

**The Travelers Companies, Inc.**  
**Financial Supplement - Third Quarter 2015**



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<p><b>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.</b></p>	

**The Travelers Companies, Inc.**  
**Financial Highlights**

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



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 928	\$ 2,654	\$ 2,573
Net income per share:									
Basic	\$ 2.98	\$ 1.98	\$ 2.72	\$ 3.15	\$ 2.58	\$ 2.56	\$ 3.00	\$ 7.68	\$ 8.13
Diluted	\$ 2.95	\$ 1.95	\$ 2.69	\$ 3.11	\$ 2.55	\$ 2.53	\$ 2.97	\$ 7.60	\$ 8.04
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 918	\$ 2,618	\$ 2,551
Operating income per share:									
Basic	\$ 2.98	\$ 1.95	\$ 2.64	\$ 3.11	\$ 2.56	\$ 2.54	\$ 2.96	\$ 7.58	\$ 8.06
Diluted	\$ 2.95	\$ 1.93	\$ 2.61	\$ 3.07	\$ 2.53	\$ 2.52	\$ 2.93	\$ 7.50	\$ 7.97
Return on equity	16.8%	10.7%	14.5%	16.6%	13.4%	13.3%	15.4%	14.0%	14.0%
Operating return on equity	17.8%	11.4%	15.2%	17.7%	14.5%	14.2%	16.2%	14.8%	14.9%
Total assets, at period end	\$ 104,134	\$ 104,811	\$ 104,522	\$ 103,078	\$ 102,691	\$ 101,664	\$ 102,110	\$ 104,522	\$ 102,110
Total equity, at period end	\$ 25,387	\$ 25,532	\$ 25,321	\$ 24,836	\$ 24,847	\$ 24,121	\$ 24,033	\$ 25,321	\$ 24,033
Book value per share, at period end	\$ 73.06	\$ 75.32	\$ 76.42	\$ 77.08	\$ 77.96	\$ 77.51	\$ 79.00	\$ 76.42	\$ 79.00
Less: Net unrealized investment gains, net of tax	4.81	5.94	5.78	6.10	6.51	4.42	4.65	5.78	4.65
Adjusted book value per share, at period end	<u>\$ 68.25</u>	<u>\$ 69.38</u>	<u>\$ 70.64</u>	<u>\$ 70.98</u>	<u>\$ 71.45</u>	<u>\$ 73.09</u>	<u>\$ 74.35</u>	<u>\$ 70.64</u>	<u>\$ 74.35</u>
Weighted average number of common shares outstanding (basic)	350.9	343.0	335.1	326.8	320.8	314.8	307.6	342.9	314.3
Weighted average number of common shares outstanding and common stock equivalents (diluted)	354.6	346.7	338.9	331.0	324.5	318.0	311.0	346.5	317.7
Common shares outstanding at period end	347.5	339.0	331.4	322.2	318.7	311.2	304.2	331.4	304.2
Common stock dividends declared	\$ 177	\$ 190	\$ 186	\$ 182	\$ 178	\$ 194	\$ 189	\$ 553	\$ 561
Common stock repurchased:									
Under Board of Directors authorization									
Shares	7.8	9.5	8.1	9.7	5.6	7.9	7.3	25.4	20.8
Cost	\$ 650	\$ 875	\$ 750	\$ 1,000	\$ 600	\$ 800	\$ 750	\$ 2,275	\$ 2,150
Other									
Shares	0.7	-	-	-	0.7	-	-	0.7	0.7
Cost	\$ 55	\$ 1	\$ 1	\$ 1	\$ 72	\$ 1	\$ -	\$ 57	\$ 73

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



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

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Net income</b>									
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 918	\$ 2,618	\$ 2,551
Net realized investment gains, after-tax	-	10	26	15	6	6	10	36	22
Net income	<u>\$ 1,052</u>	<u>\$ 683</u>	<u>\$ 919</u>	<u>\$ 1,038</u>	<u>\$ 833</u>	<u>\$ 812</u>	<u>\$ 928</u>	<u>\$ 2,654</u>	<u>\$ 2,573</u>
<b>Basic earnings per share</b>									
Operating income	\$ 2.98	\$ 1.95	\$ 2.64	\$ 3.11	\$ 2.56	\$ 2.54	\$ 2.96	\$ 7.58	\$ 8.06
Net realized investment gains, after-tax	-	0.03	0.08	0.04	0.02	0.02	0.04	0.10	0.07
Net income	<u>\$ 2.98</u>	<u>\$ 1.98</u>	<u>\$ 2.72</u>	<u>\$ 3.15</u>	<u>\$ 2.58</u>	<u>\$ 2.56</u>	<u>\$ 3.00</u>	<u>\$ 7.68</u>	<u>\$ 8.13</u>
<b>Diluted earnings per share</b>									
Operating income	\$ 2.95	\$ 1.93	\$ 2.61	\$ 3.07	\$ 2.53	\$ 2.52	\$ 2.93	\$ 7.50	\$ 7.97
Net realized investment gains, after-tax	-	0.02	0.08	0.04	0.02	0.01	0.04	0.10	0.07
Net income	<u>\$ 2.95</u>	<u>\$ 1.95</u>	<u>\$ 2.69</u>	<u>\$ 3.11</u>	<u>\$ 2.55</u>	<u>\$ 2.53</u>	<u>\$ 2.97</u>	<u>\$ 7.60</u>	<u>\$ 8.04</u>
<b>Adjustments to net income and weighted average shares for net income EPS calculations: (1)</b>									
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Basic and Diluted</b>									
Net income, as reported	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 928	\$ 2,654	\$ 2,573
Participating share-based awards - allocated income	(7)	(5)	(7)	(8)	(6)	(6)	(6)	(19)	(18)
Net income available to common shareholders - basic and diluted	<u>\$ 1,045</u>	<u>\$ 678</u>	<u>\$ 912</u>	<u>\$ 1,030</u>	<u>\$ 827</u>	<u>\$ 806</u>	<u>\$ 922</u>	<u>\$ 2,635</u>	<u>\$ 2,555</u>
<b>Common Shares</b>									
<b>Basic</b>									
Weighted average shares outstanding	<u>350.9</u>	<u>343.0</u>	<u>335.1</u>	<u>326.8</u>	<u>320.8</u>	<u>314.8</u>	<u>307.6</u>	<u>342.9</u>	<u>314.3</u>
<b>Diluted</b>									
Weighted average shares outstanding	350.9	343.0	335.1	326.8	320.8	314.8	307.6	342.9	314.3
Weighted average effects of dilutive securities - stock options and performance shares	3.7	3.7	3.8	4.2	3.7	3.2	3.4	3.6	3.4
Diluted weighted average shares outstanding	<u>354.6</u>	<u>346.7</u>	<u>338.9</u>	<u>331.0</u>	<u>324.5</u>	<u>318.0</u>	<u>311.0</u>	<u>346.5</u>	<u>317.7</u>

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

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Statement of Income - Consolidated**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Premiums	\$ 5,823	\$ 5,928	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 6,032	\$ 17,734	\$ 17,851
Net investment income	736	695	719	637	592	632	614	2,150	1,838
Fee income	107	112	110	109	111	111	112	329	334
Net realized investment gains	1	16	40	22	10	10	15	57	35
Other revenues	41	34	34	36	25	22	21	109	68
Total revenues	<u>6,708</u>	<u>6,785</u>	<u>6,886</u>	<u>6,783</u>	<u>6,626</u>	<u>6,706</u>	<u>6,794</u>	<u>20,379</u>	<u>20,126</u>
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	3,315	3,826	3,520	3,209	3,431	3,547	3,382	10,661	10,360
Amortization of deferred acquisition costs	950	965	984	983	963	963	987	2,899	2,913
General and administrative expenses	881	1,001	1,031	1,039	992	1,028	1,024	2,913	3,044
Interest expense	92	92	93	92	92	92	94	277	278
Total claims and expenses	<u>5,238</u>	<u>5,884</u>	<u>5,628</u>	<u>5,323</u>	<u>5,478</u>	<u>5,630</u>	<u>5,487</u>	<u>16,750</u>	<u>16,595</u>
Income before income taxes	1,470	901	1,258	1,460	1,148	1,076	1,307	3,629	3,531
Income tax expense	418	218	339	422	315	264	379	975	958
Net income	<u>\$ 1,052</u>	<u>\$ 683</u>	<u>\$ 919</u>	<u>\$ 1,038</u>	<u>\$ 833</u>	<u>\$ 812</u>	<u>\$ 928</u>	<u>\$ 2,654</u>	<u>\$ 2,573</u>
<b>Other-than-temporary impairments (OTTI)</b>									
Total OTTI losses	\$ (7)	\$ (1)	\$ (8)	\$ (6)	\$ (4)	\$ (8)	\$ (14)	\$ (16)	\$ (26)
OTTI losses recognized in net realized investment gains	\$ (9)	\$ (1)	\$ (10)	\$ (6)	\$ (3)	\$ (6)	\$ (14)	\$ (20)	\$ (23)
OTTI gains (losses) recognized in other comprehensive income	\$ 2	\$ -	\$ 2	\$ -	\$ (1)	\$ (2)	\$ -	\$ 4	\$ (3)
<b>Other statistics</b>									
Effective tax rate on net investment income	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	21.1%	20.8%	20.3%
Net investment income (after-tax)	\$ 582	\$ 553	\$ 568	\$ 513	\$ 478	\$ 503	\$ 484	\$ 1,703	\$ 1,465
Catastrophes, net of reinsurance:									
Pre-tax	\$ 149	\$ 436	\$ 83	\$ 41	\$ 162	\$ 221	\$ 85	\$ 668	\$ 468
After-tax	\$ 97	\$ 284	\$ 54	\$ 27	\$ 106	\$ 143	\$ 56	\$ 435	\$ 305
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 294	\$ 183	\$ 113	\$ 351	\$ 243	\$ 207	\$ 199	\$ 590	\$ 649
After-tax	\$ 190	\$ 122	\$ 74	\$ 230	\$ 158	\$ 133	\$ 132	\$ 386	\$ 423

