The Travelers Companies, Inc.

Fourth Quarter and Full Year 2010 Results

January 25, 2011

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. Words such as “may”, “will”, “should”, “likely”, “anticipates”, “expects”, “intends”, “plans” , “projects”, “believes”, “estimates” and similar expressions are used to identify these forward-looking statements. Specifically, statements about the Company’s share repurchase plans and statements about the potential impact of investment markets and other economic conditions on the Company’s investment portfolio and underwriting results, among others, are forward looking, and the Company may also make forward-looking statements about, among other things, its results of operations and financial condition (including, among other things, premium volume, premium rates, net and operating income, investment income and performance, return on equity, and expected current returns and combined ratios); the sufficiency of the Company’s asbestos and other reserves (including, among other things, asbestos claim payment patterns); the impact of emerging claims issues; the cost and availability of reinsurance coverage; catastrophe losses; the impact of investment, economic and underwriting market conditions; strategic initiatives and the Company’s proposed joint venture with J. Malucelli Participações em Seguros e Resseguros S.A . The Company cautions investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the Company’s 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 the Company’s results of operations, its financial position and/or liquidity, and could adversely impact the Company’s ratings, the Company’s ability to raise capital and the availability and cost of reinsurance; during or following a period of financial market disruption or prolonged economic downturn, the Company’s business could be materially and adversely affected; the Company’s investment portfolio may suffer reduced returns or material losses, including as a result of a challenging economic environment that impacts the credit of municipal or other issuers in the company’s portfolio; if actual claims exceed the Company’s loss reserves, or if changes in the estimated level of loss reserves are necessary, the Company’s financial results could be materially and adversely affected; the Company’s business could be harmed because of its potential exposure to asbestos and environmental claims and related litigation; the Company is 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 the Company’s business are uncertain; the intense competition that the Company faces could harm its ability to maintain or increase its business volumes and profitability; the Company may not be able to collect all amounts due to it from reinsurers, and reinsurance coverage may not be available to the Company in the future at commercially reasonable rates or at all; the Company is exposed to credit risk in certain of its business operations; the Company’s businesses are heavily regulated and changes in regulation (including as a result of the adoption of financial services reform legislation) may reduce the Company’s profitability and limit its growth; a downgrade in the Company’s claims-paying and financial strength ratings could adversely impact the Company’s business volumes, adversely impact the Company’s ability to access the capital markets and increase the Company’s borrowing costs; the inability of the Company’s insurance subsidiaries to pay dividends to the Company’s holding company in sufficient amounts would harm the Company’s ability to meet its obligations and to pay future shareholder dividends; disruptions to the Company’s relationships with its independent agents and brokers could adversely affect the Company; the Company’s efforts to develop new products (including its direct to consumer initiative in Personal Insurance) or expand in targeted markets may not be successful, may create enhanced risks and may adversely impact results; the Company’s business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; if the Company experiences difficulties with technology, data security and/or outsourcing relationships the Company’s ability to conduct its business could be negatively impacted; acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences; the Company is subject to a number of risks associated with conducting business outside the United States, particularly in emerging markets; the Company could be adversely affected if its controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; the Company’s businesses may be adversely affected if it is unable to hire and retain qualified employees; loss of or significant restriction on the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce the Company’s future profitability; the operation of the Company’s repurchase plans depend on a variety of factors, including the Company’s financial position, earnings, capital requirements of the Company’s operating subsidiaries, legal requirements, regulatory constraints, catastrophe losses, other investment opportunities (including mergers and acquisitions), market conditions and other factors; and the Company’s proposed joint venture with J. Malucelli Participações em Seguros e Resseguros S.A . is subject to the risk that conditions to closing, including regulatory approvals, are not satisfied and the risk that the Company may not obtain the expected benefits from the transaction.

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 our forward-looking statements. For a more detailed discussion of these factors, see the information under the captions "Risk Factors" 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 Form 10-Q filed with the Securities and Exchange Commission.

In this presentation, we may refer to some non-GAAP financial measures. 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) and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

Long-Term Financial Strategy

Meaningful and sustainable competitive advantages → Generation of top tier earnings and capital substantially in excess of growth needs → Balanced approach to rightsizing capital and growing book value per share over time

Create Shareholder Value

Objective: Mid-Teens ROE *Over Time*

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Fourth Quarter and Full Year 2010 Highlights

- Fourth quarter 2010 net income per diluted share and operating income per diluted share of $1.95 and $1.89
  - Net and operating income of $894 million and $864 million
  - Return on equity and operating return on equity of 13.6% and 14.5%
  - Consolidated GAAP combined ratio of 90.6%
  - Net favorable prior year reserve development of $228 million after-tax ($347 million pre-tax), compared to $328 million after-tax ($501 million pre-tax) in prior year quarter
  - Catastrophe losses of $55 million after-tax ($86 million pre-tax), compared to $10 million after-tax ($16 million pre-tax) in prior year quarter
  - Net investment income down slightly from prior year quarter

- Full year 2010 net income per diluted share and operating income per diluted share of $6.62 and $6.26
  - Net and operating income of $3.216 billion and $3.043 billion
  - Return on equity and operating return on equity of 12.1% and 12.5%
  - Consolidated GAAP combined ratio of 93.2%
  - Net favorable prior year reserve development of $818 million after-tax ($1.247 billion pre-tax), compared to $868 million after-tax ($1.329 billion pre-tax) in prior year
  - Catastrophe losses of $729 million after-tax ($1.113 billion pre-tax), compared to $297 million after-tax ($457 million pre-tax) in prior year
  - Net investment income increased 8% after-tax from prior year

- Fourth quarter and full year 2010 net written premiums of $5.234 billion and $21.635 billion, both up 1% from prior year

- Book value per common share of $58.47, up 11% from year-end 2009 after $5.0 billion of common share repurchases and $670 million of common stock dividends

