

The Travelers Companies, Inc.
Financial Supplement - Second Quarter 2010



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<p>The information included in the Financial Supplement is unaudited. This document should be read in conjunction with the Company's Form 10-Q which will be filed with the Securities and Exchange Commission.</p>	

The Travelers Companies, Inc.

Financial Highlights

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



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Net income	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
Net income per share:								
Basic	\$ 1.12	\$ 1.27	\$ 1.66	\$ 2.39	\$ 1.26	\$ 1.37	\$ 2.40	\$ 2.63
Diluted	\$ 1.11	\$ 1.27	\$ 1.65	\$ 2.36	\$ 1.25	\$ 1.35	\$ 2.38	\$ 2.60
Operating income	\$ 799	\$ 732	\$ 914	\$ 1,155	\$ 631	\$ 690	\$ 1,531	\$ 1,321
Operating income per share:								
Basic	\$ 1.36	\$ 1.26	\$ 1.62	\$ 2.15	\$ 1.23	\$ 1.41	\$ 2.62	\$ 2.64
Diluted	\$ 1.34	\$ 1.25	\$ 1.61	\$ 2.12	\$ 1.22	\$ 1.39	\$ 2.60	\$ 2.61
Return on equity	10.2%	11.1%	13.6%	18.5%	9.6%	10.1%	10.7%	9.9%
Operating return on equity	12.4%	11.3%	14.1%	18.0%	10.1%	11.4%	11.9%	10.7%
Total assets, at period end	\$ 110,313	\$ 111,135	\$ 112,407	\$ 109,560	\$ 108,696	\$ 107,023	\$ 111,135	\$ 107,023
Total equity, at period end	\$ 26,497	\$ 26,920	\$ 28,160	\$ 27,415	\$ 26,671	\$ 26,286	\$ 26,920	\$ 26,286
Book value per share, at period end	\$ 45.12	\$ 47.29	\$ 51.24	\$ 52.54	\$ 53.50	\$ 55.67	\$ 47.29	\$ 55.67
Less: Net unrealized investment gains, net of tax	0.93	1.53	4.08	3.58	3.90	5.05	1.53	5.05
Adjusted book value per share, at period end	\$ 44.19	\$ 45.76	\$ 47.16	\$ 48.96	\$ 49.60	\$ 50.62	\$ 45.76	\$ 50.62
Weighted average number of common shares outstanding (basic)	584.6	575.8	558.4	532.8	508.4	484.5	580.1	496.3
Weighted average number of common shares outstanding and common stock equivalents (diluted)	590.4	579.8	564.1	540.1	515.1	490.8	584.9	502.6
Common shares outstanding at period end	585.3	567.5	547.9	520.3	497.0	470.8	567.5	470.8
Common stock dividends declared	\$ 177	\$ 172	\$ 166	\$ 175	\$ 168	\$ 173	\$ 349	\$ 341
Common stock repurchased:								
Under repurchase authorization (1)								
Shares	-	18.5	20.8	30.1	27.0	28.0	18.5	55.0
Cost	\$ -	\$ 750	\$ 1,000	\$ 1,550	\$ 1,400	\$ 1,400	\$ 750	\$ 2,800
Other								
Shares	0.7	0.3	-	0.4	0.8	0.2	1.0	1.0
Cost	\$ 27	\$ 13	\$ 3	\$ 22	\$ 40	\$ 14	\$ 40	\$ 54

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Net income								
Operating income	\$ 799	\$ 732	\$ 914	\$ 1,155	\$ 631	\$ 690	\$ 1,531	\$ 1,321
Net realized investment gains (losses)	(137)	8	21	130	16	(20)	(129)	(4)
Net income	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
Basic earnings per share								
Operating income	\$ 1.36	\$ 1.26	\$ 1.62	\$ 2.15	\$ 1.23	\$ 1.41	\$ 2.62	\$ 2.64
Net realized investment gains (losses)	(0.24)	0.01	0.04	0.24	0.03	(0.04)	(0.22)	(0.01)
Net income	\$ 1.12	\$ 1.27	\$ 1.66	\$ 2.39	\$ 1.26	\$ 1.37	\$ 2.40	\$ 2.63
Diluted earnings per share								
Operating income	\$ 1.34	\$ 1.25	\$ 1.61	\$ 2.12	\$ 1.22	\$ 1.39	\$ 2.60	\$ 2.61
Net realized investment gains (losses)	(0.23)	0.02	0.04	0.24	0.03	(0.04)	(0.22)	(0.01)
Net income	\$ 1.11	\$ 1.27	\$ 1.65	\$ 2.36	\$ 1.25	\$ 1.35	\$ 2.38	\$ 2.60
Adjustments to net income and weighted average shares for net income EPS calculations: (1)								
	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Basic								
Net income, as reported	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
Preferred stock dividends	(1)	(1)	(1)	-	(1)	-	(2)	(1)
Participating share-based awards - allocated income	(5)	(5)	(6)	(10)	(5)	(5)	(10)	(10)
Net income available to common shareholders - basic	\$ 656	\$ 734	\$ 928	\$ 1,275	\$ 641	\$ 665	\$ 1,390	\$ 1,306
Diluted								
Net income available to common shareholders - basic	\$ 656	\$ 734	\$ 928	\$ 1,275	\$ 641	\$ 665	\$ 1,390	\$ 1,306
Effect of dilutive securities:								
Convertible preferred stock	1	1	1	-	1	-	2	1
Performance shares	-	-	1	1	-	-	-	-
Zero coupon convertible notes	1	-	-	-	-	-	1	-
Net income available to common shareholders - diluted	\$ 658	\$ 735	\$ 930	\$ 1,276	\$ 642	\$ 665	\$ 1,393	\$ 1,307
Common Shares								
Basic								
Weighted average shares outstanding	584.6	575.8	558.4	532.8	508.4	484.5	580.1	496.3
Diluted								
Weighted average shares outstanding	584.6	575.8	558.4	532.8	508.4	484.5	580.1	496.3
Weighted average effects of dilutive securities:								
Convertible preferred stock	2.2	2.1	2.0	1.9	1.9	1.8	2.1	1.8
Stock options and performance shares	2.0	1.9	3.7	5.4	4.8	4.5	1.9	4.5
Zero coupon convertible notes	1.6	-	-	-	-	-	0.8	-
Diluted weighted average shares outstanding	590.4	579.8	564.1	540.1	515.1	490.8	584.9	502.6

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

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Premiums	\$ 5,301	\$ 5,353	\$ 5,421	\$ 5,343	\$ 5,230	\$ 5,340	\$ 10,654	\$ 10,570
Net investment income	542	658	763	813	753	762	1,200	1,515
Fee income	73	89	72	72	79	76	162	155
Net realized investment gains (losses)	(214)	13	29	189	25	(31)	(201)	(6)
Other revenues	33	49	42	39	32	32	82	64
Total revenues	5,735	6,162	6,327	6,456	6,119	6,179	11,897	12,298
Claims and expenses								
Claims and claim adjustment expenses	3,190	3,335	3,123	2,760	3,388	3,419	6,525	6,807
Amortization of deferred acquisition costs	944	953	967	949	929	950	1,897	1,879
General and administrative expenses (1)	782	839	889	856	847	832	1,621	1,679
Interest expense	92	94	98	98	98	97	186	195
Total claims and expenses	5,008	5,221	5,077	4,663	5,262	5,298	10,229	10,560
Income before income taxes	727	941	1,250	1,793	857	881	1,668	1,738
Income tax expense	65	201	315	508	210	211	266	421
Net income	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
Net realized investment gains (losses)								
Other-than-temporary impairment losses:								
Total losses	\$ (184)	\$ (75)	\$ (43)	\$ (21)	\$ (1)	\$ 2	\$ (259)	\$ 1
Portion of losses recognized in accumulated other changes in equity from nonowner sources	-	45	24	(4)	(9)	(6)	45	(15)
Other-than-temporary impairment losses	(184)	(30)	(19)	(25)	(10)	(4)	(214)	(14)
Other net realized investment gains (losses)	(30)	43	48	214	35	(27)	13	8
Net realized investment gains (losses)	\$ (214)	\$ 13	\$ 29	\$ 189	\$ 25	\$ (31)	\$ (201)	\$ (6)
Other statistics								
Effective tax rate on net investment income	12.6%	16.7%	19.2%	19.8%	18.9%	19.1%	14.9%	19.0%
Net investment income (after-tax)	\$ 474	\$ 547	\$ 616	\$ 653	\$ 610	\$ 617	\$ 1,021	\$ 1,227
Catastrophes, net of reinsurance:								
Pre-tax	\$ 83	\$ 200	\$ 158	\$ 16	\$ 471	\$ 439	\$ 283	\$ 910
After-tax	\$ 54	\$ 130	\$ 103	\$ 10	\$ 312	\$ 285	\$ 184	\$ 597