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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

(\$ in millions, net of tax)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Underwriting gain	\$ 507	\$ 162	\$ 364	\$ 551	\$ 395	\$ 353	\$ 486	\$ 1,033	\$ 1,234
Net investment income	582	553	568	513	478	503	484	1,703	1,465
Other income (expense), including interest expense	(37)	(42)	(39)	(41)	(46)	(50)	(52)	(118)	(148)
Operating income	1,052	673	893	1,023	827	806	918	2,618	2,551
Net realized investment gains	-	10	26	15	6	6	10	36	22
<b>Net income</b>	<b>\$ 1,052</b>	<b>\$ 683</b>	<b>\$ 919</b>	<b>\$ 1,038</b>	<b>\$ 833</b>	<b>\$ 812</b>	<b>\$ 928</b>	<b>\$ 2,654</b>	<b>\$ 2,573</b>
<b>Combined ratio (1) (2)</b>									
Loss and loss adjustment expense ratio	56.0%	63.6%	58.0%	52.8%	57.4%	58.9%	55.2%	59.2%	57.2%
Underwriting expense ratio	29.7%	31.5%	32.0%	32.2%	31.5%	31.9%	31.7%	31.1%	31.7%
Combined ratio	85.7%	95.1%	90.0%	85.0%	88.9%	90.8%	86.9%	90.3%	88.9%
<i>Combined ratio excluding incremental impact of direct to consumer initiative</i>	85.3%	94.6%	89.4%	84.4%	88.5%	90.3%	86.4%	89.8%	88.4%
Impact of catastrophes on combined ratio	2.6%	7.3%	1.4%	0.7%	2.7%	3.7%	1.4%	3.7%	2.6%
Impact of prior year reserve development on combined ratio	-5.1%	-3.1%	-1.9%	-5.9%	-4.1%	-3.5%	-3.3%	-3.3%	-3.6%

(1) Before policyholder dividends.

(2) Billing and policy fees and other, 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 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Billing and policy fees and other	\$ 30	\$ 25	\$ 25	\$ 23	\$ 23	\$ 22	\$ 20	\$ 80	\$ 65
Fee income:									
Loss and loss adjustment expenses	\$ 43	\$ 46	\$ 43	\$ 40	\$ 42	\$ 43	\$ 44	\$ 132	\$ 129
Underwriting expenses	64	66	67	69	69	68	68	197	205
Total fee income	\$ 107	\$ 112	\$ 110	\$ 109	\$ 111	\$ 111	\$ 112	\$ 329	\$ 334

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Operating Income - Consolidated**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Premiums	\$ 5,823	\$ 5,928	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 6,032	\$ 17,734	\$ 17,851
Net investment income	736	695	719	637	592	632	614	2,150	1,838
Fee income	107	112	110	109	111	111	112	329	334
Other revenues	41	34	34	36	25	22	21	109	68
Total revenues	6,707	6,769	6,846	6,761	6,616	6,696	6,779	20,322	20,091
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	3,315	3,826	3,520	3,209	3,431	3,547	3,382	10,661	10,360
Amortization of deferred acquisition costs	950	965	984	983	963	963	987	2,899	2,913
General and administrative expenses	881	1,001	1,031	1,039	992	1,028	1,024	2,913	3,044
Interest expense	92	92	93	92	92	92	94	277	278
Total claims and expenses	5,238	5,884	5,628	5,323	5,478	5,630	5,487	16,750	16,595
Operating income before income taxes	1,469	885	1,218	1,438	1,138	1,066	1,292	3,572	3,496
Income tax expense	417	212	325	415	311	260	374	954	945
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 918	\$ 2,618	\$ 2,551
<b>Other statistics</b>									
Effective tax rate on net investment income	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	21.1%	20.8%	20.3%
Net investment income (after-tax)	\$ 582	\$ 553	\$ 568	\$ 513	\$ 478	\$ 503	\$ 484	\$ 1,703	\$ 1,465
Catastrophes, net of reinsurance:									
Pre-tax	\$ 149	\$ 436	\$ 83	\$ 41	\$ 162	\$ 221	\$ 85	\$ 668	\$ 468
After-tax	\$ 97	\$ 284	\$ 54	\$ 27	\$ 106	\$ 143	\$ 56	\$ 435	\$ 305
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 294	\$ 183	\$ 113	\$ 351	\$ 243	\$ 207	\$ 199	\$ 590	\$ 649
After-tax	\$ 190	\$ 122	\$ 74	\$ 230	\$ 158	\$ 133	\$ 132	\$ 386	\$ 423

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 6,401	\$ 6,525	\$ 6,578	\$ 6,134	\$ 6,474	\$ 6,542	\$ 6,618	\$ 19,504	\$ 19,634
Net written premiums	\$ 5,873	\$ 6,168	\$ 6,033	\$ 5,836	\$ 5,897	\$ 6,169	\$ 6,191	\$ 18,074	\$ 18,257
Net earned premiums	\$ 5,823	\$ 5,934	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 6,032	\$ 17,740	\$ 17,851
Losses and loss adjustment expenses	3,267	3,766	3,468	3,157	3,379	3,495	3,333	10,501	10,207
Underwriting expenses	1,783	1,918	1,946	1,885	1,890	1,949	1,947	5,647	5,786
Statutory underwriting gain	773	250	569	937	619	487	752	1,592	1,858
Policyholder dividends	11	7	9	11	9	10	10	27	29
Statutory underwriting gain after policyholder dividends	\$ 762	\$ 243	\$ 560	\$ 926	\$ 610	\$ 477	\$ 742	\$ 1,565	\$ 1,829
<b>Other statutory statistics</b>									
Reserves for losses and loss adjustment expenses	\$ 41,383	\$ 41,715	\$ 41,525	\$ 41,007	\$ 40,296	\$ 40,273	\$ 40,091	\$ 41,525	\$ 40,091
Increase (decrease) in reserves	\$ (185)	\$ 332	\$ (190)	\$ (518)	\$ (711)	\$ (23)	\$ (182)	\$ (43)	\$ (916)
Statutory capital and surplus	\$ 21,440	\$ 21,036	\$ 21,005	\$ 21,049	\$ 20,944	\$ 20,851	\$ 20,822	\$ 21,005	\$ 20,822
Net written premiums/surplus (1)	1.07:1	1.11:1	1.13:1	1.14:1	1.14:1	1.15:1	1.16:1	1.13:1	1.16:1

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

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



(\$ in millions)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Written premiums</b>									
Gross	\$ 6,401	\$ 6,519	\$ 6,578	\$ 6,134	\$ 6,474	\$ 6,542	\$ 6,618	\$ 19,498	\$ 19,634
Ceded	(528)	(357)	(545)	(298)	(577)	(373)	(427)	(1,430)	(1,377)
Net	\$ 5,873	\$ 6,162	\$ 6,033	\$ 5,836	\$ 5,897	\$ 6,169	\$ 6,191	\$ 18,068	\$ 18,257
<b>Earned premiums</b>									
Gross	\$ 6,295	\$ 6,378	\$ 6,437	\$ 6,443	\$ 6,308	\$ 6,356	\$ 6,447	\$ 19,110	\$ 19,111
Ceded	(472)	(450)	(454)	(464)	(420)	(425)	(415)	(1,376)	(1,260)
Net	\$ 5,823	\$ 5,928	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 6,032	\$ 17,734	\$ 17,851

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.



**The Travelers Companies, Inc.**  
**Operating Income - Business and International Insurance**  
(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Premiums	\$ 3,558	\$ 3,631	\$ 3,660	\$ 3,663	\$ 3,620	\$ 3,609	\$ 3,653	\$ 10,849	\$ 10,882
Net investment income	570	539	557	490	454	487	471	1,666	1,412
Fee income	107	112	110	109	111	111	112	329	334
Other revenues	12	10	10	14	8	5	5	32	18
Total revenues	<u>4,247</u>	<u>4,292</u>	<u>4,337</u>	<u>4,276</u>	<u>4,193</u>	<u>4,212</u>	<u>4,241</u>	<u>12,876</u>	<u>12,646</u>
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	2,177	2,455	2,360	2,153	2,265	2,238	2,229	6,992	6,732
Amortization of deferred acquisition costs	565	580	589	587	584	578	589	1,734	1,751
General and administrative expenses	554	653	661	673	654	674	675	1,868	2,003
Total claims and expenses	<u>3,296</u>	<u>3,688</u>	<u>3,610</u>	<u>3,413</u>	<u>3,503</u>	<u>3,490</u>	<u>3,493</u>	<u>10,594</u>	<u>10,486</u>
Operating income before income taxes	951	604	727	863	690	722	748	2,282	2,160
Income tax expense	257	133	175	233	175	179	202	565	556
Operating income	<u>\$ 694</u>	<u>\$ 471</u>	<u>\$ 552</u>	<u>\$ 630</u>	<u>\$ 515</u>	<u>\$ 543</u>	<u>\$ 546</u>	<u>\$ 1,717</u>	<u>\$ 1,604</u>
<b>Other statistics</b>									
Effective tax rate on net investment income	21.1%	20.6%	21.0%	19.6%	19.4%	20.7%	21.5%	20.9%	20.5%
Net investment income (after-tax)	\$ 450	\$ 427	\$ 440	\$ 394	\$ 366	\$ 386	\$ 371	\$ 1,317	\$ 1,123
Catastrophes, net of reinsurance:									
Pre-tax	\$ 83	\$ 242	\$ 31	\$ 11	\$ 99	\$ 108	\$ 39	\$ 356	\$ 246
After-tax	\$ 55	\$ 158	\$ 19	\$ 7	\$ 65	\$ 70	\$ 25	\$ 232	\$ 160
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 95	\$ 47	\$ 21	\$ 159	\$ 77	\$ 103	\$ 49	\$ 163	\$ 229
After-tax	\$ 61	\$ 33	\$ 14	\$ 106	\$ 50	\$ 65	\$ 35	\$ 108	\$ 150

