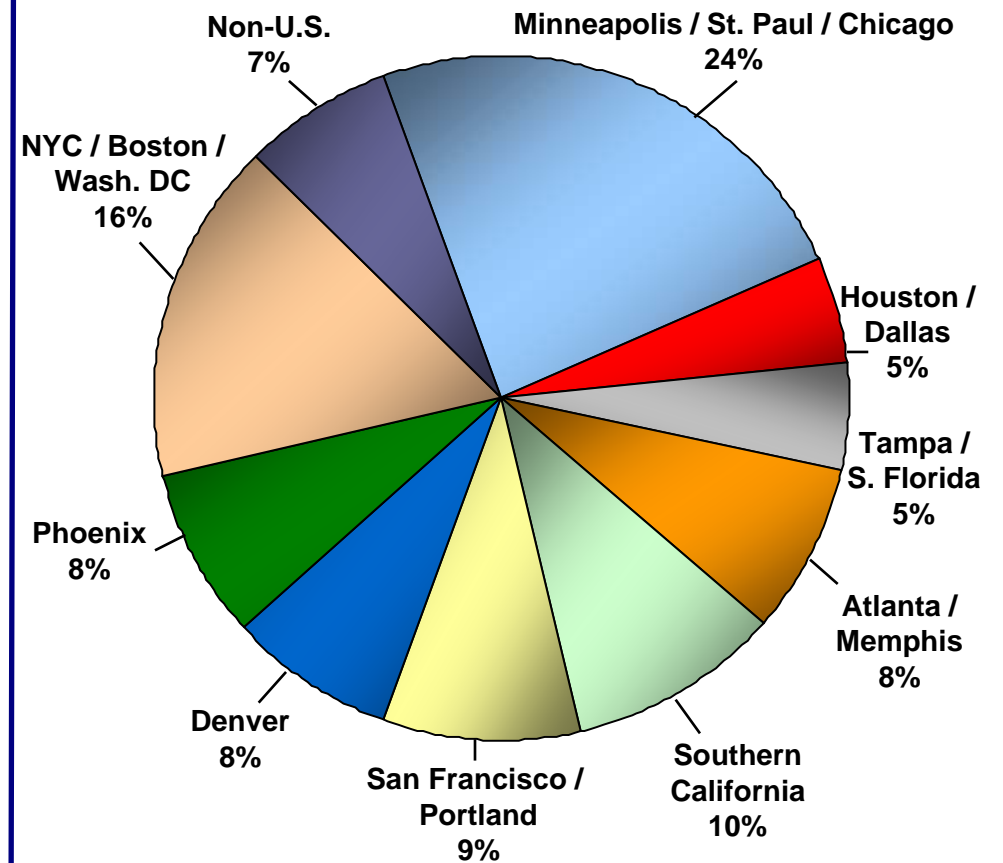
Real Estate Owned Portfolio

At March 31, 2009

Book Value by Property Type



Book Value by Location



Note: Mortgages are characterized according to the location of their underlying collateral.

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)**
- **From time to time, Travelers may use 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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