(1) In 1Q 2009 and 2Q 2009 "General and administrative expenses" includes \$(61) million, and \$(26) million respectively, of reductions in estimated hurricane-related assessments from state-created insurance and windstorm insurance entities.

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Underwriting gain	\$ 353	\$ 206	\$ 338	\$ 540	\$ 80	\$ 119	\$ 559	\$ 199
Net investment income	474	547	616	653	610	617	1,021	1,227
Other, including interest expense	(28)	(21)	(40)	(38)	(59)	(46)	(49)	(105)
Operating income	799	732	914	1,155	631	690	1,531	1,321
Net realized investment gains (losses)	(137)	8	21	130	16	(20)	(129)	(4)
Net income	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
GAAP Combined ratio (1) (2)								
Loss and loss adjustment expense ratio	59.7%	61.4%	57.0%	51.1%	64.0%	63.3%	60.5%	63.6%
Underwriting expense ratio (3)	30.9%	31.8%	32.7%	32.3%	32.4%	31.9%	31.4%	32.2%
Combined ratio	90.6%	93.2%	89.7%	83.4%	96.4%	95.2%	91.9%	95.8%
<i>GAAP combined ratio excluding incremental impact of direct to consumer initiative</i>	90.1%	92.6%	89.1%	82.9%	95.8%	94.6%	91.3%	95.2%
Impact of catastrophes on combined ratio	1.6%	3.7%	2.9%	0.3%	9.0%	8.2%	2.7%	8.6%
Impact of prior year reserve development on combined ratio	-4.9%	-4.9%	-5.7%	-9.4%	-5.6%	-7.2%	-4.9%	-6.4%

(1) Before policyholder dividends.

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

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Billing and policy fees	\$ 27	\$ 27	\$ 26	\$ 27	\$ 27	\$ 25	\$ 54	\$ 52
Fee income:								
Loss and loss adjustment expenses	\$ 20	\$ 42	\$ 24	\$ 28	\$ 36	\$ 31	\$ 62	\$ 67
Underwriting expenses	53	47	48	44	43	45	100	88
Total fee income	\$ 73	\$ 89	\$ 72	\$ 72	\$ 79	\$ 76	\$ 162	\$ 155

(3) The impact of reductions in prior year estimates of hurricane-related assessments, which is not included in the impact of catastrophes or prior year reserve development on the combined ratio, is (1.2), (0.5), and (0.8) points for 1Q 2009, 2Q 2009, and YTD 2Q 2009, respectively.

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

The Travelers Companies, Inc.
Operating Income - Consolidated

(\$ in millions)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Premiums	\$ 5,301	\$ 5,353	\$ 5,421	\$ 5,343	\$ 5,230	\$ 5,340	\$ 10,654	\$ 10,570
Net investment income	542	658	763	813	753	762	1,200	1,515
Fee income	73	89	72	72	79	76	162	155
Other revenues	33	49	42	39	32	32	82	64
Total revenues	5,949	6,149	6,298	6,267	6,094	6,210	12,098	12,304
Claims and expenses								
Claims and claim adjustment expenses	3,190	3,335	3,123	2,760	3,388	3,419	6,525	6,807
Amortization of deferred acquisition costs	944	953	967	949	929	950	1,897	1,879
General and administrative expenses	782	839	889	856	847	832	1,621	1,679
Interest expense	92	94	98	98	98	97	186	195
Total claims and expenses	5,008	5,221	5,077	4,663	5,262	5,298	10,229	10,560
Operating income before income taxes	941	928	1,221	1,604	832	912	1,869	1,744
Income tax expense	142	196	307	449	201	222	338	423
Operating income	\$ 799	\$ 732	\$ 914	\$ 1,155	\$ 631	\$ 690	\$ 1,531	\$ 1,321
Other statistics								
Effective tax rate on net investment income	12.6%	16.7%	19.2%	19.8%	18.9%	19.1%	14.9%	19.0%
Net investment income (after-tax)	\$ 474	\$ 547	\$ 616	\$ 653	\$ 610	\$ 617	\$ 1,021	\$ 1,227
Catastrophes, net of reinsurance:								
Pre-tax	\$ 83	\$ 200	\$ 158	\$ 16	\$ 471	\$ 439	\$ 283	\$ 910
After-tax	\$ 54	\$ 130	\$ 103	\$ 10	\$ 312	\$ 285	\$ 184	\$ 597

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 5,863	\$ 5,969	\$ 5,935	\$ 5,518	\$ 5,803	\$ 5,974	\$ 11,832	\$ 11,777
Net written premiums	\$ 5,203	\$ 5,605	\$ 5,340	\$ 5,188	\$ 5,251	\$ 5,688	\$ 10,808	\$ 10,939
Net earned premiums	\$ 5,301	\$ 5,353	\$ 5,421	\$ 5,343	\$ 5,230	\$ 5,340	\$ 10,654	\$ 10,570
Losses and loss adjustment expenses	3,159	3,300	3,090	2,736	3,349	3,382	6,459	6,731
Underwriting expenses	1,710	1,724	1,770	1,658	1,708	1,757	3,434	3,465
Statutory underwriting gain	432	329	561	949	173	201	761	374
Policyholder dividends	8	6	7	4	8	7	14	15
Statutory underwriting gain after policyholder dividends	\$ 424	\$ 323	\$ 554	\$ 945	\$ 165	\$ 194	\$ 747	\$ 359
Other statutory statistics								
Reserves for losses and loss adjustment expenses	\$ 41,156	\$ 41,495	\$ 41,357	\$ 40,923	\$ 40,849	\$ 40,766	\$ 41,495	\$ 40,766
Increase (decrease) in reserves	\$ (151)	\$ 339	\$ (138)	\$ (434)	\$ (74)	\$ (83)	\$ 188	\$ (157)
Statutory surplus	\$ 21,561	\$ 21,267	\$ 22,050	\$ 23,195	\$ 21,607	\$ 21,077	\$ 21,267	\$ 21,077
Net written premiums/surplus (1)	1.01:1	1.02:1	0.98:1	0.92:1	0.99:1	1.02:1	1.02:1	1.02:1