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



(\$ in millions, net of tax)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Underwriting gain	\$ 236	\$ 37	\$ 104	\$ 227	\$ 142	\$ 155	\$ 172	\$ 377	\$ 469
Net investment income	450	427	440	394	366	386	371	1,317	1,123
Other income (expense)	8	7	8	9	7	2	3	23	12
<b>Operating income</b>	<b>\$ 694</b>	<b>\$ 471</b>	<b>\$ 552</b>	<b>\$ 630</b>	<b>\$ 515</b>	<b>\$ 543</b>	<b>\$ 546</b>	<b>\$ 1,717</b>	<b>\$ 1,604</b>
<b>Combined ratio (1) (2)</b>									
Loss and loss adjustment expense ratio	59.8%	66.2%	63.1%	57.4%	61.2%	60.6%	59.6%	63.0%	60.5%
Underwriting expense ratio	29.4%	31.9%	32.1%	32.4%	32.1%	32.6%	32.6%	31.2%	32.4%
Combined ratio	89.2%	98.1%	95.2%	89.8%	93.3%	93.2%	92.2%	94.2%	92.9%
Impact of catastrophes on combined ratio	2.4%	6.6%	0.9%	0.2%	2.7%	2.9%	1.1%	3.3%	2.2%
Impact of prior year reserve development on combined ratio	-2.7%	-1.3%	-0.6%	-4.3%	-2.1%	-2.8%	-1.4%	-1.5%	-2.1%

(1) Before policyholder dividends.

(2) Billing and policy fees and other, 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 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Billing and policy fees and other	\$ 8	\$ 7	\$ 7	\$ 7	\$ 7	\$ 6	\$ 4	\$ 22	\$ 17
Fee income:									
Loss and loss adjustment expenses	\$ 43	\$ 46	\$ 43	\$ 40	\$ 42	\$ 43	\$ 44	\$ 132	\$ 129
Underwriting expenses	64	66	67	69	69	68	68	197	205
Total fee income	\$ 107	\$ 112	\$ 110	\$ 109	\$ 111	\$ 111	\$ 112	\$ 329	\$ 334

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**The Travelers Companies, Inc.**  
**Selected Statistics - Business and International Insurance**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 4,224	\$ 4,067	\$ 4,057	\$ 3,860	\$ 4,276	\$ 4,027	\$ 3,981	\$ 12,348	\$ 12,284
Net written premiums	\$ 3,772	\$ 3,735	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 3,590	\$ 11,067	\$ 11,066
Net earned premiums	\$ 3,558	\$ 3,637	\$ 3,660	\$ 3,663	\$ 3,620	\$ 3,609	\$ 3,653	\$ 10,855	\$ 10,882
Losses and loss adjustment expenses	2,132	2,397	2,310	2,103	2,216	2,187	2,182	6,839	6,585
Underwriting expenses	1,105	1,178	1,169	1,156	1,206	1,192	1,178	3,452	3,576
Statutory underwriting gain	321	62	181	404	198	230	293	564	721
Policyholder dividends	8	5	7	9	7	8	7	20	22
Statutory underwriting gain after policyholder dividends	<u>\$ 313</u>	<u>\$ 57</u>	<u>\$ 174</u>	<u>\$ 395</u>	<u>\$ 191</u>	<u>\$ 222</u>	<u>\$ 286</u>	<u>\$ 544</u>	<u>\$ 699</u>

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



(\$ in millions)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Net written premiums by market</b>									
Domestic									
Select Accounts	\$ 718	\$ 705	\$ 654	\$ 630	\$ 722	\$ 709	\$ 654	\$ 2,077	\$ 2,085
Middle Market	1,632	1,420	1,545	1,511	1,733	1,456	1,602	4,597	4,791
National Accounts	300	243	249	255	299	228	254	792	781
First Party	387	450	369	373	340	452	411	1,206	1,203
Specialized Distribution	267	283	262	262	268	300	277	812	845
Total Domestic	3,304	3,101	3,079	3,031	3,362	3,145	3,198	9,484	9,705
International	468	628	481	544	435	534	392	1,577	1,361
Total	\$ 3,772	\$ 3,729	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 3,590	\$ 11,061	\$ 11,066
<b>Net written premiums by product line</b>									
Workers' compensation	\$ 1,076	\$ 904	\$ 921	\$ 893	\$ 1,142	\$ 906	\$ 958	\$ 2,901	\$ 3,006
Commercial automobile	490	456	484	462	503	487	495	1,430	1,485
Commercial property	440	505	415	433	392	507	453	1,360	1,352
General liability	469	477	478	467	494	474	491	1,424	1,459
Commercial multi-peril	821	750	759	773	824	765	779	2,330	2,368
International	468	628	481	544	435	534	392	1,577	1,361
Other	8	9	22	3	7	6	22	39	35
Total	\$ 3,772	\$ 3,729	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 3,590	\$ 11,061	\$ 11,066
<b>National Accounts</b>									
Additions to claim volume under administration (1)	\$ 727	\$ 511	\$ 546	\$ 616	\$ 761	\$ 536	\$ 558	\$ 1,784	\$ 1,855
Written fees	\$ 111	\$ 87	\$ 95	\$ 86	\$ 114	\$ 92	\$ 91	\$ 293	\$ 297

(1) Includes new and renewal business.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Operating Income - Bond & Specialty Insurance**  
(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Premiums	\$ 503	\$ 524	\$ 527	\$ 522	\$ 504	\$ 524	\$ 539	\$ 1,554	\$ 1,567
Net investment income	66	62	64	60	56	57	56	192	169
Other revenues	4	6	5	4	5	5	4	15	14
Total revenues	573	592	596	586	565	586	599	1,761	1,750
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	159	110	152	60	192	192	113	421	497
Amortization of deferred acquisition costs	93	95	101	99	94	97	104	289	295
General and administrative expenses	97	102	101	103	100	99	93	300	292
Total claims and expenses	349	307	354	262	386	388	310	1,010	1,084
Operating income before income taxes	224	285	242	324	179	198	289	751	666
Income tax expense	70	93	77	108	55	47	93	240	195
Operating income	\$ 154	\$ 192	\$ 165	\$ 216	\$ 124	\$ 151	\$ 196	\$ 511	\$ 471
<b>Other statistics</b>									
Effective tax rate on net investment income	18.9%	18.4%	19.0%	18.1%	18.3%	18.6%	18.6%	18.8%	18.5%
Net investment income (after-tax)	\$ 53	\$ 52	\$ 51	\$ 49	\$ 46	\$ 47	\$ 45	\$ 156	\$ 138
Catastrophes, net of reinsurance:									
Pre-tax	\$ 1	\$ 4	\$ 1	\$ -	\$ 1	\$ 1	\$ 1	\$ 6	\$ 3
After-tax	\$ -	\$ 3	\$ 1	\$ -	\$ -	\$ 1	\$ 1	\$ 4	\$ 2
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 67	\$ 124	\$ 79	\$ 180	\$ 35	\$ 40	\$ 103	\$ 270	\$ 178
After-tax	\$ 43	\$ 81	\$ 52	\$ 116	\$ 23	\$ 26	\$ 67	\$ 176	\$ 116

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

The Travelers Companies, Inc.

Operating Income by Major Component and Combined Ratio - Bond & Specialty Insurance

(\$ in millions, net of tax)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Underwriting gain	\$ 99	\$ 136	\$ 110	\$ 164	\$ 75	\$ 101	\$ 148	\$ 345	\$ 324
Net investment income	53	52	51	49	46	47	45	156	138
Other income (expense)	2	4	4	3	3	3	3	10	9
<b>Operating income</b>	<b>\$ 154</b>	<b>\$ 192</b>	<b>\$ 165</b>	<b>\$ 216</b>	<b>\$ 124</b>	<b>\$ 151</b>	<b>\$ 196</b>	<b>\$ 511</b>	<b>\$ 471</b>
<b>Combined ratio</b>									
Loss and loss adjustment expense ratio	31.0%	20.5%	28.7%	11.1%	37.6%	36.3%	20.6%	26.7%	31.3%
Underwriting expense ratio	37.6%	37.9%	38.2%	38.6%	38.5%	37.4%	36.5%	37.9%	37.5%
Combined ratio	68.6%	58.4%	66.9%	49.7%	76.1%	73.7%	57.1%	64.6%	68.8%
Impact of catastrophes on combined ratio	0.2%	0.9%	0.2%	0.0%	0.1%	0.3%	0.1%	0.5%	0.2%
Impact of prior year reserve development on combined ratio	-13.2%	-23.7%	-15.0%	-34.4%	-6.9%	-7.7%	-19.1%	-17.4%	-11.4%