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Consolidated Performance

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

	Fourth Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
Operating income	**$ 864**	**$ 1,155**	**(25) %**	**$ 3,043**	**$ 3,600**	**(15) %**
per diluted share	*$ 1.89*	*$ 2.12*	*(11) %*	*$ 6.26*	*$ 6.29*	- %
Included the following items:						
Net favorable prior year reserve development	$ 228	$ 328		$ 818	$ 868	
Catastrophes, net of reinsurance	(55)	(10)		(729)	(297)	
Consent and tender expenses[1]	(39)	-		(39)	-	
Current year re-estimation[2]	-	52		-	-	
Resolution of prior year tax matters	-	1		-	89	
Total Items	**$ 134**	**$ 371**		**$ 50**	**$ 660**	
Loss and loss adjustment ratio	58.0 %	51.1 %		61.0 %	57.3 %	
Underwriting expense ratio	32.6	32.3		32.2	31.9	
GAAP combined ratio [3]	**90.6 %**	**83.4 %**	**(7.2) pts**	**93.2 %**	**89.2 %**	**(4.0) pts**
GAAP combined ratio excluding incremental impact of direct to consumer initiative	*89.6 %*	*82.9 %*		*92.4 %*	*88.7 %*	
Net favorable prior year reserve development	6.4	9.4		5.8	6.2	
Catastrophes, net of reinsurance	(1.5)	(0.3)		(5.2)	(2.1)	
Current year re-estimation[2]	-	1.5		-	-	
Adjusted GAAP combined ratio	**95.5 %**	**94.0 %**	**(1.5) pts**	**93.8 %**	**93.3 %**	**(0.5) pts**

[1] Expenses related to the company's purchase and retirement of $885 million of its $1.0 billion 6.25% fixed-to-floating rate junior subordinated debentures.
[2] Re-estimation of the current year loss ratios for the first three quarters of the respective year.
[3] A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.

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Very Strong Financial Position

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

	December 31, 2010		December 31, 2009	
Debt	$	6,611	$	6,527
Preferred equity		68		79
Common equity [1]		23,549		25,475
Total capital [1]	$	30,228	$	32,081
Debt-to-capital [1]		*21.9%*		*20.3%*
Common shares outstanding		434.6		520.3
Book value per common share	$	58.47	$	52.54
Adjusted book value per common share [1]	$	54.19	$	48.96
Tangible book value per common share [1, 2]	$	45.42	$	41.49
Statutory surplus	$	20,066	$	23,195
Holding company liquidity	$	3,609	$	2,144

[1] Excludes net unrealized investment gains, net of taxes

[2] Excludes the after-tax value of goodwill and other intangible assets

Capital

- At or above target levels for all rating agencies
- Continued to generate excess capital and repurchase common shares
  - Common share repurchases in the fourth quarter and full year 2010 of $1.6 billion and $5.0 billion, respectively

Leverage

- Issued $500 million of 10-year 3.90% senior notes and $750 million of 30-year 5.35% senior notes
- Purchased and retired $885 million of 6.25% fixed-to-floating rate junior subordinated debentures
- Debt-to-capital ratio[1] of 21.9%, comfortably within target range
- Low level of maturing debt
  - 2011 $9 million
  - 2012 $250 million
  - 2013 $500 million

  Can self-fund all maturing debt

Liquidity

- Holding company liquidity was more than three times the company's target level

Very high quality investment portfolio

- Net unrealized investment gains of $1.9 billion after-tax ($2.8 billion pre-tax) at year-end 2010; consistent with year-end 2009

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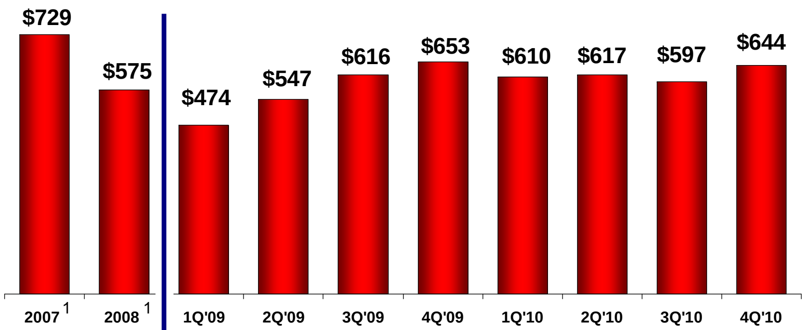
Net Investment Income

($ in millions, after-tax)

Total

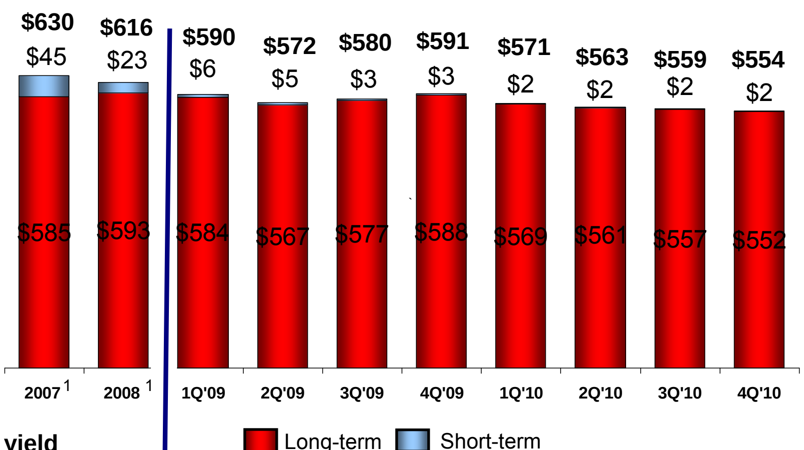


After-tax yield

2007[1]	2008[1]	1Q'09	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10	3Q'10	4Q'10
3.9%	3.1%	2.6%	3.0%	3.4%	3.5%	3.4%	3.5%	3.4%	3.6%

- Returns from long-term fixed income portfolio declined slightly due to lower reinvestment rates
- Net investment income from the short-term portion of fixed income portfolio continued to be impacted by very low interest rates
- Non-fixed income portfolio (primarily private equity funds, real estate partnerships and hedge funds) had very strong fourth quarter