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Written premiums								
Gross	\$ 5,863	\$ 5,969	\$ 5,935	\$ 5,518	\$ 5,803	\$ 5,974	\$ 11,832	\$ 11,777
Ceded	(660)	(364)	(595)	(330)	(552)	(286)	(1,024)	(838)
Net	<u>\$ 5,203</u>	<u>\$ 5,605</u>	<u>\$ 5,340</u>	<u>\$ 5,188</u>	<u>\$ 5,251</u>	<u>\$ 5,688</u>	<u>\$ 10,808</u>	<u>\$ 10,939</u>
Earned premiums								
Gross	\$ 5,808	\$ 5,862	\$ 5,915	\$ 5,835	\$ 5,697	\$ 5,770	\$ 11,670	\$ 11,467
Ceded	(507)	(509)	(494)	(492)	(467)	(430)	(1,016)	(897)
Net	<u>\$ 5,301</u>	<u>\$ 5,353</u>	<u>\$ 5,421</u>	<u>\$ 5,343</u>	<u>\$ 5,230</u>	<u>\$ 5,340</u>	<u>\$ 10,654</u>	<u>\$ 10,570</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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Premiums	\$ 2,757	\$ 2,770	\$ 2,768	\$ 2,673	\$ 2,628	\$ 2,663	\$ 5,527	\$ 5,291
Net investment income	355	451	529	567	528	537	806	1,065
Fee income	73	89	72	72	79	76	162	155
Other revenues	6	12	14	10	6	7	18	13
Total revenues	<u>3,191</u>	<u>3,322</u>	<u>3,383</u>	<u>3,322</u>	<u>3,241</u>	<u>3,283</u>	<u>6,513</u>	<u>6,524</u>
Claims and expenses								
Claims and claim adjustment expenses	1,618	1,644	1,508	1,267	1,583	1,621	3,262	3,204
Amortization of deferred acquisition costs	449	450	448	428	425	439	899	864
General and administrative expenses (1)	467	493	517	489	481	469	960	950
Total claims and expenses	<u>2,534</u>	<u>2,587</u>	<u>2,473</u>	<u>2,184</u>	<u>2,489</u>	<u>2,529</u>	<u>5,121</u>	<u>5,018</u>
Operating income before federal income taxes	657	735	910	1,138	752	754	1,392	1,506
Income taxes	110	175	242	323	185	187	285	372
Operating income	<u>\$ 547</u>	<u>\$ 560</u>	<u>\$ 668</u>	<u>\$ 815</u>	<u>\$ 567</u>	<u>\$ 567</u>	<u>\$ 1,107</u>	<u>\$ 1,134</u>
Other statistics								
Effective tax rate on net investment income	10.8%	15.9%	18.8%	19.7%	18.6%	18.8%	13.6%	18.7%
Net investment income (after-tax)	\$ 317	\$ 379	\$ 429	\$ 456	\$ 430	\$ 435	\$ 696	\$ 865
Catastrophes, net of reinsurance:								
Pre-tax	\$ 12	\$ 59	\$ 86	\$ 19	\$ 135	\$ 179	\$ 71	\$ 314
After-tax	\$ 8	\$ 38	\$ 56	\$ 12	\$ 88	\$ 116	\$ 46	\$ 204

(1) In 1Q 2009, and 2Q 2009 "General and administrative expenses" includes \$(26) million and \$(12) million, respectively, of reductions in estimated hurricane-related assessments from state-created insurance and windstorm insurance entities.

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Underwriting gain	\$ 226	\$ 172	\$ 228	\$ 351	\$ 132	\$ 127	\$ 398	\$ 259
Net investment income	317	379	429	456	430	435	696	865
Other	4	9	11	8	5	5	13	10
Operating income	\$ 547	\$ 560	\$ 668	\$ 815	\$ 567	\$ 567	\$ 1,107	\$ 1,134
GAAP Combined ratio (1) (2)								
Loss and loss adjustment expense ratio	57.8%	57.6%	53.5%	46.3%	58.7%	59.5%	57.7%	59.1%
Underwriting expense ratio (3)	31.2%	32.2%	33.0%	32.5%	32.7%	32.3%	31.7%	32.5%
Combined ratio	<u>89.0%</u>	<u>89.8%</u>	<u>86.5%</u>	<u>78.8%</u>	<u>91.4%</u>	<u>91.8%</u>	<u>89.4%</u>	<u>91.6%</u>
Impact of catastrophes on combined ratio	0.4%	2.1%	3.1%	0.7%	5.1%	6.7%	1.3%	6.0%
Impact of prior year reserve development on combined ratio	-6.6%	-7.8%	-9.5%	-13.6%	-9.2%	-11.3%	-7.2%	-10.3%

(1) Before policyholder dividends.

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

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Billing and policy fees	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 8	\$ 8
Fee income:								
Loss and loss adjustment expenses	\$ 20	\$ 42	\$ 24	\$ 28	\$ 36	\$ 31	\$ 62	\$ 67
Underwriting expenses	53	47	48	44	43	45	100	88
Total fee income	<u>\$ 73</u>	<u>\$ 89</u>	<u>\$ 72</u>	<u>\$ 72</u>	<u>\$ 79</u>	<u>\$ 76</u>	<u>\$ 162</u>	<u>\$ 155</u>

(3) The impact of reductions in prior year estimates of hurricane-related assessments, which is not included in the impact of catastrophes or prior year reserve development on the combined ratio, is (0.9), (0.4), and (0.7) points for 1Q 2009, 2Q 2009, and YTD 2Q 2009, respectively.

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 3,294	\$ 3,046	\$ 3,029	\$ 2,729	\$ 3,118	\$ 2,996	\$ 6,340	\$ 6,114
Net written premiums	\$ 2,963	\$ 2,813	\$ 2,611	\$ 2,515	\$ 2,834	\$ 2,795	\$ 5,776	\$ 5,629
Net earned premiums	\$ 2,757	\$ 2,770	\$ 2,768	\$ 2,673	\$ 2,628	\$ 2,663	\$ 5,527	\$ 5,291
Losses and loss adjustment expenses	1,592	1,603	1,479	1,240	1,547	1,586	3,195	3,133
Underwriting expenses	903	877	892	820	866	869	1,780	1,735
Statutory underwriting gain	262	290	397	613	215	208	552	423
Policyholder dividends	4	4	4	3	4	6	8	10
Statutory underwriting gain after policyholder dividends	\$ 258	\$ 286	\$ 393	\$ 610	\$ 211	\$ 202	\$ 544	\$ 413

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Net written premiums by market								
Select Accounts	\$ 731	\$ 732	\$ 655	\$ 638	\$ 702	\$ 716	\$ 1,463	\$ 1,418
Commercial Accounts	710	564	609	610	706	581	1,274	1,287
National Accounts	259	227	197	219	226	194	486	420
Industry-Focused Underwriting	617	581	564	517	569	584	1,198	1,153
Target Risk Underwriting	422	458	360	328	412	469	880	881
Specialized Distribution	222	247	221	199	215	247	469	462
Total core	2,961	2,809	2,606	2,511	2,830	2,791	5,770	5,621
Business Insurance other	2	4	5	4	4	4	6	8
Total	<u>\$ 2,963</u>	<u>\$ 2,813</u>	<u>\$ 2,611</u>	<u>\$ 2,515</u>	<u>\$ 2,834</u>	<u>\$ 2,795</u>	<u>\$ 5,776</u>	<u>\$ 5,629</u>
Net written premiums by product line								
Commercial multi-peril	\$ 789	\$ 730	\$ 682	\$ 732	\$ 784	\$ 752	\$ 1,519	\$ 1,536
Workers' compensation	748	593	587	558	725	600	1,341	1,325
Commercial automobile	485	497	498	447	483	492	982	975
Property	463	507	401	356	430	493	970	923
General liability	479	486	443	421	412	458	965	870
Other	(1)	-	-	1	-	-	(1)	-
Total	<u>\$ 2,963</u>	<u>\$ 2,813</u>	<u>\$ 2,611</u>	<u>\$ 2,515</u>	<u>\$ 2,834</u>	<u>\$ 2,795</u>	<u>\$ 5,776</u>	<u>\$ 5,629</u>
National accounts								
Additions to claim volume under administration (1)	\$ 594	\$ 452	\$ 403	\$ 454	\$ 536	\$ 399	\$ 1,046	\$ 935
Written fees	\$ 85	\$ 70	\$ 65	\$ 63	\$ 74	\$ 64	\$ 155	\$ 138