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Selected Statistics - Bond & Specialty Insurance**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 528	\$ 542	\$ 562	\$ 533	\$ 522	\$ 537	\$ 580	\$ 1,632	\$ 1,639
Net written premiums	\$ 482	\$ 540	\$ 556	\$ 525	\$ 478	\$ 534	\$ 565	\$ 1,578	\$ 1,577
Net earned premiums	\$ 503	\$ 524	\$ 527	\$ 522	\$ 504	\$ 524	\$ 539	\$ 1,554	\$ 1,567
Losses and loss adjustment expenses	155	108	152	58	189	191	111	415	491
Underwriting expenses	197	201	205	198	196	199	202	603	597
Statutory underwriting gain	151	215	170	266	119	134	226	536	479
Policyholder dividends	3	2	2	2	2	2	3	7	7
Statutory underwriting gain after policyholder dividends	<u>\$ 148</u>	<u>\$ 213</u>	<u>\$ 168</u>	<u>\$ 264</u>	<u>\$ 117</u>	<u>\$ 132</u>	<u>\$ 223</u>	<u>\$ 529</u>	<u>\$ 472</u>

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Net Written Premiums - Bond & Specialty Insurance**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Net written premiums by product line</b>									
Fidelity & surety	\$ 211	\$ 257	\$ 260	\$ 235	\$ 206	\$ 259	\$ 267	\$ 728	\$ 732
General liability	223	239	247	252	226	236	247	709	709
Other	48	44	49	38	46	39	51	141	136
Total	<u>\$ 482</u>	<u>\$ 540</u>	<u>\$ 556</u>	<u>\$ 525</u>	<u>\$ 478</u>	<u>\$ 534</u>	<u>\$ 565</u>	<u>\$ 1,578</u>	<u>\$ 1,577</u>

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.



**The Travelers Companies, Inc.**  
**Operating Income - Personal Insurance**  
(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Premiums	\$ 1,762	\$ 1,773	\$ 1,796	\$ 1,794	\$ 1,764	\$ 1,798	\$ 1,840	\$ 5,331	\$ 5,402
Net investment income	100	94	98	87	82	88	87	292	257
Other revenues	26	17	19	18	12	12	9	62	33
Total revenues	1,888	1,884	1,913	1,899	1,858	1,898	1,936	5,685	5,692
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	979	1,261	1,008	996	974	1,117	1,040	3,248	3,131
Amortization of deferred acquisition costs	292	290	294	297	285	288	294	876	867
General and administrative expenses	223	237	263	254	231	248	248	723	727
Total claims and expenses	1,494	1,788	1,565	1,547	1,490	1,653	1,582	4,847	4,725
Operating income before income taxes	394	96	348	352	368	245	354	838	967
Income tax expense	126	21	109	110	116	71	113	256	300
Operating income	\$ 268	\$ 75	\$ 239	\$ 242	\$ 252	\$ 174	\$ 241	\$ 582	\$ 667
<b>Other statistics</b>									
Effective tax rate on net investment income	21.3%	20.7%	21.8%	20.2%	19.6%	20.8%	20.9%	21.3%	20.4%
Net investment income (after-tax)	\$ 79	\$ 74	\$ 77	\$ 70	\$ 66	\$ 70	\$ 68	\$ 230	\$ 204
Catastrophes, net of reinsurance:									
Pre-tax	\$ 65	\$ 190	\$ 51	\$ 30	\$ 62	\$ 112	\$ 45	\$ 306	\$ 219
After-tax	\$ 42	\$ 123	\$ 34	\$ 20	\$ 41	\$ 72	\$ 30	\$ 199	\$ 143
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 132	\$ 12	\$ 13	\$ 12	\$ 131	\$ 64	\$ 47	\$ 157	\$ 242
After-tax	\$ 86	\$ 8	\$ 8	\$ 8	\$ 85	\$ 42	\$ 30	\$ 102	\$ 157

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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

(\$ in millions, net of tax)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Underwriting gain (loss)	\$ 172	\$ (11)	\$ 150	\$ 160	\$ 178	\$ 97	\$ 166	\$ 311	\$ 441
Net investment income	79	74	77	70	66	70	68	230	204
Other income (expense)	17	12	12	12	8	7	7	41	22
<b>Operating income</b>	<b>\$ 268</b>	<b>\$ 75</b>	<b>\$ 239</b>	<b>\$ 242</b>	<b>\$ 252</b>	<b>\$ 174</b>	<b>\$ 241</b>	<b>\$ 582</b>	<b>\$ 667</b>
<b>Combined ratio (1)</b>									
Loss and loss adjustment expense ratio	55.6%	71.1%	56.0%	55.5%	55.2%	62.2%	56.5%	60.9%	58.0%
Underwriting expense ratio	28.0%	28.7%	30.1%	29.8%	28.3%	28.9%	28.6%	28.9%	28.6%
Combined ratio	83.6%	99.8%	86.1%	85.3%	83.5%	91.1%	85.1%	89.8%	86.6%
<i>Combined ratio excluding incremental impact of direct to consumer initiative</i>	82.0%	98.3%	84.2%	83.5%	81.8%	89.4%	83.2%	88.1%	84.8%
Impact of catastrophes on combined ratio	3.7%	10.7%	2.8%	1.7%	3.5%	6.2%	2.5%	5.6%	4.1%
Impact of prior year reserve development on combined ratio	-7.5%	-0.7%	-0.7%	-0.7%	-7.5%	-3.5%	-2.6%	-2.9%	-4.5%

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

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Billing and policy fees and other	\$ 22	\$ 18	\$ 18	\$ 16	\$ 16	\$ 16	\$ 16	\$ 58	\$ 48

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Selected Statistics - Personal Insurance**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 1,649	\$ 1,916	\$ 1,959	\$ 1,741	\$ 1,676	\$ 1,978	\$ 2,057	\$ 5,524	\$ 5,711
Net written premiums	\$ 1,619	\$ 1,893	\$ 1,917	\$ 1,736	\$ 1,622	\$ 1,956	\$ 2,036	\$ 5,429	\$ 5,614
Net earned premiums	\$ 1,762	\$ 1,773	\$ 1,796	\$ 1,794	\$ 1,764	\$ 1,798	\$ 1,840	\$ 5,331	\$ 5,402
Losses and loss adjustment expenses	980	1,261	1,006	996	974	1,117	1,040	3,247	3,131
Underwriting expenses	481	539	572	531	488	558	567	1,592	1,613
Statutory underwriting gain (loss)	<u>\$ 301</u>	<u>\$ (27)</u>	<u>\$ 218</u>	<u>\$ 267</u>	<u>\$ 302</u>	<u>\$ 123</u>	<u>\$ 233</u>	<u>\$ 492</u>	<u>\$ 658</u>
Policies in force (in thousands)									
Automobile	2,068	2,068	2,083	2,097	2,125	2,166	2,224	2,083	2,224
Homeowners and other	4,232	4,199	4,164	4,128	4,107	4,121	4,145	4,164	4,145

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



(\$ in millions)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 795	\$ 834	\$ 852	\$ 797	\$ 828	\$ 893	\$ 938	\$ 2,481	\$ 2,659
Net written premiums	\$ 788	\$ 831	\$ 849	\$ 792	\$ 822	\$ 890	\$ 934	\$ 2,468	\$ 2,646
Net earned premiums	\$ 787	\$ 792	\$ 804	\$ 812	\$ 802	\$ 827	\$ 854	\$ 2,383	\$ 2,483
Losses and loss adjustment expenses	533	588	564	583	516	582	585	1,685	1,683
Underwriting expenses	208	221	224	215	215	230	234	653	679
Statutory underwriting gain (loss)	\$ 46	\$ (17)	\$ 16	\$ 14	\$ 71	\$ 15	\$ 35	\$ 45	\$ 121
<b>Other statistics</b>									
Combined ratio (2):									
Loss and loss adjustment expense ratio	67.7%	74.3%	70.1%	71.7%	64.4%	70.4%	68.5%	70.8%	67.8%
Underwriting expense ratio	25.6%	26.5%	26.6%	26.2%	25.8%	26.1%	25.4%	26.2%	25.8%
Combined ratio	93.3%	100.8%	96.7%	97.9%	90.2%	96.5%	93.9%	97.0%	93.6%
Impact of catastrophes on combined ratio	0.0%	4.6%	0.6%	0.0%	0.0%	2.1%	0.1%	1.8%	0.8%
Impact of prior year reserve development on combined ratio	0.0%	0.0%	0.0%	0.0%	-2.8%	-2.5%	-2.4%	0.0%	-2.6%
Catastrophe losses, net of reinsurance:									
Pre-tax	\$ -	\$ 36	\$ 5	\$ -	\$ -	\$ 18	\$ -	\$ 41	\$ 18
After-tax	\$ -	\$ 23	\$ 4	\$ -	\$ -	\$ 12	\$ -	\$ 27	\$ 12
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ 21	\$ 21	\$ -	\$ 64
After-tax	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 14	\$ 13	\$ -	\$ 42
Policies in force (in thousands)	1,985	1,981	1,990	2,000	2,021	2,057	2,106		
Change from prior year quarter	-9.4%	-6.7%	-3.3%	-0.5%	1.8%	3.8%	5.8%		
Change from prior quarter	-1.3%	-0.2%	0.5%	0.5%	1.1%	1.8%	2.4%		

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

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

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Billing and policy fees and other	\$ 9	\$ 8	\$ 9	\$ 8	\$ 9	\$ 8	\$ 8	\$ 26	\$ 25

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

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



(\$ in millions)