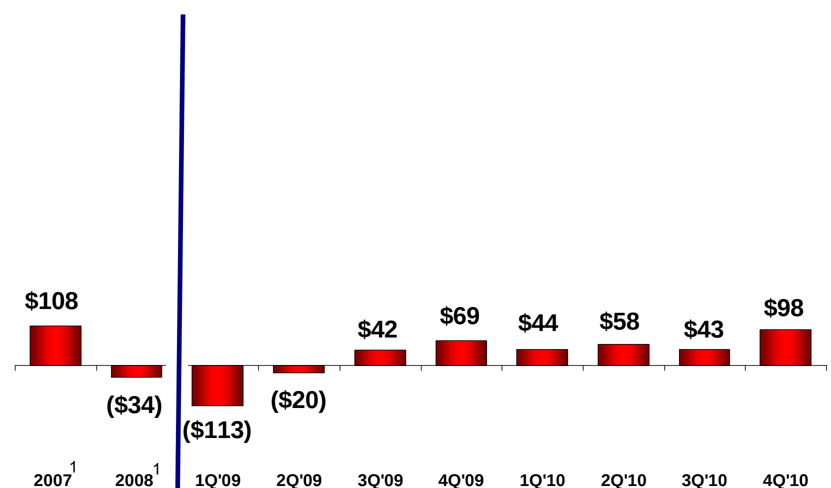
Fixed Income[2]



After-tax yield

	2007[1]	2008[1]	1Q'09	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10	3Q'10	4Q'10
Total	3.6%	3.5%	3.4%	3.3%	3.3%	3.4%	3.3%	3.3%	3.3%	3.3%
Short-term	3.8%	1.7%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Long-term	3.6%	3.7%	3.7%	3.6%	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%

Non-Fixed Income[2]



After-tax yield

2007[1]	2008[1]	1Q'09	2Q'09	3Q'09	4Q'09	1Q'10	2Q'10	3Q'10	4Q'10
9.7%	(3.1%)	(11.1%)	(2.1%)	4.3%	7.0%	4.4%	5.8%	4.2%	9.6%

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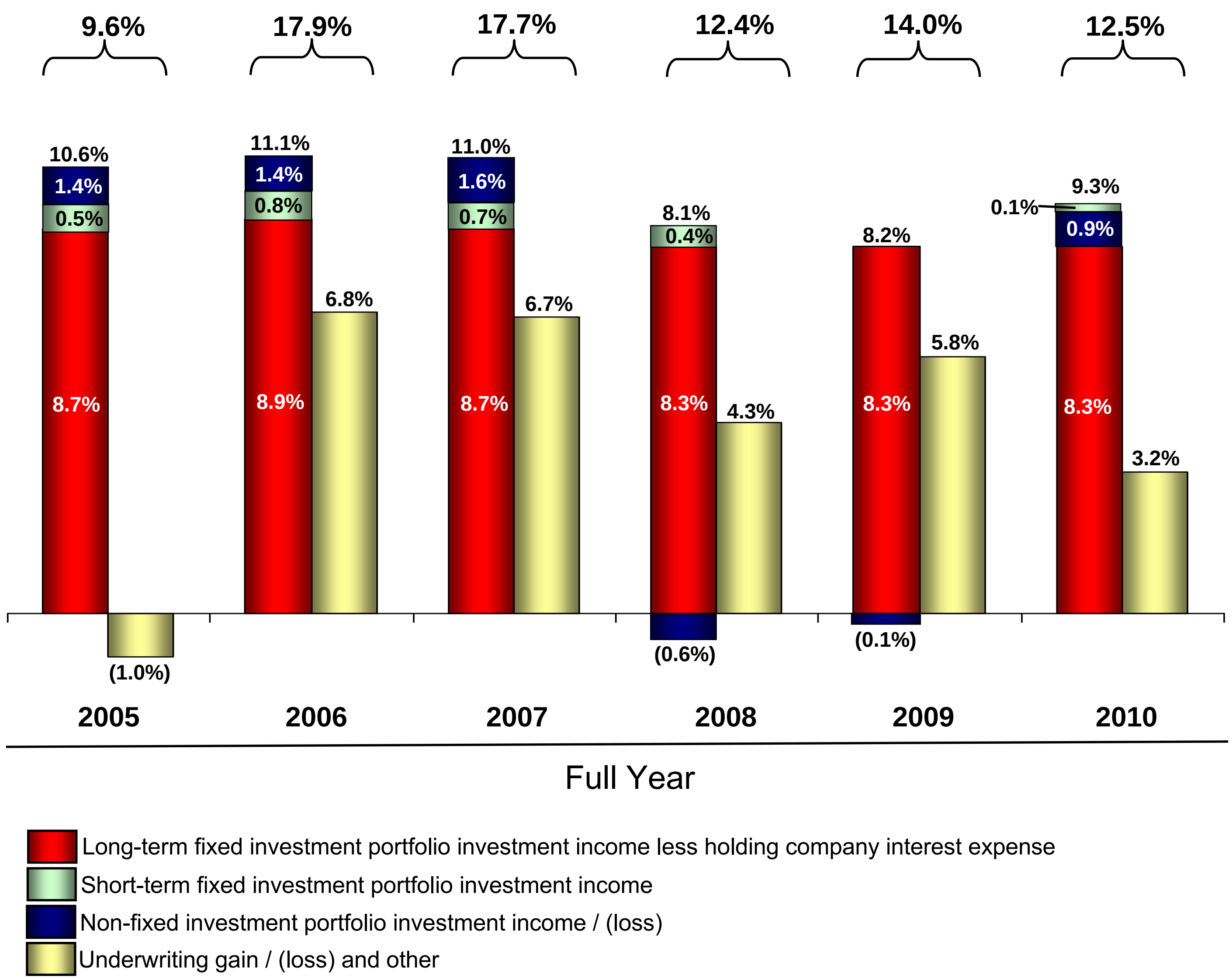
[1] 2007 and 2008 data equals quarterly average
[2] Excludes investment expenses

Components of Operating Return on Equity



- For full year 2010, investment income from the fixed income portfolio, net of interest expense on holding company debt, contributed 8.3 points to the operating return on equity
- For full year 2010, underwriting income contributed 3.2 points to the operating return on equity, a decrease from the prior year primarily due to significantly higher catastrophe losses
- From January 1, 2005 through December 31, 2010, average annual operating return on equity was approximately 14.1%

Interest Rate Environment

($ in millions)

Illustration of an Impact on Net Investment Income if Today's Interest Rate Environment Persists for Next 3 Years

Projected Long-Term Fixed Income Maturities

	2011	2012	2013
Amounts in dollars	$ 6,500	$ 5,900	$ 5,600
Percentage of fixed income portfolio	11%	10%	9%
Tax equivalent yield	4.6%	4.8%	4.9%