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Premiums	\$ 801	\$ 810	\$ 861	\$ 861	\$ 824	\$ 855	\$ 1,611	\$ 1,679
Net investment income	104	107	118	123	111	110	211	221
Other revenues	6	7	7	7	6	7	13	13
Total revenues	911	924	986	991	941	972	1,835	1,913
Claims and expenses								
Claims and claim adjustment expenses	442	442	463	400	516	414	884	930
Amortization of deferred acquisition costs	146	151	162	163	153	153	297	306
General and administrative expenses (1)	138	146	141	154	149	148	284	297
Total claims and expenses	726	739	766	717	818	715	1,465	1,533
Operating income before federal income taxes	185	185	220	274	123	257	370	380
Income taxes	37	52	53	80	37	85	89	122
Operating income	\$ 148	\$ 133	\$ 167	\$ 194	\$ 86	\$ 172	\$ 281	\$ 258
Other statistics								
Effective tax rate on net investment income	19.4%	20.9%	21.7%	20.8%	21.0%	20.7%	20.2%	20.9%
Net investment income (after-tax)	\$ 84	\$ 84	\$ 93	\$ 97	\$ 87	\$ 89	\$ 168	\$ 176
Catastrophes, net of reinsurance (2):								
Pre-tax	\$ -	\$ 2	\$ 4	\$ (3)	\$ 86	\$ 3	\$ 2	\$ 89
After-tax	\$ -	\$ 1	\$ 3	\$ (2)	\$ 62	\$ 2	\$ 1	\$ 64

(1) In 1Q 2009 "General and administrative expenses" includes \$(1) million of reductions in estimated hurricane-related assessments from state-created insurance and windstorm insurance entities.

(2) In 4Q 2009, "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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Underwriting gain (loss)	\$ 60	\$ 44	\$ 69	\$ 93	\$ (5)	\$ 79	\$ 104	\$ 74
Net investment income	84	84	93	97	87	89	168	176
Other	4	5	5	4	4	4	9	8
Operating income	\$ 148	\$ 133	\$ 167	\$ 194	\$ 86	\$ 172	\$ 281	\$ 258
GAAP Combined ratio (1)								
Loss and loss adjustment expense ratio	54.7%	54.4%	53.3%	46.3%	62.3%	48.1%	54.5%	55.1%
Underwriting expense ratio (2)	35.5%	36.5%	35.4%	36.8%	36.6%	35.2%	36.0%	35.9%
Combined ratio	90.2%	90.9%	88.7%	83.1%	98.9%	83.3%	90.5%	91.0%
Impact of catastrophes on combined ratio	0.0%	0.2%	0.5%	-0.3%	10.4%	0.4%	0.1%	5.3%
Impact of prior year reserve development on combined ratio	-1.4%	-1.4%	-2.9%	-13.9%	-4.2%	-8.4%	-1.5%	-6.3%

(1) Before policyholder dividends.

(2) The impact of reductions in prior year estimates of hurricane-related assessments, which is not included in the impact of catastrophes or prior year reserve development on the combined ratio, is (0.1) and (0.1) for 1Q 2009 and YTD 2Q 2009, respectively.

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 842	\$ 975	\$ 918	\$ 978	\$ 898	\$ 915	\$ 1,817	\$ 1,813
Net written premiums	\$ 563	\$ 914	\$ 870	\$ 938	\$ 681	\$ 889	\$ 1,477	\$ 1,570
Net earned premiums	\$ 801	\$ 810	\$ 861	\$ 861	\$ 824	\$ 855	\$ 1,611	\$ 1,679
Losses and loss adjustment expenses	437	448	459	403	513	412	885	925
Underwriting expenses	286	298	288	301	308	303	584	611
Statutory underwriting gain	78	64	114	157	3	140	142	143
Policyholder dividends	4	2	3	1	4	1	6	5
Statutory underwriting gain (loss) after policyholder dividends	\$ 74	\$ 62	\$ 111	\$ 156	\$ (1)	\$ 139	\$ 136	\$ 138

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Net written premiums by market								
Bond & Financial Products	\$ 334	\$ 558	\$ 574	\$ 574	\$ 362	\$ 559	\$ 892	\$ 921
International	229	356	296	364	319	330	585	649
Total	\$ 563	\$ 914	\$ 870	\$ 938	\$ 681	\$ 889	\$ 1,477	\$ 1,570
Net written premiums by product line								
General liability	\$ 129	\$ 256	\$ 252	\$ 269	\$ 132	\$ 232	\$ 385	\$ 364
Fidelity & surety	170	265	291	274	194	292	435	486
International	229	356	296	364	319	330	585	649
Other	35	37	31	31	36	35	72	71
Total	\$ 563	\$ 914	\$ 870	\$ 938	\$ 681	\$ 889	\$ 1,477	\$ 1,570

In 2Q 2009, results from the surety bond operation in Canada were reclassified from the "Bond & Financial Products" market to the "International" market, and from the "Fidelity & surety" product line to the "International" product line. All prior period amounts have been restated to reflect this reclassification.

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

The Travelers Companies, Inc.
Operating Income - Personal Insurance

(\$ in millions)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Premiums	\$ 1,743	\$ 1,773	\$ 1,792	\$ 1,809	\$ 1,778	\$ 1,822	\$ 3,516	\$ 3,600
Net investment income	83	100	116	123	114	115	183	229
Other revenues	21	21	20	22	20	18	42	38
Total revenues	1,847	1,894	1,928	1,954	1,912	1,955	3,741	3,867
Claims and expenses								
Claims and claim adjustment expenses	1,130	1,249	1,152	1,093	1,289	1,384	2,379	2,673
Amortization of deferred acquisition costs	349	352	357	358	351	358	701	709
General and administrative expenses (1)	170	187	220	207	207	210	357	417
Total claims and expenses	1,649	1,788	1,729	1,658	1,847	1,952	3,437	3,799
Operating income before federal income taxes	198	106	199	296	65	3	304	68
Income taxes	44	18	50	86	6	(16)	62	(10)
Operating income	\$ 154	\$ 88	\$ 149	\$ 210	\$ 59	\$ 19	\$ 242	\$ 78
Other statistics								
Effective tax rate on net investment income	12.0%	16.1%	18.7%	19.5%	18.6%	18.7%	14.2%	18.6%
Net investment income (after-tax)	\$ 73	\$ 84	\$ 94	\$ 100	\$ 93	\$ 93	\$ 157	\$ 186
Catastrophes, net of reinsurance:								
Pre-tax	\$ 71	\$ 139	\$ 68	\$ -	\$ 250	\$ 257	\$ 210	\$ 507
After-tax	\$ 46	\$ 91	\$ 44	\$ -	\$ 162	\$ 167	\$ 137	\$ 329

(1) In 1Q 2009, and 2Q 2009 "General and administrative expenses" includes \$(34) million and \$(14) million, respectively, of reductions in estimated hurricane-related assessments from state-created insurance and windstorm insurance entities.