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory underwriting</b>									
Gross written premiums	\$ 811	\$ 1,036	\$ 1,055	\$ 898	\$ 795	\$ 1,029	\$ 1,052	\$ 2,902	\$ 2,876
Net written premiums	\$ 788	\$ 1,016	\$ 1,017	\$ 897	\$ 748	\$ 1,010	\$ 1,035	\$ 2,821	\$ 2,793
Net earned premiums	\$ 935	\$ 938	\$ 948	\$ 935	\$ 914	\$ 920	\$ 930	\$ 2,821	\$ 2,764
Losses and loss adjustment expenses	419	639	414	381	425	498	414	1,472	1,337
Underwriting expenses	240	283	303	276	236	289	291	826	816
Statutory underwriting gain	\$ 276	\$ 16	\$ 231	\$ 278	\$ 253	\$ 133	\$ 225	\$ 523	\$ 611
<b>Other statistics</b>									
Combined ratio (2):									
Loss and loss adjustment expense ratio	44.8%	68.1%	43.6%	40.8%	46.5%	54.2%	44.6%	52.2%	48.4%
Underwriting expense ratio	27.6%	28.0%	29.9%	30.2%	27.9%	28.8%	28.8%	28.5%	28.5%
Combined ratio	72.4%	96.1%	73.5%	71.0%	74.4%	83.0%	73.4%	80.7%	76.9%
Impact of catastrophes on combined ratio	6.8%	15.9%	4.8%	3.1%	6.7%	10.1%	4.7%	9.2%	7.1%
Impact of prior year reserve development on combined ratio	-14.1%	-1.3%	-1.4%	-1.1%	-11.8%	-4.6%	-2.8%	-5.5%	-6.4%
Catastrophe losses, net of reinsurance:									
Pre-tax	\$ 64	\$ 150	\$ 46	\$ 29	\$ 61	\$ 93	\$ 43	\$ 260	\$ 197
After-tax	\$ 41	\$ 98	\$ 30	\$ 19	\$ 40	\$ 60	\$ 28	\$ 169	\$ 128
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ 132	\$ 12	\$ 13	\$ 10	\$ 108	\$ 43	\$ 26	\$ 157	\$ 177
After-tax	\$ 86	\$ 8	\$ 8	\$ 7	\$ 70	\$ 28	\$ 17	\$ 102	\$ 115
Policies in force (in thousands)	4,146	4,110	4,072	4,032	4,008	4,017	4,034		
Change from prior year quarter	-7.5%	-6.5%	-5.4%	-4.2%	-3.3%	-2.3%	-0.9%		
Change from prior quarter	-1.5%	-0.9%	-0.9%	-1.0%	-0.6%	0.2%	0.4%		

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

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

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
Billing and policy fees and other	\$ 13	\$ 9	\$ 9	\$ 7	\$ 7	\$ 7	\$ 7	\$ 31	\$ 21

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Selected Statistics - Direct to Consumer (1)**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Net written premiums</b>									
Automobile	\$ 31	\$ 31	\$ 36	\$ 32	\$ 38	\$ 38	\$ 47	\$ 98	\$ 123
Homeowners and other	12	15	15	15	14	18	20	42	52
Total net written premiums	\$ 43	\$ 46	\$ 51	\$ 47	\$ 52	\$ 56	\$ 67	\$ 140	\$ 175
<b>Revenues</b>									
Premiums	\$ 40	\$ 43	\$ 44	\$ 47	\$ 48	\$ 51	\$ 56	\$ 127	\$ 155
Other revenues	-	-	1	-	-	1	-	1	1
Total revenues	40	43	45	47	48	52	56	128	156
<b>Claims and expenses</b>									
Claims and claim adjustment expenses	28	33	29	32	32	39	39	90	110
Amortization of deferred acquisition costs	1	1	1	1	1	1	2	3	4
General and administrative expenses	33	35	43	39	37	38	41	111	116
Total claims and expenses	62	69	73	72	70	78	82	204	230
Operating loss before income taxes	(22)	(26)	(28)	(25)	(22)	(26)	(26)	(76)	(74)
Income taxes	(8)	(9)	(10)	(8)	(8)	(9)	(9)	(27)	(26)
Operating loss	\$ (14)	\$ (17)	\$ (18)	\$ (17)	\$ (14)	\$ (17)	\$ (17)	\$ (49)	\$ (48)
<b>Other statistics</b>									
Policies in force (in thousands)									
Automobile	83	87	93	97	104	109	118		
Homeowners and other	86	89	92	96	99	104	111		
Catastrophes, net of reinsurance:									
Pre-tax	\$ 1	\$ 4	\$ -	\$ 1	\$ 1	\$ 1	\$ 2	\$ 5	\$ 4
After-tax	\$ 1	\$ 2	\$ -	\$ 1	\$ 1	\$ -	\$ 2	\$ 3	\$ 3
Prior year reserve development - favorable (unfavorable)									
Pre-tax	\$ -	\$ -	\$ -	\$ 2	\$ 1	\$ -	\$ -	\$ -	\$ 1
After-tax	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Represents incremental premiums, other revenues and claims and expenses of Direct to Consumer business activities included in Personal Insurance operating income (loss).

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Interest Expense and Other**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Revenues</b>									
Other revenues	\$ (1)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 3
<b>Claims and expenses</b>									
Interest expense	92	92	93	92	92	92	94	277	278
General and administrative expenses	7	9	6	9	7	7	8	22	22
Total claims and expenses	99	101	99	101	99	99	102	299	300
Operating loss before income tax benefit	(100)	(100)	(99)	(101)	(99)	(99)	(99)	(299)	(297)
Income taxes	(36)	(35)	(36)	(36)	(35)	(37)	(34)	(107)	(106)
Operating loss	\$ (64)	\$ (65)	\$ (63)	\$ (65)	\$ (64)	\$ (62)	\$ (65)	\$ (192)	\$ (191)

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Consolidated Balance Sheet**

(in millions)



	September 30, 2015	December 31, 2014
<b>Assets</b>		
Fixed maturities, available for sale, at fair value (amortized cost \$59,688 and \$60,801)	\$ 61,671	\$ 63,474
Equity securities, available for sale, at fair value (cost \$553 and \$579)	719	899
Real estate investments	1,011	938
Short-term securities	5,128	4,364
Other investments	3,530	3,586
Total investments	<u>72,059</u>	<u>73,261</u>
Cash	344	374
Investment income accrued	613	685
Premiums receivable	6,559	6,298
Reinsurance recoverables	8,949	9,260
Ceded unearned premiums	789	678
Deferred acquisition costs	1,904	1,835
Deferred taxes	241	33
Contractholder receivables	4,390	4,362
Goodwill	3,579	3,611
Other intangible assets	280	304
Other assets	2,403	2,377
<b>Total assets</b>	<u>\$ 102,110</u>	<u>\$ 103,078</u>

**Liabilities**

Claims and claim adjustment expense reserves	\$ 48,596	\$ 49,850
Unearned premium reserves	12,284	11,839
Contractholder payables	4,390	4,362
Payables for reinsurance premiums	439	336
Debt	6,743	6,349
Other liabilities	5,625	5,506
<b>Total liabilities</b>	<u>78,077</u>	<u>78,242</u>

**Shareholders' equity**

Common stock (1,750.0 shares authorized; 304.2 and 322.2 shares issued and outstanding)	22,099	21,843
Retained earnings	29,263	27,251
Accumulated other comprehensive income	32	880
Treasury stock, at cost (458.8 and 437.3 shares)	(27,361)	(25,138)
<b>Total shareholders' equity</b>	<u>24,033</u>	<u>24,836</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 102,110</u>	<u>\$ 103,078</u>



# The Travelers Companies, Inc.

## Investment Portfolio

(at carrying value, \$ in millions)



	<u>September 30, 2015</u>	<u>Pre-tax Book Yield (1)</u>	<u>December 31, 2014</u>	<u>Pre-tax Book Yield (1)</u>
<b>Investment portfolio</b>				
Taxable fixed maturities (including redeemable preferred stock)	\$ 30,422	3.31%	\$ 30,283	3.42%
Tax-exempt fixed maturities	31,249	3.62%	33,191	3.72%
<b>Total fixed maturities</b>	<b>61,671</b>	<b>3.47%</b>	<b>63,474</b>	<b>3.58%</b>
Non-redeemable preferred stocks	175	5.71%	208	5.60%
Public common stocks	544		691	
<b>Total equity securities</b>	<b>719</b>		<b>899</b>	
<b>Real estate investments</b>	<b>1,011</b>		<b>938</b>	
<b>Short-term securities</b>	<b>5,128</b>	<b>0.24%</b>	<b>4,364</b>	<b>0.17%</b>
Private equities	2,111		2,090	
Hedge funds	426		414	
Real estate partnerships	621		593	
Other investments	372		489	
<b>Total other investments</b>	<b>3,530</b>		<b>3,586</b>	
<b>Total investments</b>	<b>\$ 72,059</b>		<b>\$ 73,261</b>	
<b>Net unrealized investment gains, net of tax, included in shareholders' equity</b>	<b>\$ 1,414</b>		<b>\$ 1,966</b>	

(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:  
     Pre-refunded  
     All other  
     Total  
 Debt securities issued by foreign governments  
 Mortgage-backed securities - principally obligations of U.S. Government agencies  
 Corporates (including redeemable preferreds)  
     Total fixed maturities

	September 30, 2015		December 31, 2014
\$	2,345	\$	2,053
	6,589		7,561
	<u>25,038</u>		<u>26,012</u>
	<u>31,627</u>		<u>33,573</u>
	1,989		2,368
	2,013		2,213
	<u>23,697</u>		<u>23,267</u>
\$	<u><u>61,671</u></u>	\$	<u><u>63,474</u></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