Estimated Impact on After-Tax Net Investment Income of Reinvesting 2011 Through 2013 Maturities at Today's 10-Year Interest Rates: Approximately 75bps Lower

	2011	2012	2013
Impact of:			
2010 maturities[1]	$ (18)	$ (18)	$ (18)
2011 maturities	(16)	(32)	(32)
2012 maturities		(14)	(28)
2013 maturities			(14)
Reduction in NII as compared to 2010[2]	**$ (34)**	**$ (64)**	**$ (92)**

As displayed in 3rd Quarter 2010 Earnings Presentation - October 21, 2010

Estimated Impact on After-Tax Net Investment Income of Reinvesting 2011 Through 2013 Maturities at Today's 10-Year Interest Rates: **Approximately 150 bps Lower**

	2011	2012	2013
Reduction in NII as compared to 2010[2]	**$ (49)**	**$ (108)**	**$ (162)**

[1] Incremental impact from reinvestment of 2010 maturities that took place throughout the year rather than on the first day of the year.
[2] Assumes all other variables, including average assets, mix, credit quality and duration, remain constant.

Business Insurance: *Performance*

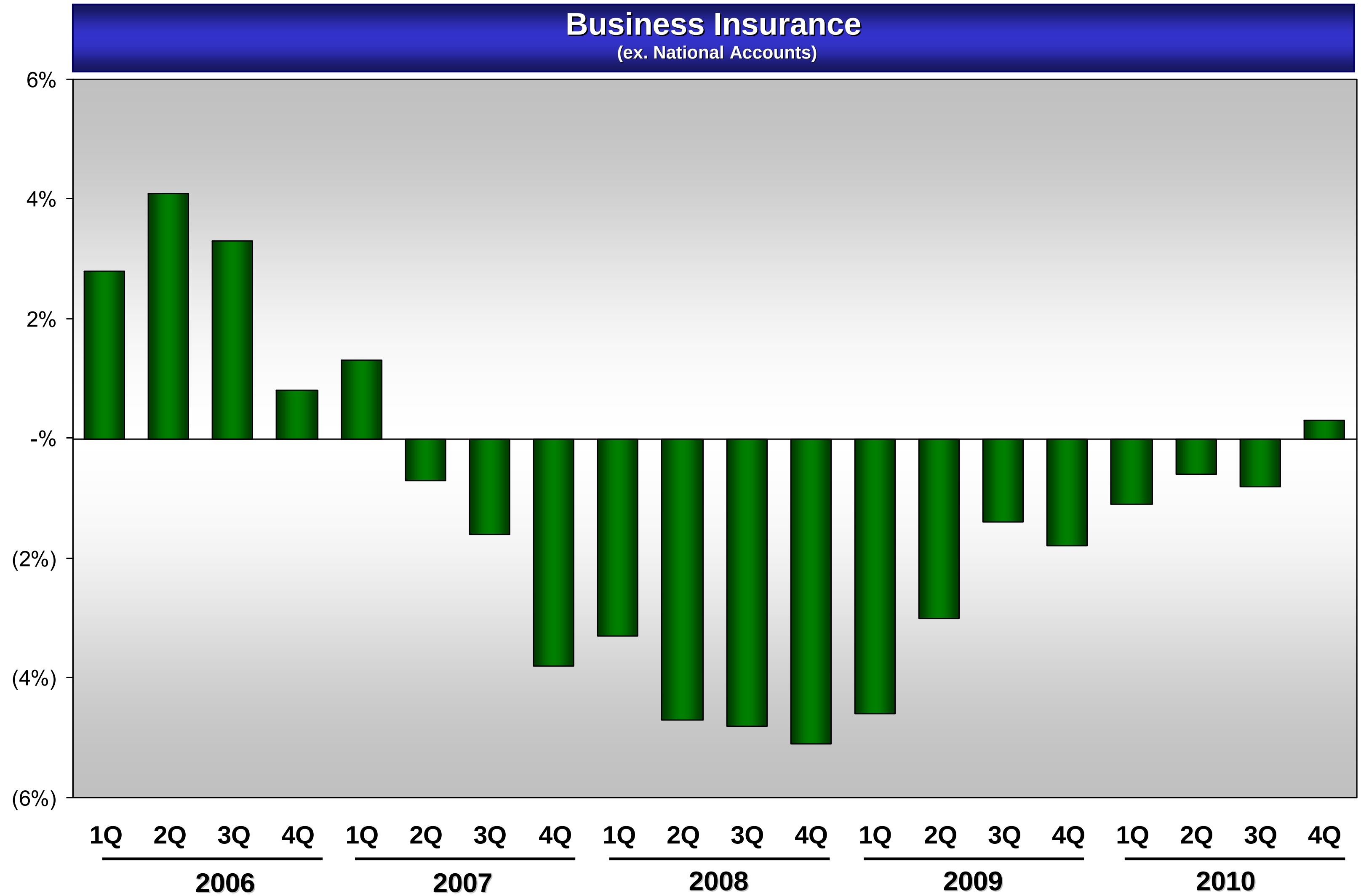
($ in millions)

	Fourth Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
Operating income	**$ 624**	**$ 815**	**(23) %**	**$ 2,301**	**$ 2,590**	**(11) %**
Loss and loss adjustment ratio	57.8 %	46.3 %		59.1 %	53.9 %	
Underwriting expense ratio	32.3	32.5		32.2	32.2	
GAAP combined ratio [1]	**90.1 %**	**78.8 %**	**(11.3) pts**	**91.3 %**	**86.1 %**	**(5.2) pts**
Net favorable prior year reserve development	9.3	13.6		8.4	9.3	
Catastrophes, net of reinsurance	(2.6)	(0.7)		(4.1)	(1.6)	
Current year re-estimation [2]	-	3.3		-	-	
Adjusted GAAP combined ratio	**96.8 %**	**95.0 %**	**(1.8) pts**	**95.6 %**	**93.8 %**	**(1.8) pts**
Net Written Premiums						
Select Accounts	$ 636	$ 638	- %	$ 2,718	$ 2,756	(1) %
Commercial Accounts	634	610	4	2,576	2,493	3
National Accounts	213	219	(3)	806	902	(11)
Industry-Focused Underwriting	556	517	8	2,299	2,279	1
Target Risk Underwriting	350	328	7	1,573	1,568	-
Specialized Distribution	188	199	(6)	872	889	(2)
Business Insurance Core	**2,577**	**2,511**	**3 %**	**10,844**	**10,887**	**- %**
Business Insurance Other	-	4		13	15	
Total Business Insurance	**$ 2,577**	**$ 2,515**	**2 %**	**$ 10,857**	**$ 10,902**	**- %**

[1] A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.
[2] Re-estimation of the current year loss ratios for the first three quarters of the respective year.