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 - Personal Insurance

(\$ in millions, net of tax)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Underwriting gain (loss)	\$ 67	\$ (10)	\$ 41	\$ 96	\$ (47)	\$ (87)	\$ 57	\$ (134)
Net investment income	73	84	94	100	93	93	157	186
Other	14	14	14	14	13	13	28	26
Operating income	\$ 154	\$ 88	\$ 149	\$ 210	\$ 59	\$ 19	\$ 242	\$ 78
GAAP Combined ratio (1)								
Loss and loss adjustment expense ratio	64.9%	70.5%	64.3%	60.4%	72.5%	76.0%	67.6%	74.3%
Underwriting expense ratio (2)	28.4%	29.1%	30.9%	30.0%	30.1%	29.9%	28.8%	30.0%
Combined ratio	93.3%	99.6%	95.2%	90.4%	102.6%	105.9%	96.4%	104.3%
<i>GAAP combined ratio excluding incremental impact of direct to consumer initiative</i>	91.7%	97.7%	93.3%	89.0%	100.9%	104.0%	94.7%	102.5%
Impact of catastrophes on combined ratio	4.1%	7.9%	3.8%	0.0%	14.0%	14.0%	6.0%	14.1%
Impact of prior year reserve development on combined ratio	-3.7%	-1.9%	-1.3%	-0.8%	-1.0%	-0.5%	-2.8%	-0.8%

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Billing and policy fees	\$ 23	\$ 23	\$ 22	\$ 23	\$ 23	\$ 21	\$ 46	\$ 44

(2) The impact of reductions in prior year estimates of hurricane-related assessments, which is not included in the impact of catastrophes or prior year reserve development on the combined ratio, is (2.0), (0.8), and (1.4) points for 1Q 2009, 2Q 2009, and YTD 2Q 2009, respectively.

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 1,727	\$ 1,948	\$ 1,988	\$ 1,811	\$ 1,787	\$ 2,063	\$ 3,675	\$ 3,850
Net written premiums	\$ 1,677	\$ 1,878	\$ 1,859	\$ 1,735	\$ 1,736	\$ 2,004	\$ 3,555	\$ 3,740
Net earned premiums	\$ 1,743	\$ 1,773	\$ 1,792	\$ 1,809	\$ 1,778	\$ 1,822	\$ 3,516	\$ 3,600
Losses and loss adjustment expenses	1,130	1,249	1,152	1,093	1,289	1,384	2,379	2,673
Underwriting expenses	521	549	590	537	534	585	1,070	1,119
Statutory underwriting gain (loss)	<u>\$ 92</u>	<u>\$ (25)</u>	<u>\$ 50</u>	<u>\$ 179</u>	<u>\$ (45)</u>	<u>\$ (147)</u>	<u>\$ 67</u>	<u>\$ (192)</u>
Policies in force (in thousands)								
Automobile	2,509	2,491	2,482	2,480	2,489	2,516	2,491	2,516
Homeowners and other	4,861	4,901	4,944	4,985	5,030	5,100	4,901	5,100

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

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance (Agency Automobile) (1)



(\$ in millions)

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 924	\$ 919	\$ 905	\$ 862	\$ 917	\$ 951	\$ 1,843	\$ 1,868
Net written premiums	\$ 917	\$ 914	\$ 898	\$ 857	\$ 913	\$ 945	\$ 1,831	\$ 1,858
Net earned premiums	\$ 913	\$ 917	\$ 915	\$ 916	\$ 892	\$ 905	\$ 1,830	\$ 1,797
Losses and loss adjustment expenses	668	639	643	682	613	638	1,307	1,251
Underwriting expenses	254	249	247	237	249	254	503	503
Statutory underwriting gain (loss)	\$ (9)	\$ 29	\$ 25	\$ (3)	\$ 30	\$ 13	\$ 20	\$ 43
Other statistics								
GAAP Combined ratio (2):								
Loss and loss adjustment expense ratio	73.2%	69.7%	70.2%	74.5%	68.7%	70.5%	71.4%	69.6%
Underwriting expense ratio	27.0%	26.7%	27.1%	26.4%	26.7%	26.9%	26.8%	26.8%
Combined ratio	100.2%	96.4%	97.3%	100.9%	95.4%	97.4%	98.2%	96.4%
Impact of catastrophes on combined ratio	0.9%	1.0%	0.8%	0.0%	0.8%	1.6%	0.9%	1.2%
Catastrophe losses, net of reinsurance:								
Pre-tax	\$ 8	\$ 9	\$ 7	\$ -	\$ 7	\$ 14	\$ 17	\$ 21
After-tax	\$ 5	\$ 6	\$ 5	\$ -	\$ 4	\$ 10	\$ 11	\$ 14
Policies in force (in thousands)	2,489	2,466	2,451	2,443	2,447	2,468		
Change from prior year quarter	-0.2%	-2.3%	-3.0%	-2.7%	-1.7%	0.1%		
Change from prior quarter	-0.9%	-0.9%	-0.6%	-0.3%	0.2%	0.9%		

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

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Billing and policy fees	\$ 13	\$ 14	\$ 12	\$ 13	\$ 13	\$ 11	\$ 27	\$ 24

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

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance (Agency Homeowners and Other) (1)



(\$ in millions)

	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Statutory underwriting								
Gross written premiums	\$ 792	\$ 1,018	\$ 1,067	\$ 932	\$ 849	\$ 1,089	\$ 1,810	\$ 1,938
Net written premiums	\$ 749	\$ 952	\$ 946	\$ 861	\$ 803	\$ 1,035	\$ 1,701	\$ 1,838
Net earned premiums	\$ 824	\$ 846	\$ 865	\$ 879	\$ 870	\$ 897	\$ 1,670	\$ 1,767
Losses and loss adjustment expenses	458	599	499	399	662	729	1,057	1,391
Underwriting expenses	239	268	306	275	252	292	507	544
Statutory underwriting gain (loss)	\$ 127	\$ (21)	\$ 60	\$ 205	\$ (44)	\$ (124)	\$ 106	\$ (168)
Other statistics								
GAAP Combined ratio (2):								
Loss and loss adjustment expense ratio	55.6%	70.8%	57.7%	45.4%	76.1%	81.3%	63.3%	78.7%
Underwriting expense ratio	26.8%	28.4%	31.3%	31.2%	30.6%	29.4%	27.6%	30.0%
Combined ratio	82.4%	99.2%	89.0%	76.6%	106.7%	110.7%	90.9%	108.7%
Impact of catastrophes on combined ratio	7.6%	15.3%	7.0%	0.0%	27.9%	26.8%	11.5%	27.3%
Catastrophe losses, net of reinsurance:								
Pre-tax	\$ 63	\$ 130	\$ 61	\$ -	\$ 242	\$ 241	\$ 193	\$ 483
After-tax	\$ 41	\$ 85	\$ 39	\$ -	\$ 158	\$ 156	\$ 126	\$ 314
Policies in force (in thousands)	4,850	4,886	4,923	4,959	5,000	5,064		
Change from prior year quarter	3.1%	2.8%	2.5%	2.8%	3.1%	3.6%		
Change from prior quarter	0.5%	0.7%	0.8%	0.7%	0.8%	1.3%		

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

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Billing and policy fees	\$ 10	\$ 9	\$ 10	\$ 10	\$ 10	\$ 9	\$ 19	\$ 19

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Revenues								
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenues	-	9	1	-	-	-	9	-
Total revenues	-	9	1	-	-	-	9	-
Claims and expenses								
Interest expense	92	94	98	98	98	97	186	195
General and administrative expenses	7	13	11	6	10	5	20	15
Total claims and expenses	99	107	109	104	108	102	206	210
Operating loss before federal income tax benefit	(99)	(98)	(108)	(104)	(108)	(102)	(197)	(210)
Income taxes	(49)	(49)	(38)	(40)	(27)	(34)	(98)	(61)
Operating loss	\$ (50)	\$ (49)	\$ (70)	\$ (64)	\$ (81)	\$ (68)	\$ (99)	\$ (149)

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

The Travelers Companies, Inc.
Consolidated Balance Sheet

(in millions)