September 30, 2015		
	Amount	% of Total
\$	25,922	42.0 %
	17,630	28.6
	9,625	15.6
	<u>6,734</u>	<u>10.9</u>
	<u>59,911</u>	<u>97.1</u>
	1,053	1.8
	384	0.6
	<u>323</u>	<u>0.5</u>
	<u>1,760</u>	<u>2.9</u>
\$	<u><u>61,671</u></u>	<u><u>100.0 %</u></u>
	Aa2, AA	
	<u><u>4.0</u></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 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Gross investment income</b>									
Fixed maturities	\$ 580	\$ 562	\$ 552	\$ 550	\$ 531	\$ 526	\$ 516	\$ 1,694	\$ 1,573
Short-term securities	2	2	2	3	2	3	3	6	8
Other	163	140	174	96	69	113	105	477	287
	745	704	728	649	602	642	624	2,177	1,868
Investment expenses	9	9	9	12	10	10	10	27	30
Net investment income, pre-tax	736	695	719	637	592	632	614	2,150	1,838
Income taxes	154	142	151	124	114	129	130	447	373
Net investment income, after-tax	\$ 582	\$ 553	\$ 568	\$ 513	\$ 478	\$ 503	\$ 484	\$ 1,703	\$ 1,465
Effective tax rate	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	21.1%	20.8%	20.3%
Average invested assets (1)	\$ 72,112	\$ 71,880	\$ 72,062	\$ 72,071	\$ 70,722	\$ 70,291	\$ 70,569	\$ 72,062	\$ 70,607
Average yield pre-tax (1)	4.1%	3.9%	4.0%	3.5%	3.3%	3.6%	3.5%	4.0%	3.5%
Average yield after-tax	3.2%	3.1%	3.2%	2.8%	2.7%	2.9%	2.7%	3.2%	2.8%

(1) Excludes net unrealized investment gains, 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**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Net realized investment gains (losses)</b>									
Fixed maturities	\$ 6	\$ 9	\$ -	\$ 1	\$ 17	\$ 14	\$ 30	\$ 15	\$ 61
Equity securities	(4)	15	-	4	-	(1)	(10)	11	(11)
Other (1)	(1)	(8)	40	17	(7)	(3)	(5)	31	(15)
Realized investment gains before tax	1	16	40	22	10	10	15	57	35
Related taxes	1	6	14	7	4	4	5	21	13
Net realized investment gains	\$ -	\$ 10	\$ 26	\$ 15	\$ 6	\$ 6	\$ 10	\$ 36	\$ 22
Gross investment gains (1)	\$ 59	\$ 46	\$ 101	\$ 93	\$ 71	\$ 102	\$ 108	\$ 206	\$ 281
Gross investment losses before impairments (1)	(49)	(29)	(51)	(65)	(58)	(86)	(79)	(129)	(223)
Net investment gains before impairments	10	17	50	28	13	16	29	77	58
Other-than-temporary impairment losses	(9)	(1)	(10)	(6)	(3)	(6)	(14)	(20)	(23)
Net realized investment gains before tax	1	16	40	22	10	10	15	57	35
Related taxes	1	6	14	7	4	4	5	21	13
Net realized investment gains	\$ -	\$ 10	\$ 26	\$ 15	\$ 6	\$ 6	\$ 10	\$ 36	\$ 22
	<b>March 31, 2014</b>	<b>June 30, 2014</b>	<b>September 30, 2014</b>	<b>December 31, 2014</b>	<b>March 31, 2015</b>	<b>June 30, 2015</b>	<b>September 30, 2015</b>		
<b>Net unrealized investment gains, net of tax, by asset type</b>									
Fixed maturities	\$ 2,276	\$ 2,742	\$ 2,579	\$ 2,673	\$ 2,853	\$ 1,830	\$ 1,983		
Equity securities & other	293	346	356	335	319	274	183		
Unrealized investment gains before tax	2,569	3,088	2,935	3,008	3,172	2,104	2,166		
Related taxes	895	1,075	1,021	1,042	1,096	728	752		
Balance, end of period	\$ 1,674	\$ 2,013	\$ 1,914	\$ 1,966	\$ 2,076	\$ 1,376	\$ 1,414		

(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	\$ 4	\$ 4	\$ 6	\$ 28	\$ 44	\$ 56	\$ 47	\$ 14	\$ 147
Gross investment Treasury future losses	\$ 3	\$ 5	\$ 6	\$ 29	\$ 54	\$ 47	\$ 61	\$ 14	\$ 162

The Company entered into these arrangements as part of its strategy to manage the duration of its fixed maturity portfolio. In a changing interest rate environment, the change in the value of the futures contracts can be expected to partially offset changes in the value of the fixed maturity portfolio.

# The Travelers Companies, Inc. Reinsurance Recoverables

(\$ in millions)



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

September 30, 2015	
\$	4,013
	(161)
	3,852
	1,943
	3,154
\$	8,949

December 31, 2014	
\$	4,270
	(203)
	4,067
	1,909
	3,284
\$	9,260

(i) The Company's top five reinsurer groups, including retroactive reinsurance, included in net reinsurance recoverables is as follows:

Reinsurer	A.M. Best Rating of Group's Predominant Reinsurer
Swiss Re Group	A+ second highest of 16 ratings
Munich Re Group	A+ second highest of 16 ratings
Sompo Japan Nipponkoa Group	A+ second highest of 16 ratings
Berkshire Hathaway	A++ highest of 16 ratings
XL Capital Group	A third highest of 16 ratings

September 30, 2015	
\$	461
	422
	245
	238
	200

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 incurred but not reported 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 September 30, 2015, after deducting mandatory pools and associations and structured settlement balances, \$3.1 billion, or 80%, were rated by A.M. Best Company. Of the total rated by A.M. Best Company, 99% were rated A- or better. The remaining 20% of 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 4% were balances from other companies not rated by A.M. Best Company. In addition, \$1.2 billion of the net recoverables were collateralized by letters of credit, funds held or trust agreements at September 30, 2015.

(ii) 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. Recoverables due from the National Flood Insurance Program are included with mandatory pools.

(iii) Included in reinsurance recoverables are certain amounts related to structured settlements, which comprise annuities purchased from various life insurance companies to settle certain personal physical injury claims, of which workers' compensation claims comprise a significant portion. In cases where the Company did not receive a release from the claimant, the amount due from the life insurance company related to the structured settlement is included in the Company's consolidated balance sheet as a liability and as a reinsurance recoverable, as the Company retains the contingent liability to pay the claimant in the event that the life insurance company fails to make the required annuity payments. The Company would be required to make such payments, to the extent the purchased annuities are not covered by state guaranty associations.

The Company's top five groups by structured settlement is as follows:

Group	A.M. Best Rating of Group's Predominant Insurer
Fidelity and Guaranty Life	B++ fifth highest of 16 ratings
Metlife	A+ second highest of 16 ratings
Genworth Financial Group	A- fourth highest of 16 ratings
John Hancock Group	A+ second highest of 16 ratings
Symetra Financial Corporation (1)	A third highest of 16 ratings

September 30, 2015	
\$	917
	413
	385
	267
	230

(1) On August 11, 2015, Symetra Financial Corporation announced that it had entered into a definitive merger agreement with Sumitomo Life Insurance Company pursuant to which Sumitomo Life will acquire all of the outstanding shares of Symetra. The transaction, which was unanimously approved by Symetra's board of directors, is expected to close during the first half of 2016 and is subject to the approval of Symetra's shareholders and regulators, and to other customary closing conditions. On August 11, 2015 A. M. Best commented that the ratings of Symetra were unchanged following the announcement of the definitive merger agreement. The Company currently does not have any structured settlements due from Sumitomo Life Insurance Company.