Business Insurance (ex. National Accounts)

Renewal Premium Change[1]



[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

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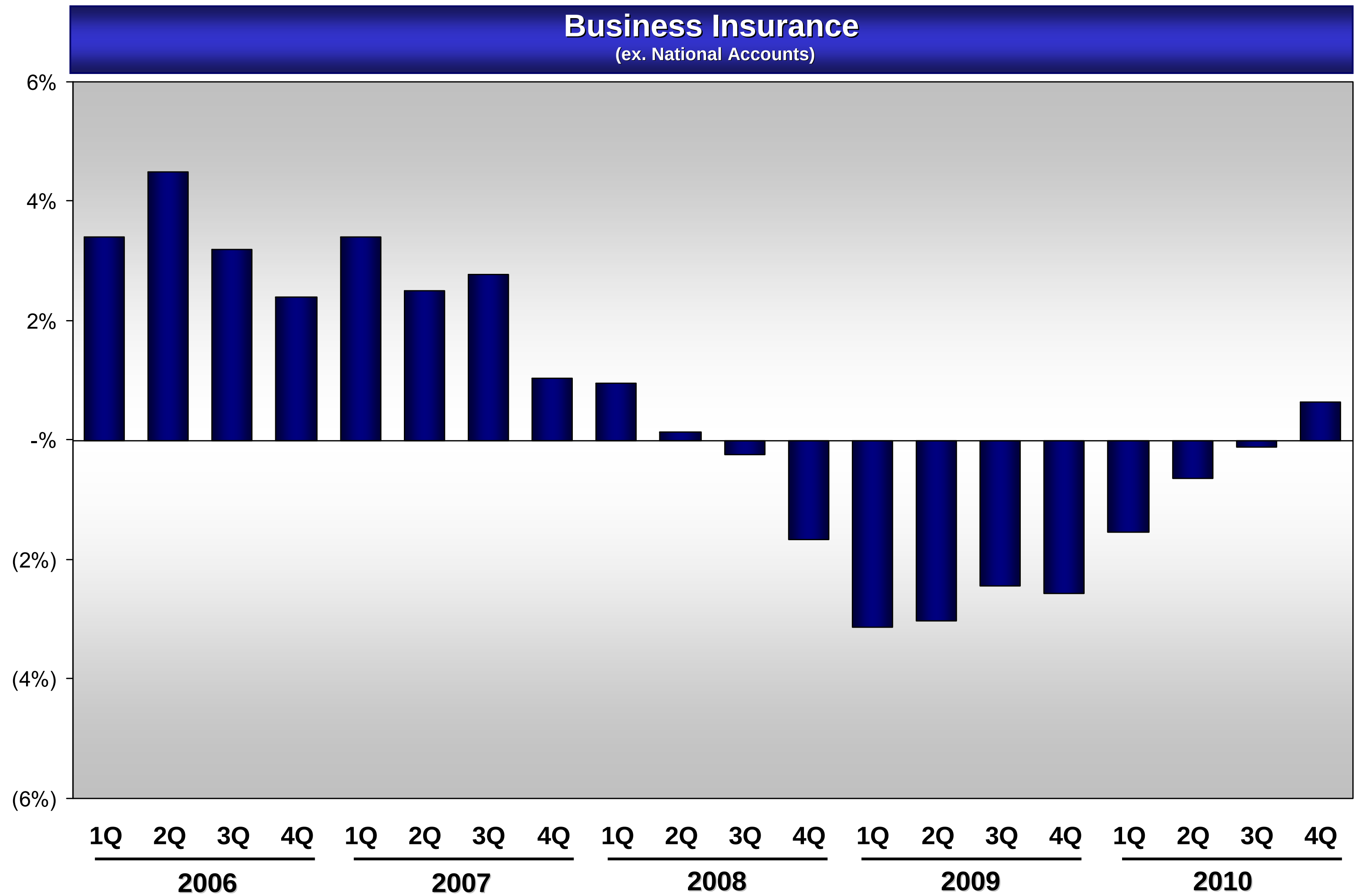
Outlook on Economic Activity
Exposure Change at Renewal



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

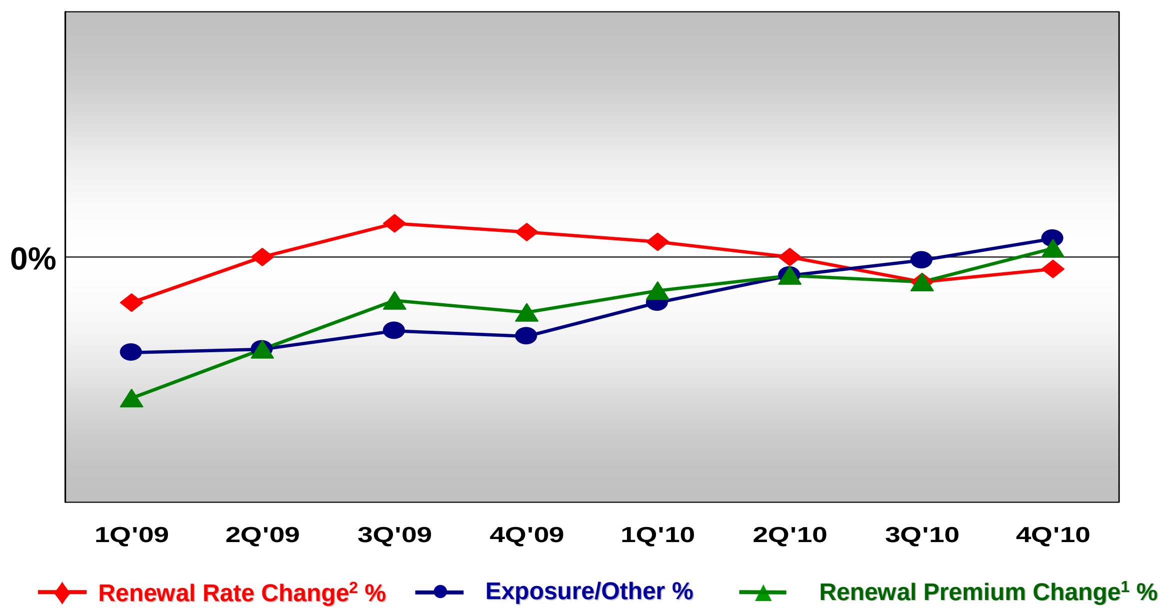
Business Insurance (ex. National Accounts)