	June 30, 2010 (1)	December 31, 2009		June 30, 2010 (1)	December 31, 2009
Assets			Liabilities		
Fixed maturities, available for sale, at fair value (including \$146 and \$90 subject to securities lending) (amortized cost \$61,561 and \$63,311)	\$ 64,891	\$ 65,847	Claims and claim adjustment expense reserves	\$ 52,271	\$ 53,127
Equity securities, available for sale, at fair value (cost \$389 and \$373)	585	451	Unearned premium reserves	11,092	10,861
Real estate	846	865	Contractholder payables	5,595	5,797
Short-term securities	3,859	4,852	Payables for reinsurance premiums	467	546
Other investments	2,948	2,950	Debt	6,276	6,527
Total investments	<u>73,129</u>	<u>74,965</u>	Other liabilities	5,036	5,287
			Total liabilities	<u>80,737</u>	<u>82,145</u>
Cash	266	255	Shareholders' equity		
Investment income accrued	799	825	Preferred Stock Savings Plan - convertible preferred stock (0.2 shares issued and outstanding at both dates)	72	79
Premiums receivable	5,840	5,471	Common stock (1,748.6 shares authorized; 470.8 and 520.3 shares issued and outstanding)	19,884	19,593
Reinsurance recoverables	12,273	12,816	Retained earnings	17,285	16,315
Ceded unearned premiums	848	916	Accumulated other changes in equity from nonowner sources	1,690	1,219
Deferred acquisition costs	1,804	1,758	Treasury stock, at cost (255.6 and 199.6 shares)	(12,645)	(9,791)
Deferred tax asset	368	672	Total shareholders' equity	<u>26,286</u>	<u>27,415</u>
Contractholder receivables	5,595	5,797	Total liabilities and shareholders' equity	<u>\$ 107,023</u>	<u>\$ 109,560</u>
Goodwill	3,365	3,365			
Other intangible assets	543	588			
Other assets	2,193	2,132			
Total assets	<u>\$ 107,023</u>	<u>\$ 109,560</u>			

(1) Preliminary.

The Travelers Companies, Inc.

Investment Portfolio

(at carrying value, \$ in millions)



	June 30, 2010	Pre-tax Book Yield (1)	December 31, 2009	Pre-tax Book Yield (1)
Investment portfolio				
Taxable fixed maturities (including redeemable preferred stock)	\$ 24,152	4.95%	\$ 25,006	4.91%
Tax-exempt fixed maturities	40,739	4.09%	40,841	4.08%
Total fixed maturities	64,891	4.41%	65,847	4.40%
Non-redeemable preferred stocks	232	6.60%	232	6.60%
Common stocks	353		219	
Total equity securities	585		451	
Real estate	846		865	
Short-term securities	3,859	0.21%	4,852	0.19%
Private equities	1,652		1,557	
Hedge funds	493		472	
Real estate partnerships	518		508	
Mortgage loans	38	6.28%	40	6.56%
Trading securities	20		24	
Other investments	227		349	
Total other investments	2,948		2,950	
Total investments	\$ 73,129		\$ 74,965	
Net unrealized investment gains, net of tax, included in shareholders' equity	\$ 2,381		\$ 1,861	

(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

	June 30, 2010		December 31, 2009
\$	2,164	\$	2,574
	41,222		41,333
	1,802		1,957
	4,810		5,207
	14,893		14,776
\$	<u>64,891</u>	\$	<u>65,847</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

June 30, 2010		
Amount	%	% of Total
\$	31,845	49.1 %
	20,443	31.5
	6,413	9.9
	4,306	6.6
	<u>63,007</u>	<u>97.1</u>
	818	1.3
	658	1.0
	408	0.6
	<u>1,884</u>	<u>2.9</u>
\$	<u>64,891</u>	<u>100.0 %</u>
	Aa2, AA	
	<u>3.8</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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Gross investment income								
Fixed maturities	\$ 713	\$ 691	\$ 703	\$ 715	\$ 691	\$ 678	\$ 1,404	\$ 1,369
Short-term securities	10	7	5	5	3	3	17	6
Other	(175)	(33)	63	105	66	89	(208)	155
	548	665	771	825	760	770	1,213	1,530
Investment expenses	6	7	8	12	7	8	13	15
Net investment income, pre-tax	542	658	763	813	753	762	1,200	1,515
Income taxes	68	111	147	160	143	145	179	288
Net investment income, after-tax	\$ 474	\$ 547	\$ 616	\$ 653	\$ 610	\$ 617	\$ 1,021	\$ 1,227
Effective tax rate	12.6%	16.7%	19.2%	19.8%	18.9%	19.1%	14.9%	19.0%
Average invested assets (1)	\$ 72,720	\$ 72,589	\$ 73,515	\$ 73,573	\$ 72,659	\$ 71,294	\$ 72,713	\$ 71,987
Average yield pre-tax (1)	3.0%	3.6%	4.2%	4.4%	4.1%	4.3%	3.3%	4.2%
Average yield after-tax	2.6%	3.0%	3.4%	3.5%	3.4%	3.5%	2.8%	3.4%

(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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Net realized investment gains (losses)								
Fixed maturities	\$ (100)	\$ (2)	\$ 19	\$ 14	\$ 22	\$ 17	\$ (102)	\$ 39
Equity securities	(74)	1	2	3	8	3	(73)	11
Other (1) (2)	(40)	14	8	172	(5)	(51)	(26)	(56)
Realized investment gains (losses) before tax	(214)	13	29	189	25	(31)	(201)	(6)
Related taxes	(77)	5	8	59	9	(11)	(72)	(2)
Net realized investment gains (losses)	<u>\$ (137)</u>	<u>\$ 8</u>	<u>\$ 21</u>	<u>\$ 130</u>	<u>\$ 16</u>	<u>\$ (20)</u>	<u>\$ (129)</u>	<u>\$ (4)</u>
Gross investment gains (1)	\$ 105	\$ 116	\$ 132	\$ 310	\$ 89	\$ 75	\$ 221	\$ 164
Gross investment losses before impairments (1)	(135)	(73)	(84)	(96)	(54)	(102)	(208)	(156)
Net investment gains (losses) before impairments	(30)	43	48	214	35	(27)	13	8
Other-than-temporary impairment losses:								
Total losses	(184)	(75)	(43)	(21)	(1)	2	(259)	1
Portion of losses recognized in accumulated other changes in equity from nonowner sources	-	45	24	(4)	(9)	(6)	45	(15)
Other-than-temporary impairment losses	(184)	(30)	(19)	(25)	(10)	(4)	(214)	(14)
Net realized investment gains (losses) before tax	(214)	13	29	189	25	(31)	(201)	(6)
Related taxes	(77)	5	8	59	9	(11)	(72)	(2)
Net realized investment gains (losses)	<u>\$ (137)</u>	<u>\$ 8</u>	<u>\$ 21</u>	<u>\$ 130</u>	<u>\$ 16</u>	<u>\$ (20)</u>	<u>\$ (129)</u>	<u>\$ (4)</u>
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010		
Net unrealized investment gains, net of tax, by asset type								
Fixed maturities	\$ 732	\$ 1,139	\$ 3,142	\$ 2,536	\$ 2,653	\$ 3,330		
Equity securities & other	71	157	262	294	296	296		
Unrealized investment gains before tax	803	1,296	3,404	2,830	2,949	3,626		
Related taxes	260	431	1,168	969	1,011	1,245		
Balance, end of period	<u>\$ 543</u>	<u>\$ 865</u>	<u>\$ 2,236</u>	<u>\$ 1,861</u>	<u>\$ 1,938</u>	<u>\$ 2,381</u>		

(1) 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	\$ 76	\$ 71	\$ 39	\$ 56	\$ 26	\$ 37	\$ 147	\$ 63
Gross investment Treasury future losses	\$ 76	\$ 46	\$ 50	\$ 47	\$ 33	\$ 63	\$ 122	\$ 96

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.