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

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Statutory Reserves for Losses and Loss Adjustment Expenses</b>									
<b>Business and International Insurance</b>									
Beginning of period	\$ 34,717	\$ 34,661	\$ 34,929	\$ 34,887	\$ 34,568	\$ 33,924	\$ 33,905	\$ 34,717	\$ 34,568
Incurred	2,132	2,397	2,310	2,103	2,216	2,187	2,182	6,839	6,585
Paid	(2,109)	(2,231)	(2,170)	(2,300)	(2,616)	(2,291)	(2,075)	(6,510)	(6,982)
Foreign exchange and other	(79)	102	(182)	(122)	(244)	85	(156)	(159)	(315)
End of period	<u>\$ 34,661</u>	<u>\$ 34,929</u>	<u>\$ 34,887</u>	<u>\$ 34,568</u>	<u>\$ 33,924</u>	<u>\$ 33,905</u>	<u>\$ 33,856</u>	<u>\$ 34,887</u>	<u>\$ 33,856</u>
<b>Bond &amp; Specialty Insurance</b>									
Beginning of period	\$ 3,595	\$ 3,585	\$ 3,501	\$ 3,416	\$ 3,239	\$ 3,228	\$ 3,212	\$ 3,595	\$ 3,239
Incurred	155	108	152	58	189	191	111	415	491
Paid	(165)	(192)	(237)	(235)	(200)	(207)	(181)	(594)	(588)
End of period	<u>\$ 3,585</u>	<u>\$ 3,501</u>	<u>\$ 3,416</u>	<u>\$ 3,239</u>	<u>\$ 3,228</u>	<u>\$ 3,212</u>	<u>\$ 3,142</u>	<u>\$ 3,416</u>	<u>\$ 3,142</u>
<b>Personal Insurance</b>									
Beginning of period	\$ 3,256	\$ 3,137	\$ 3,285	\$ 3,222	\$ 3,200	\$ 3,144	\$ 3,156	\$ 3,256	\$ 3,200
Incurred	980	1,261	1,006	996	974	1,117	1,040	3,247	3,131
Paid	(1,099)	(1,113)	(1,069)	(1,018)	(1,030)	(1,105)	(1,103)	(3,281)	(3,238)
End of period	<u>\$ 3,137</u>	<u>\$ 3,285</u>	<u>\$ 3,222</u>	<u>\$ 3,200</u>	<u>\$ 3,144</u>	<u>\$ 3,156</u>	<u>\$ 3,093</u>	<u>\$ 3,222</u>	<u>\$ 3,093</u>
<b>Total</b>									
Beginning of period	\$ 41,568	\$ 41,383	\$ 41,715	\$ 41,525	\$ 41,007	\$ 40,296	\$ 40,273	\$ 41,568	\$ 41,007
Incurred	3,267	3,766	3,468	3,157	3,379	3,495	3,333	10,501	10,207
Paid	(3,373)	(3,536)	(3,476)	(3,553)	(3,846)	(3,603)	(3,359)	(10,385)	(10,808)
Foreign exchange and other	(79)	102	(182)	(122)	(244)	85	(156)	(159)	(315)
End of period	<u>\$ 41,383</u>	<u>\$ 41,715</u>	<u>\$ 41,525</u>	<u>\$ 41,007</u>	<u>\$ 40,296</u>	<u>\$ 40,273</u>	<u>\$ 40,091</u>	<u>\$ 41,525</u>	<u>\$ 40,091</u>
<b>Prior Year Reserve Development: Unfavorable (Favorable)</b>									
<b>Business and International Insurance</b>									
Asbestos	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 224	\$ 250	\$ 224
Environmental	-	87	-	-	-	72	-	87	72
All other	(95)	(134)	(271)	(159)	(77)	(175)	(273)	(500)	(525)
Total Business and International Insurance (1)	(95)	(47)	(21)	(159)	(77)	(103)	(49)	(163)	(229)
<b>Bond &amp; Specialty Insurance</b>									
	(67)	(124)	(79)	(180)	(35)	(40)	(103)	(270)	(178)
<b>Personal Insurance</b>									
	(132)	(12)	(13)	(12)	(131)	(64)	(47)	(157)	(242)
<b>Total</b>	<u>\$ (294)</u>	<u>\$ (183)</u>	<u>\$ (113)</u>	<u>\$ (351)</u>	<u>\$ (243)</u>	<u>\$ (207)</u>	<u>\$ (199)</u>	<u>\$ (590)</u>	<u>\$ (649)</u>

(1) Excludes accretion of discount.

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Asbestos and Environmental Reserves**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Asbestos reserves</b>									
Beginning reserves:									
Gross	\$ 2,606	\$ 2,547	\$ 2,482	\$ 2,665	\$ 2,520	\$ 1,959	\$ 1,856	\$ 2,606	\$ 2,520
Ceded	(256)	(242)	(232)	(220)	(163)	(123)	(122)	(256)	(163)
Net	2,350	2,305	2,250	2,445	2,357	1,836	1,734	2,350	2,357
Incurring losses and loss expenses:									
Gross	-	-	258	-	-	-	313	258	313
Ceded	-	-	(8)	-	-	-	(89)	(8)	(89)
Paid loss and loss expenses:									
Gross	59	65	74	145	560	104	83	198	747
Ceded	(14)	(10)	(20)	(57)	(40)	(1)	(22)	(44)	(63)
Foreign exchange and other:									
Gross	-	-	(1)	-	(1)	1	-	(1)	-
Ceded	-	-	-	-	-	-	(1)	-	(1)
Ending reserves:									
Gross	2,547	2,482	2,665	2,520	1,959	1,856	2,086	2,665	2,086
Ceded	(242)	(232)	(220)	(163)	(123)	(122)	(190)	(220)	(190)
Net	\$ 2,305	\$ 2,250	\$ 2,445	\$ 2,357	\$ 1,836	\$ 1,734	\$ 1,896	\$ 2,445	\$ 1,896
<b>Environmental reserves</b>									
Beginning reserves:									
Gross	\$ 355	\$ 331	\$ 396	\$ 375	\$ 353	\$ 341	\$ 406	\$ 355	\$ 353
Ceded	(11)	(11)	(14)	(11)	(7)	(6)	(15)	(11)	(7)
Net	344	320	382	364	346	335	391	344	346
Incurring losses and loss expenses:									
Gross	-	94	-	-	-	81	-	94	81
Ceded	-	(7)	-	-	-	(9)	-	(7)	(9)
Paid loss and loss expenses:									
Gross	24	29	20	22	11	15	13	73	39
Ceded	-	(4)	(3)	(4)	(1)	-	-	(7)	(1)
Acquired reserves, foreign exchange and other:									
Gross	-	-	(1)	-	(1)	(1)	-	(1)	(2)
Ceded	-	-	-	-	-	-	-	-	-
Ending reserves:									
Gross	331	396	375	353	341	406	393	375	393
Ceded	(11)	(14)	(11)	(7)	(6)	(15)	(15)	(11)	(15)
Net	\$ 320	\$ 382	\$ 364	\$ 346	\$ 335	\$ 391	\$ 378	\$ 364	\$ 378

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

# The Travelers Companies, Inc. Capitalization

(\$ in millions)



## Debt

<b>Short-term debt</b>	
Commercial paper	
5.50% Senior notes due December 1, 2015 (1)	
6.25% Senior notes due June 20, 2016 (1)	
Total short-term debt	
<b>Long-term debt</b>	
6.25% Senior notes due June 20, 2016 (1)	
5.75% Senior notes due December 15, 2017 (1)	
5.80% Senior notes due May 15, 2018 (1)	
5.90% Senior notes due June 2, 2019 (1)	
3.90% Senior notes due November 1, 2020 (1)	
7.75% Senior notes due April 15, 2026	
7.625% Junior subordinated debentures due December 15, 2027	
6.375% Senior notes due March 15, 2033 (1)	
6.75% Senior notes due June 20, 2036 (1)	
6.25% Senior notes due June 15, 2037 (1)	
5.35% Senior notes due November 1, 2040 (1)	
4.60% Senior notes due August 1, 2043 (1)	
4.30% Senior notes due August 25, 2045 (1)	
8.50% Junior subordinated debentures due December 15, 2045	
8.312% Junior subordinated debentures due July 1, 2046	
6.25% Fixed-to-floating rate junior subordinated debentures due March 15, 2067 (1)	
Total long-term debt	
Unamortized fair value adjustment	
Unamortized debt issuance costs	
<b>Total debt</b>	
<b>Common equity (excluding net unrealized investment gains, net of tax)</b>	
<b>Total capital (excluding net unrealized investment gains, net of tax)</b>	
<b>Total debt to capital (excluding net unrealized investment gains, net of tax)</b>	

	September 30, 2015	December 31, 2014
	\$ 100	\$ 100
	400	400
	400	-
	<u>900</u>	<u>500</u>
	-	400
	450	450
	500	500
	500	500
	500	500
	200	200
	125	125
	500	500
	400	400
	800	800
	750	750
	500	500
	400	-
	56	56
	73	73
	107	107
	<u>5,861</u>	<u>5,861</u>
	49	50
	(67)	(62)
	<u>5,843</u>	<u>5,849</u>
	<u>6,743</u>	<u>6,349</u>
	22,619	22,870
	<u>\$ 29,362</u>	<u>\$ 29,219</u>
	23.0%	21.7%

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

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.



**The Travelers Companies, Inc.**  
**Statutory Capital and Surplus to GAAP Shareholders' Equity Reconciliation**



(\$ in millions)

	<u>September 30, 2015 (1)</u>	<u>December 31, 2014</u>
<b>Statutory capital and surplus</b>	\$ 20,822	\$ 21,049
<b>GAAP adjustments</b>		
Goodwill and intangible assets	3,693	3,750
Investments	2,552	3,315
Noninsurance companies	(4,663)	(4,635)
Deferred acquisition costs	1,904	1,835
Deferred federal income tax	(1,460)	(1,672)
Current federal income tax	(23)	(47)
Reinsurance recoverables	113	117
Furniture, equipment & software	666	662
Agents balances	162	145
Other	267	317
	<hr/>	<hr/>
Total GAAP adjustments	3,211	3,787
<b>GAAP shareholders' equity</b>	<u>\$ 24,033</u>	<u>\$ 24,836</u>

(1) Estimated and Preliminary

See Glossary of Financial Measures and Description of Reportable Business Segments on page 35.