Illustrative Business Statistics

($ in millions)	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retention	84%	82%	81%	80%	82%	82%	83%	**83%**
Renewal premium change[1]	(5%)	(3%)	(1%)	(2%)	(1%)	(1%)	(1%)	**-%**
New business	$ 558	$ 604	$ 531	$ 489	$ 539	$ 559	$551	**$ 521**

Retention and new business remained strong

Renewal Premium Change: Rate Versus Exposure/Other



Renewal exposure was positive for the first time since second quarter 2008

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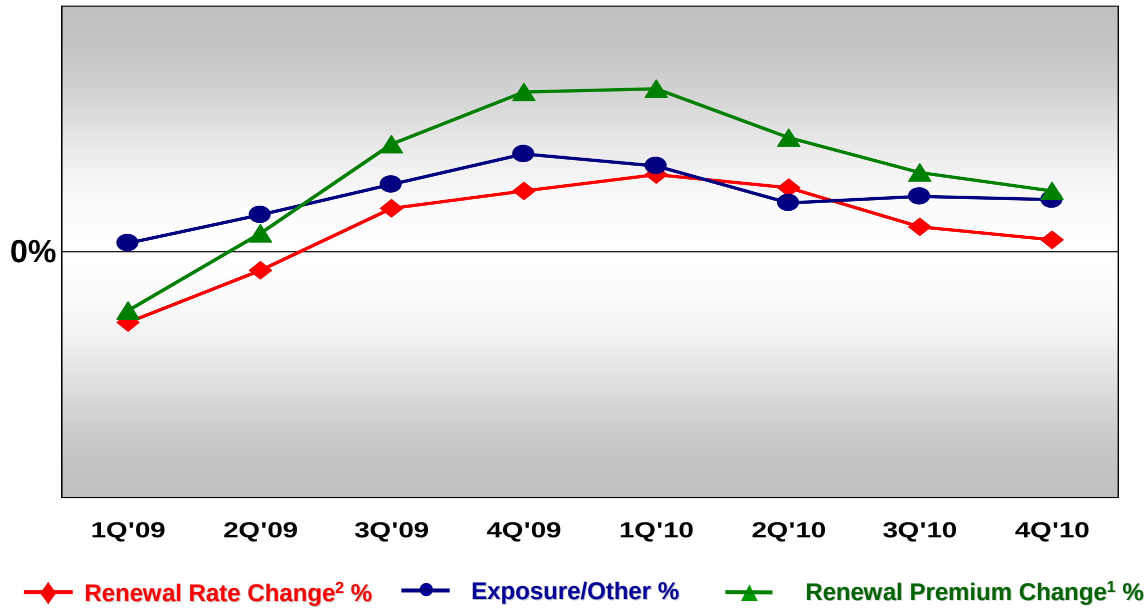
[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

Business Insurance: *Select Accounts*
Illustrative Business Statistics

($ in millions)	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retention	82%	81%	79%	77%	78%	78%	80%	**80%**
Renewal premium change[1]	(2%)	1%	4%	5%	5%	4%	3%	**2%**
New business	$ 152	$ 157	$ 137	$ 117	$ 121	$ 139	$ 134	**$ 132**

Retention and new business improved from prior year quarter

Renewal Premium Change: Rate Versus Exposure/Other



Renewal rate change moderated from recent quarters, but remained positive

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

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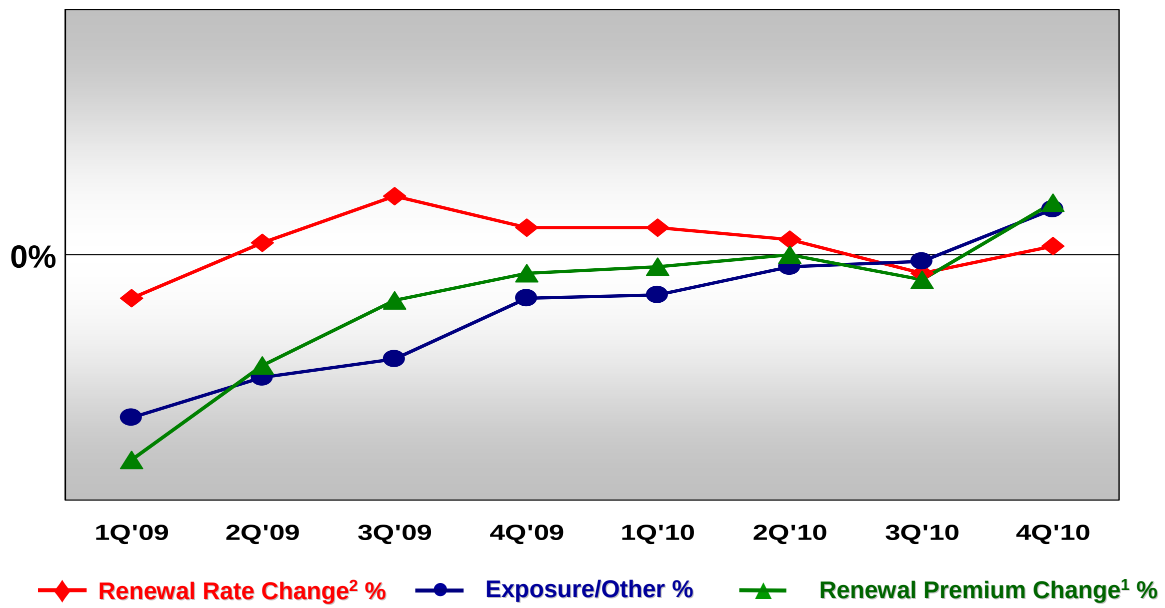
Business Insurance: *Commercial Accounts*
Illustrative Business Statistics