(2) In 4Q 2009, the Company sold a portion of its common stock holdings in Verisk Analytics, Inc. (Verisk) for total proceeds of approximately \$184 million as part of the initial public offering of Verisk. The Company recorded a pretax realized investment gain of \$159 million on this sale in 4Q 2009.

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

June 30, 2010	December 31, 2009
\$ 7,585	\$ 8,138
(464)	(523)
7,121	7,615
1,727	1,745
3,425	3,456
<u>\$ 12,273</u>	<u>\$ 12,816</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	June 30, 2010	December 31, 2009
Swiss Re Group	A third highest of 16 ratings	\$ 772	\$ 895
Munich Re Group	A+ second highest of 16 ratings	741	779
Transatlantic Holdings, Inc.	A third highest of 16 ratings	420	485
XL Capital Group	A third highest of 16 ratings	375	398
Berkshire Hathaway Group	A++ highest of 16 ratings	365	386

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 June 30, 2010, after deducting mandatory pools and associations and structured settlement balances, \$5.6 billion, or 78%, were rated by A.M. Best Company. Of the total rated by A.M. Best Company, 99% were rated A- or better. The remaining 22% net recoverables from reinsurers were comprised of the following: 6% related to the Company's participation in voluntary pools, 10% related to recoverables from captive insurance companies and 6% were balances from other companies not rated by A.M. Best Company. In addition, \$2.3 billion of the net recoverables were collateralized by letters of credit, funds held and trust agreements at June 30, 2010.

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	June 30, 2010	December 31, 2009
Old Mutual	A- fourth highest of 16 ratings	\$ 1,042	\$ 1,050
Metlife	A+ second highest of 16 ratings	520	529
Genworth	A third highest of 16 ratings	465	472
Symetra	A third highest of 16 ratings	282	286
ING Group	A third highest of 16 ratings	232	235

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

(\$ in millions)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Business Insurance								
Beginning of period	\$ 32,270	\$ 32,043	\$ 31,986	\$ 31,750	\$ 31,289	\$ 31,079	\$ 32,270	\$ 31,289
Incurred	1,592	1,603	1,479	1,240	1,547	1,586	3,195	3,133
Paid	(1,816)	(1,688)	(1,726)	(1,704)	(1,747)	(1,751)	(3,504)	(3,498)
Foreign exchange and other	(3)	28	11	3	(10)	(14)	25	(24)
End of period	\$ 32,043	\$ 31,986	\$ 31,750	\$ 31,289	\$ 31,079	\$ 30,900	\$ 31,986	\$ 30,900
Financial, Professional & International Insurance								
Beginning of period	\$ 5,397	\$ 5,503	\$ 5,821	\$ 5,970	\$ 6,003	\$ 6,022	\$ 5,397	\$ 6,003
Incurred	437	448	459	403	513	412	885	925
Paid	(309)	(338)	(354)	(386)	(443)	(363)	(647)	(806)
Foreign exchange and other	(22)	208	44	16	(51)	(76)	186	(127)
End of period	\$ 5,503	\$ 5,821	\$ 5,970	\$ 6,003	\$ 6,022	\$ 5,995	\$ 5,821	\$ 5,995
Personal Insurance								
Beginning of period	\$ 3,640	\$ 3,610	\$ 3,688	\$ 3,637	\$ 3,631	\$ 3,748	\$ 3,640	\$ 3,631
Incurred	1,130	1,249	1,152	1,093	1,289	1,384	2,379	2,673
Paid	(1,160)	(1,171)	(1,203)	(1,099)	(1,172)	(1,261)	(2,331)	(2,433)
End of period	\$ 3,610	\$ 3,688	\$ 3,637	\$ 3,631	\$ 3,748	\$ 3,871	\$ 3,688	\$ 3,871
Total								
Beginning of period	\$ 41,307	\$ 41,156	\$ 41,495	\$ 41,357	\$ 40,923	\$ 40,849	\$ 41,307	\$ 40,923
Incurred	3,159	3,300	3,090	2,736	3,349	3,382	6,459	6,731
Paid	(3,285)	(3,197)	(3,283)	(3,189)	(3,362)	(3,375)	(6,482)	(6,737)
Foreign exchange and other	(25)	236	55	19	(61)	(90)	211	(151)
End of period	\$ 41,156	\$ 41,495	\$ 41,357	\$ 40,923	\$ 40,849	\$ 40,766	\$ 41,495	\$ 40,766
Prior Year Reserve Development: Unfavorable (Favorable)								
Business Insurance								
Asbestos	\$ -	\$ -	\$ 185	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	-	70	-	-	-	35	70	35
All other	(182)	(286)	(447)	(366)	(242)	(338)	(468)	(580)
Prior year development excluding accretion of discount	(182)	(216)	(262)	(366)	(242)	(303)	(398)	(545)
Accretion of discount	14	14	14	12	11	12	28	23
Total Business Insurance	(168)	(202)	(248)	(354)	(231)	(291)	(370)	(522)
Financial, Professional & International Insurance								
	(12)	(11)	(25)	(120)	(34)	(72)	(23)	(106)
Personal Insurance								
	(64)	(34)	(22)	(15)	(18)	(9)	(98)	(27)
Total	\$ (244)	\$ (247)	\$ (295)	\$ (489)	\$ (283)	\$ (372)	\$ (491)	\$ (655)

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 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Asbestos reserves								
Beginning reserves:								
Direct	\$ 3,299	\$ 3,216	\$ 3,136	\$ 3,251	\$ 3,097	\$ 3,004	\$ 3,299	\$ 3,097
Ceded	(385)	(363)	(345)	(336)	(339)	(320)	(385)	(339)
Net	2,914	2,853	2,791	2,915	2,758	2,684	2,914	2,758
Incurred losses and loss expenses:								
Direct	-	-	185	-	-	-	-	-
Ceded	-	-	-	-	-	-	-	-
Losses paid:								
Direct	83	80	70	154	93	137	163	230
Ceded	(22)	(18)	(9)	3	(19)	(46)	(40)	(65)
Ending reserves:								
Direct	3,216	3,136	3,251	3,097	3,004	2,867	3,136	2,867
Ceded	(363)	(345)	(336)	(339)	(320)	(274)	(345)	(274)
Net	<u>\$ 2,853</u>	<u>\$ 2,791</u>	<u>\$ 2,915</u>	<u>\$ 2,758</u>	<u>\$ 2,684</u>	<u>\$ 2,593</u>	<u>\$ 2,791</u>	<u>\$ 2,593</u>
Environmental reserves								
Beginning reserves:								
Direct	\$ 400	\$ 378	\$ 425	\$ 411	\$ 389	\$ 373	\$ 400	\$ 389
Ceded	14	14	3	3	4	4	14	4
Net	414	392	428	414	393	377	414	393
Incurred losses and loss expenses:								
Direct	-	85	-	-	-	45	85	45
Ceded	-	(15)	-	-	-	(10)	(15)	(10)
Losses paid:								
Direct	22	38	14	22	16	19	60	35
Ceded	-	(4)	-	(1)	-	-	(4)	-
Ending reserves:								
Direct	378	425	411	389	373	399	425	399
Ceded	14	3	3	4	4	(6)	3	(6)
Net	<u>\$ 392</u>	<u>\$ 428</u>	<u>\$ 414</u>	<u>\$ 393</u>	<u>\$ 377</u>	<u>\$ 393</u>	<u>\$ 428</u>	<u>\$ 393</u>

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

The Travelers Companies, Inc. Capitalization

(\$ in millions)