($ in millions)	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retention	88%	85%	85%	83%	85%	86%	87%	**86%**
Renewal premium change[1]	(7%)	(4%)	(2%)	(1%)	-%	-%	(1%)	**2%**
New business	$ 133	$ 142	$ 116	$ 127	$ 150	$ 125	$ 140	**$134**

Strong retention and new business improved from prior year quarter

Renewal Premium Change: Rate Versus Exposure/Other



Renewal premium change was positive for the first time since first quarter 2007

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

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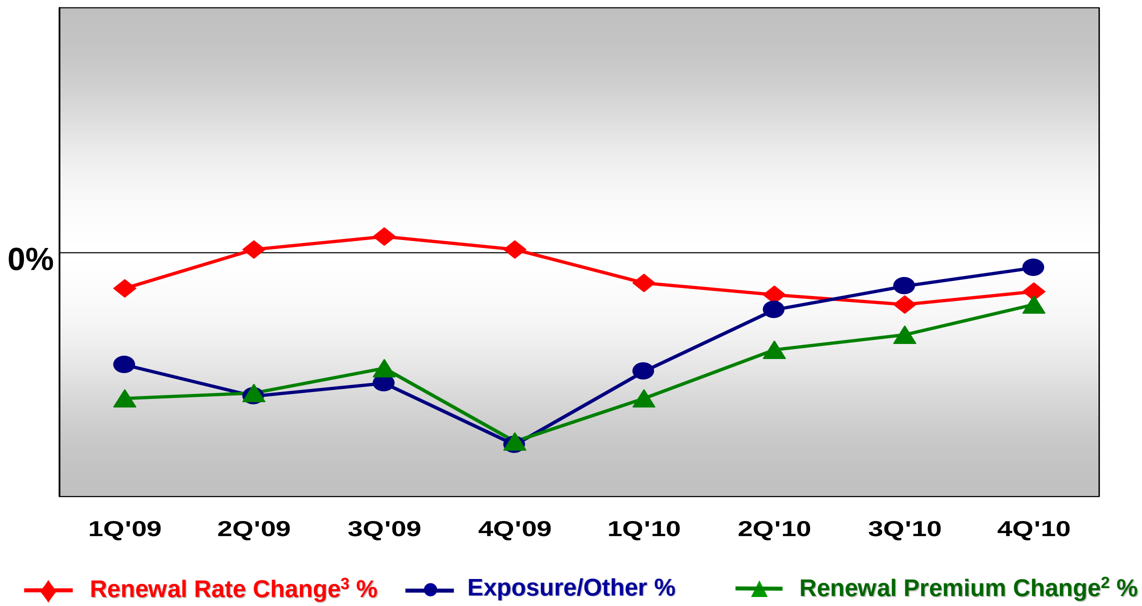
Business Insurance: *Other Business Insurance*[1]
Illustrative Business Statistics

($ in millions)	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	**4Q**
Retention	82%	81%	80%	80%	83%	83%	83%	**83%**
Renewal premium change[2]	(5%)	(5%)	(4%)	(6%)	(5%)	(3%)	(3%)	**(2%)**
New business	$ 273	$ 305	$ 278	$ 245	$ 268	$ 295	$ 277	**$ 255**

Retention remained strong and new business improved from prior year quarter

Renewal Premium Change: Rate Versus Exposure/Other



Renewal premium change continued to trend less negatively

[1] Includes Industry-Focused Underwriting, Target Risk Underwriting and Specialized Distribution.
[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[3] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are subject to change based on a number of factors, including changes in actuarial estimates.

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Personal Insurance: *Performance*

($ in millions)

	Fourth Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
Operating income	**$ 194**	**$ 210**	**(8) %**	**$ 440**	**$ 601**	**(27) %**
Loss and loss adjustment ratio	61.2 %	60.4 %		68.1 %	65.0 %	
Underwriting expense ratio	30.9	30.0		30.2	29.6	
GAAP combined ratio [1]	**92.1 %**	**90.4 %**	**(1.7) pts**	**98.3 %**	**94.6 %**	**(3.7) pts**
GAAP combined ratio excluding incremental impact of direct to consumer initiative	*89.1 %*	*89.0 %*		*96.1 %*	*92.9 %*	
Net favorable prior year reserve development	2.0	0.8		1.2	1.9	
Catastrophes, net of reinsurance	(1.1)	-		(8.1)	(3.9)	
Adjusted GAAP combined ratio	**93.0 %**	**91.2 %**	**(1.8) pts**	**91.4 %**	**92.6 %**	**1.2 pts**
Net Written Premiums - Agency [2]						
Automobile [3]	$ 888	$ 857		$ 3,698	$ 3,586	
Homeowners & Other	910	861		3,772	3,508	
Total	**$ 1,798**	**$ 1,718**	**5 %**	**$ 7,470**	**$ 7,094**	**5 %**

[1] A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.
[2] Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer.
[3] 2010 net written premiums impacted by the change to twelve-month policy terms in certain markets.

TRAVELERS

Personal Insurance: *Performance*

($ in millions)

	Fourth Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
Agency Automobile [1]						
Net Written Premiums [2]	$ 888	$ 857	4 %	$ 3,698	$ 3,586	3 %
Loss and loss adjustment ratio	73.4 %	74.5 %		70.3 %	71.9 %	
Underwriting expense ratio	26.9	26.4		26.7	26.8	
GAAP combined ratio	100.3 %	100.9 %	0.6 pts	97.0 %	98.7 %	1.7 pts
Impact of catastrophes on combined ratio	0.5 %	- %		0.8 %	0.7 %	

	Fourth Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
Agency Homeowners and Other [1]						
Net Written Premiums	$ 910	$ 861	6 %	$ 3,772	$ 3,508	8 %
Loss and loss adjustment ratio	48.7 %	45.4 %		65.5 %	57.3 %	
Underwriting expense ratio	29.5	31.2		29.6	29.5	
GAAP combined ratio	78.2 %	76.6 %	(1.6) pts	95.1 %	86.8 %	(8.3) pts
Impact of catastrophes on combined ratio	1.6 %	- %		15.5 %	7.4 %	

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[1] Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer.

[2] 2010 net written premiums impacted by the change to twelve-month policy terms in certain markets.

Personal Insurance
Illustrative Business Statistics
($ in millions)

	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Agency Automobile [1]								
Retention [2,3]	81%	81%	81%	82%	82%	83%	82%	**82%**
Renewal premium change [3,4]	4%	5%	4%	3%	2%	2%	2%	**3%**
PIF growth over prior year quarter	-%	(2%)	(3%)	(3%)	(2%)	-%	1%	**2%**
New business [5]	$166	$152	$156	$154	$171	$198	$211	**$183**
Agency Homeowners and Other [1]								
Retention [2]	85%	85%	85%	86%	86%	87%	86%	**87%**
Renewal premium change [4]	6%	7%	7%	8%	7%	7%	9%	**9%**
PIF growth over prior year quarter	3%	3%	3%	3%	3%	4%	4%	**3%**
New business	$99	$123	$136	$128	$114	$142	$135	**$115**

[1] Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer.

[2] 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.

[3] Statistics for standard voluntary automobile.

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

[5] 2010 new business impacted by the introduction of twelve-month policy terms in certain markets.

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)

	Fourth Quarter 2010	Fourth Quarter 2009	Fourth Quarter Change	Full Year 2010	Full Year 2009	Full Year Change
Operating income	**$ 150**	**$ 194**	**(23) %**	**$ 620**	**$ 642**	**(3) %**
Loss and loss adjustment ratio	51.2 %	46.3 %		50.9 %	52.1 %	
Underwriting expense ratio	38.0	36.8		36.8	36.0	
GAAP combined ratio [1]	**89.2 %**	**83.1 %**	**(6.1) pts**	**87.7 %**	**88.1 %**	**0.4 pts**
Net favorable prior year reserve development	6.8	13.9		7.8	5.1	
Catastrophes, net of reinsurance	0.6	0.3		(2.4)	(0.1)	
Current year re-estimation [2]	-	(0.7)		-	-	
Adjusted GAAP combined ratio	**96.6 %**	**96.6 %**	**- pts**	**93.1 %**	**93.1 %**	**- pts**
Net Written Premiums						
Bond & Financial Products	$ 513	$ 574	(11) %	$ 1,981	$ 2,040	(3) %
International	320	364	(12)	1,230	1,245	(1)
Total FP&II	**$ 833**	**$ 938**	**(11) %**	**$ 3,211**	**$ 3,285**	**(2) %**
Total FP&II - Adjusted for the impact of foreign exchange rates			**(11) %**			**(3) %**

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[1] A benefit to the reported GAAP combined ratio is indicated as a positive item, and a charge is indicated as a negative item.
[2] Re-estimation of the current year loss ratios for the first three quarters of the respective year.

Financial, Professional & International Insurance
Illustrative Business Statistics

($ in millions)

	2009				2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Surety								
Gross written premium	$234	$255	$287	$255	$247	$239	$253	**$217**
Management Liability								
Retention	84%	83%	81%	80%	81%	82%	84%	**82%**
Renewal premium change [1]	3%	1%	4%	-%	-%	(2%)	(2%)	**(2%)**
New business	$44	$54	$45	$40	$37	$39	$40	**$40**
International [2]								
Retention	80%	75%	79%	76%	76%	79%	71%	**75%**
Renewal premium change [1]	1%	3%	2%	-%	3%	(1%)	1%	**2%**
New business	$67	$91	$87	$76	$83	$65	$55	**$60**

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

[2] Excludes the surety line of business as surety products are sold on a non-recurring, project specific basis.

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

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Appendix

Municipal Bond Portfolio

($ in millions)

At December 31, 2010

State	State General Obligation	Local General Obligation	Revenue	Total Fair Value	Average Rating[1] of Travelers' Holdings
Texas	$ 423	$ 2,222	$ 1,340	$ 3,985	Aaa/Aa1
California	94	1,619	405	2,118	Aa2
Illinois	176	969	518	1,663	Aa2
Washington	411	756	381	1,548	Aa1
Virginia	186	604	651	1,441	Aaa/Aa1
Florida	487	67	882	1,436	Aa1
Arizona	-	535	665	1,200	Aa1
Georgia	408	435	322	1,165	Aaa/Aa1
Maryland	309	566	241	1,116	Aaa/Aa1
Minnesota	275	702	135	1,112	Aaa/Aa1
New York	33	216	831	1,080	Aa1
Ohio	341	337	350	1,028	Aa1
Massachusetts	215	9	791	1,015	Aaa/Aa1
Colorado	-	769	230	999	Aa1
Michigan	134	343	500	977	Aa2
North Carolina	269	461	118	848	Aaa
All Other[2]	2,525	2,909	4,079	9,513	Aa1
Excluding Pre-Refunded	**$ 6,286**	**$ 13,519**	**$ 12,439**	**$ 32,244**	**Aa1**
Pre-refunded	2,084	1,854	3,353	7,291	Aa1
Total Municipal Exposure	**$ 8,370**	**$ 15,373**	**$ 15,792**	**$ 39,535**	**Aa1**

- High quality portfolio actively managed based on risk / reward
- Gross unrealized gains of $1.6 billion
- Gross unrealized losses of only $155 million

Approximately 95% of municipal bond holdings rated Aa3 or higher

[1] Rated using external rating agencies or by the company when a public rating does not exist. Ratings shown are the higher of the rating of the underlying issuer or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default.

[2] No other single state in the aggregate accounted for 2.3% or more of the total excluding pre-refunded of $32,244.

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Debt Securities Issued by Foreign Governments

($ in millions)

Country	Fair Value	Average Weighted Quality[1]
Canada	$ 894	Aaa
United Kingdom	890	Aaa
Germany	159	Aaa
Australia	134	Aaa
France	35	Aaa
Mexico	34	Baa2
Netherlands	27	Aa1
Singapore	7	Aaa
Sweden	6	Aaa
Denmark	5	Aaa
All Other	11	Aa2
Total	**$ 2,202**	Aaa

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[1] Rated using external rating agencies or by the company when a public rating does not exist.

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, and the accompanying webcast are publicly available on the Travelers website (www.travelers.com). This presentation should be read with the accompanying webcast and the related press release and financial supplement.

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