Debt

	June 30, 2010	December 31, 2009
Short-term debt		
Commercial paper	\$ 100	\$ 100
7.415% Medium-term notes due August 23, 2010	21	21
7.81% Private placement note due September 16, 2010 (1)	2	2
8.125% Senior notes due April 15, 2010	-	250
Total short-term debt	<u>123</u>	<u>373</u>
Long-term debt		
7.22% Real estate non-recourse debt due September 1, 2011	9	9
7.81% Private placement note due September 16, 2011 (1)	2	2
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 (1)	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	500
5.90% Senior notes due June 2, 2019 (1)	500	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	<u>6,165</u>	<u>6,165</u>
Unamortized fair value adjustment	54	58
Unamortized debt issuance costs	(66)	(69)
	<u>6,153</u>	<u>6,154</u>
Total debt	<u>6,276</u>	<u>6,527</u>
Preferred equity	72	79
Common equity (excluding net unrealized investment gains, net of tax)	23,833	25,475
Total capital (excluding net unrealized investment gains, net of tax)	<u>\$ 30,181</u>	<u>\$ 32,081</u>
Total debt to capital (excluding net unrealized investment gains, net of tax)	20.8%	20.3%

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

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

(\$ in millions)



	<u>June 30, 2010 (1)</u>	<u>December 31, 2009</u>
Statutory capital and surplus	\$ 21,077	\$ 23,195
GAAP adjustments		
Goodwill and intangible assets	3,714	3,752
Investments	3,793	2,999
Noninsurance companies	(3,758)	(4,166)
Deferred acquisition costs	1,804	1,758
Deferred federal income tax	(1,332)	(1,038)
Current federal income tax	(91)	(90)
Reinsurance recoverables	255	255
Furniture, equipment & software	669	640
Employee benefits	(3)	(12)
Agents balances	110	110
Other	48	12
Total GAAP adjustments	<u>5,209</u>	<u>4,220</u>
GAAP shareholders' equity	<u>\$ 26,286</u>	<u>\$ 27,415</u>

(1) Estimated and Preliminary

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

(\$ in millions)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Cash flows from operating activities								
Net income	\$ 662	\$ 740	\$ 935	\$ 1,285	\$ 647	\$ 670	\$ 1,402	\$ 1,317
Adjustments to reconcile net income to net cash provided by operating activities:								
Net realized investment (gains) losses	214	(13)	(29)	(189)	(25)	31	201	6
Depreciation and amortization	206	209	187	195	216	195	415	411
Deferred federal income tax expense (benefit)	22	(53)	77	167	76	(25)	(31)	51
Amortization of deferred acquisition costs	944	953	967	949	929	950	1,897	1,879
Equity in (income) loss from other investments	194	58	(41)	(85)	(45)	(71)	252	(116)
Premiums receivable	(44)	(150)	282	276	(97)	(285)	(194)	(382)
Reinsurance recoverables	167	371	355	523	86	442	538	528
Deferred acquisition costs	(948)	(997)	(970)	(882)	(939)	(991)	(1,945)	(1,930)
Claims and claim adjustment expense reserves	(373)	22	(448)	(797)	(224)	(468)	(351)	(692)
Unearned premium reserves	64	163	25	(348)	86	184	227	270
Other	(295)	(327)	75	(67)	(179)	(112)	(622)	(291)
Net cash provided by operating activities	813	976	1,415	1,027	531	520	1,789	1,051
Cash flows from investing activities								
Proceeds from maturities of fixed maturities	1,210	1,179	1,380	1,547	1,229	1,249	2,389	2,478
Proceeds from sales of investments:								
Fixed maturities	630	1,234	342	599	1,646	1,135	1,864	2,781
Equity securities	16	15	6	28	19	8	31	27
Real estate	-	-	-	-	9	1	-	10
Other investments	92	48	77	294	114	75	140	189
Purchases of investments:								
Fixed maturities	(2,265)	(2,006)	(2,079)	(3,297)	(2,175)	(1,765)	(4,271)	(3,940)
Equity securities	(12)	(6)	(4)	(2)	(5)	(14)	(18)	(19)
Real estate	(5)	(4)	(3)	(3)	(3)	(5)	(9)	(8)
Other investments	(112)	(74)	(76)	(87)	(104)	(123)	(186)	(227)
Net (purchases) sales of short-term securities	(451)	(772)	(122)	1,715	202	848	(1,223)	1,050
Securities transactions in course of settlement	398	(32)	222	(193)	95	(93)	366	2
Other	(84)	(121)	(66)	(55)	(75)	(70)	(205)	(145)
Net cash provided by (used in) investing activities	(583)	(539)	(323)	546	952	1,246	(1,122)	2,198

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

(\$ in millions)



	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	YTD 2Q 2009	YTD 2Q 2010
Cash flows from financing activities								
Payment of debt	(141)	-	(2)	-	-	(250)	(141)	(250)
Issuance of debt	-	494	-	-	-	-	494	-
Dividends paid to shareholders	(178)	(172)	(168)	(175)	(168)	(175)	(350)	(343)
Issuance of common stock - employee share options	10	18	48	104	123	76	28	199
Treasury stock acquired - share repurchase authorization	-	(750)	(970)	(1,539)	(1,407)	(1,397)	(750)	(2,804)
Treasury stock acquired - net employee share-based compensation	(27)	(1)	(1)	-	(38)	(2)	(28)	(40)
Excess tax benefits from share-based payment arrangements	1	1	2	4	4	1	2	5
Net cash used in financing activities	(335)	(410)	(1,091)	(1,606)	(1,486)	(1,747)	(745)	(3,233)
Effect of exchange rate changes on cash	-	10	3	2	(1)	(4)	10	(5)
Net increase (decrease) in cash	(105)	37	4	(31)	(4)	15	(68)	11
Cash at beginning of period	350	245	282	286	255	251	350	255
Cash at end of period	\$ 245	\$ 282	\$ 286	\$ 255	\$ 251	\$ 266	\$ 282	\$ 266
Income taxes paid	\$ 34	\$ 329	\$ 210	\$ 303	\$ 44	\$ 265	\$ 363	\$ 309
Interest paid	\$ 63	\$ 122	\$ 63	\$ 137	\$ 63	\$ 137	\$ 185	\$ 200

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. **Adjusted operating income (loss)** is operating income (loss) excluding preferred dividends.

Average equity is (a) the sum of total shareholders' equity excluding preferred stock at the beginning and end of all the quarters for the period presented divided by (b) the number of quarters in the period presented times two. **Adjusted average equity** is average equity excluding unrealized investment gains (losses), net of tax, for all quarters included in the calculation and, for each quarterly period included in the calculation, that quarter's realized investment gains (losses).

Return on equity is the ratio of annualized net income (loss) to average equity for the periods presented. **Operating return on equity** is the ratio of annualized adjusted operating income (loss) to adjusted average equity for the periods presented.

In the opinion of the Company's management, operating income (loss), operating income (loss) per share, adjusted operating income (loss), average equity, adjusted average equity, return on equity and operating return on equity are meaningful indicators of underwriting and operating results. These measures exclude net realized investment gains or losses, net of taxes, and in the case of operating return on equity, unrealized investment gains or losses, net of taxes, 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 these measures 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 the 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 earned premiums. 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.

GAAP combined ratio excluding incremental impact of direct to consumer initiative is the GAAP combined ratio adjusted to exclude the direct, variable impact of the company's direct-to-consumer initiative in Personal Insurance. In the opinion of the company's management, this is useful in an analysis of the profitability of the company's ongoing agency business.

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, 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.

Debt to capital is the ratio of debt to the sum of shareholders' equity and debt excluding the after-tax impact of net unrealized investment gains and losses. In the opinion of the company's management, the debt to capital ratio is useful in an analysis of the company's leverage.

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 the assumed reinsurance, and certain international 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 management liability coverages, which require a primarily credit-based underwriting process, 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.