**The Travelers Companies, Inc.**  
**Statement of Cash Flows**

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Cash flows from operating activities</b>									
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 928	\$ 2,654	\$ 2,573
Adjustments to reconcile net income to net cash provided by operating activities:									
Net realized investment gains	(1)	(16)	(40)	(22)	(10)	(10)	(15)	(57)	(35)
Depreciation and amortization	227	215	211	211	225	204	191	653	620
Deferred federal income tax expense	153	(22)	(38)	28	133	9	(37)	93	105
Amortization of deferred acquisition costs	950	965	984	983	963	963	987	2,899	2,913
Equity in income from other investments	(139)	(118)	(155)	(74)	(43)	(91)	(80)	(412)	(214)
Premiums receivable	(189)	(274)	129	127	(258)	(228)	186	(334)	(300)
Reinsurance recoverables	106	100	197	(3)	69	194	(16)	403	247
Deferred acquisition costs	(986)	(1,003)	(1,004)	(933)	(987)	(1,004)	(1,007)	(2,993)	(2,998)
Claims and claim adjustment expense reserves	(209)	149	(238)	(406)	(561)	(265)	(48)	(298)	(874)
Unearned premium reserves	94	141	144	(306)	185	177	180	379	542
Other	(355)	(195)	731	(118)	(350)	(85)	530	181	95
<b>Net cash provided by operating activities</b>	<b>703</b>	<b>625</b>	<b>1,840</b>	<b>525</b>	<b>199</b>	<b>676</b>	<b>1,799</b>	<b>3,168</b>	<b>2,674</b>
<b>Cash flows from investing activities</b>									
Proceeds from maturities of fixed maturities	2,312	2,603	3,060	2,919	2,830	2,484	3,491	7,975	8,805
Proceeds from sales of investments:									
Fixed maturities	406	379	142	122	906	320	329	927	1,555
Equity securities	36	59	33	30	11	17	10	128	38
Real estate investments	1	4	-	10	7	3	5	5	15
Other investments	167	171	274	243	146	208	151	612	505
Purchases of investments:									
Fixed maturities	(2,715)	(2,734)	(2,788)	(3,088)	(3,325)	(2,914)	(3,733)	(8,237)	(9,972)
Equity securities	(18)	(22)	(7)	(5)	(8)	(14)	(9)	(47)	(31)
Real estate investments	(9)	(27)	(5)	(7)	(6)	(63)	(47)	(41)	(116)
Other investments	(113)	(113)	(180)	(148)	(168)	(107)	(114)	(406)	(389)
Net sales (purchases) of short-term securities	(160)	220	(1,223)	665	(134)	567	(1,215)	(1,163)	(782)
Securities transactions in course of settlement	240	(36)	(85)	(37)	305	(122)	(80)	119	103
Acquisition, net of cash acquired	(12)	-	-	-	-	-	-	(12)	-
Other	(60)	(92)	(110)	(96)	(90)	(88)	(44)	(262)	(222)
<b>Net cash provided by (used in) investing activities</b>	<b>75</b>	<b>412</b>	<b>(889)</b>	<b>608</b>	<b>474</b>	<b>291</b>	<b>(1,256)</b>	<b>(402)</b>	<b>(491)</b>

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

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	YTD 3Q 2014	YTD 3Q 2015
<b>Cash flows from financing activities</b>									
Issuance of debt	-	-	-	-	-	-	392	-	392
Treasury stock acquired - share repurchase authorization	(650)	(875)	(750)	(1,000)	(600)	(800)	(750)	(2,275)	(2,150)
Treasury stock acquired - net employee share-based compensation	(54)	(1)	(1)	(1)	(71)	(1)	(1)	(56)	(73)
Dividends paid to shareholders	(176)	(189)	(184)	(180)	(177)	(192)	(188)	(549)	(557)
Issuance of common stock - employee share options	57	65	32	41	90	27	25	154	142
Excess tax benefits from share-based payment arrangements	13	11	14	19	27	4	11	38	42
<b>Net cash used in financing activities</b>	<u>(810)</u>	<u>(989)</u>	<u>(889)</u>	<u>(1,121)</u>	<u>(731)</u>	<u>(962)</u>	<u>(511)</u>	<u>(2,688)</u>	<u>(2,204)</u>
Effect of exchange rate changes on cash	(2)	3	(6)	(5)	(8)	4	(5)	(5)	(9)
Net increase (decrease) in cash	(34)	51	56	7	(66)	9	27	73	(30)
Cash at beginning of period	294	260	311	367	374	308	317	294	374
Cash at end of period	<u>\$ 260</u>	<u>\$ 311</u>	<u>\$ 367</u>	<u>\$ 374</u>	<u>\$ 308</u>	<u>\$ 317</u>	<u>\$ 344</u>	<u>\$ 367</u>	<u>\$ 344</u>
Income taxes paid	\$ 93	\$ 634	\$ 58	\$ 362	\$ 126	\$ 471	\$ 285	\$ 785	\$ 882
Interest paid	\$ 34	\$ 149	\$ 34	\$ 148	\$ 34	\$ 149	\$ 34	\$ 217	\$ 217

## 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 financial statements or are not required to be disclosed in the notes to financial statements or, 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, financial analysts, rating agencies and other financial statement users 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. Internally, the Company's management uses these measures to evaluate performance against historical results and establish financial targets on a consolidated basis.

Some of these measures exclude net realized investment gains (losses), net of tax, and/or net unrealized investment gains (losses), net of tax, which can be significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends.

Other companies may calculate these measures differently, and, therefore, their measures may not be comparable to those used by the Company's management.

**Operating income (loss)** is net income (loss) excluding the after-tax impact of net realized investment gains (losses). Management uses operating income (loss) to analyze each segment's performance and as a tool in making business decisions. Financial statement users also consider operating income when analyzing the results and trends of insurance companies. **Operating earnings (loss) per share** is operating income (loss) on a per common share basis.

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

**Return on equity** is the ratio of annualized net income (loss) to average shareholders' equity for the periods presented. **Operating return on equity** is the ratio of annualized operating income (loss) to adjusted average shareholders' equity for the periods presented. In the opinion of the Company's management, these are important indicators of how well management creates value for its shareholders through its operating activities and its capital management.

**Underwriting gain (loss)** is net earned premiums and fee income less claims and claim adjustment expenses and insurance-related expenses. In the opinion of the Company's management, it is important to measure the profitability of each segment excluding the results of investing activities, which are managed separately from the insurance business. This measure is used to assess each segment's business performance and as a tool in making business decisions.

A **catastrophe** is a severe loss, resulting from a variety of events, including, among others, hurricanes, tornadoes and other windstorms, earthquakes, hail, wildfires, severe winter weather, floods, tsunamis and volcanic eruptions. Catastrophes can also result from a terrorist attack (including those involving nuclear, biological, chemical or radiological events), explosions, infrastructure failures or as a consequence of political instability. 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 to users of the financial statements to understand the Company's periodic earnings and the variability in periodic earnings caused by the unpredictable nature of catastrophes.

**Net favorable (unfavorable) prior year 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, which may be related to one or more prior years. In the opinion of the Company's management, a discussion of loss reserve development is meaningful to users of the financial statements 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 (loss), and changes in claims and claim adjustment expense reserve levels from period to period.

**Combined ratio** For Statutory Accounting Practices (SAP), the combined ratio is the sum of the SAP loss and LAE ratio and the SAP underwriting expense ratio as defined in the statutory financial statements required by insurance regulators. The combined ratio, as used in this financial supplement, is the equivalent of, and is calculated in the same manner as, the SAP combined ratio except that the SAP underwriting expense ratio is based on net *written* premium and the underwriting expense ratio as used in this financial supplement is based on net *earned* premiums. For SAP, the loss and LAE ratio is the ratio of incurred losses and loss adjustment expenses less certain administrative services fee income to net earned premiums as defined in the statutory financial statements required by insurance regulators. The loss and LAE ratio as used in this financial supplement is calculated in the same manner as the SAP ratio. For SAP, the underwriting expense ratio is the ratio of underwriting expenses incurred (including commissions paid), less certain administrative services fee income and billing and policy fees, to net *written* premiums as defined in the statutory financial statements required by insurance regulators. The underwriting expense ratio as used in this financial supplement, is the ratio of underwriting expenses (including the amortization of deferred acquisition costs), less certain administrative services fee income and billing and policy fees, to net *earned* premiums.

The combined ratio, loss and LAE ratio, and underwriting expense ratio are used as indicators of the Company's underwriting discipline, efficiency in acquiring and servicing its business and overall underwriting profitability. A combined ratio under 100% generally indicates an underwriting profit. A combined ratio over 100% generally indicates an underwriting loss.

Other companies' method of computing similarly titled measures may not be comparable to the Company's method of computing these ratios.

**Combined ratio excluding the incremental impact of the direct to consumer initiative** is the 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 policyholders for the effective period of the contract based on the terms and conditions of the insurance contract. **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 per share is useful in an analysis of a property casualty company's book value per share 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.

**Total capital** is the sum of total shareholders' equity and debt. **Debt-to-capital ratio excluding net unrealized gain (loss) on investments** is the ratio of debt to total capital 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 financial leverage.

**Statutory capital and surplus** represents the excess of an insurance company's admitted assets over its liabilities, including loss reserves, as determined in accordance with statutory accounting practices.

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

**Business and International Insurance** - The Business and International Insurance segment offers a broad array of property and casualty insurance and insurance related services to its clients, primarily in the United States, as well as in Canada, the United Kingdom, the Republic of Ireland and throughout other parts of the world as a corporate member of Lloyd's. Business and International Insurance is organized as follows: Select Accounts; Middle Market including Commercial Accounts, Construction, Technology, Public Sector Services, Oil & Gas, Excess Casualty and Global Partner Services; National Accounts; First Party including National Property, Internal Marine, Ocean Marine and Boiler & Machinery; Specialized Distribution including Northland, National Programs, and Agribusiness; and International. In addition, the Company owns 49.5% of the common stock of J. Malucelli Participações em Seguros e Resseguros S.A., its joint venture in Brazil. Business and International Insurance also includes the Special Liability Group (which manages the Company's asbestos and environmental liabilities) and the assumed reinsurance and certain other runoff operations, which are collectively referred to as Business and International Insurance Other.

**Bond & Specialty Insurance** - The Bond & Specialty Insurance segment provides surety, crime, management and professional liability coverages and related risk management services to a wide range of primarily domestic customers, utilizing various degrees of financially-based underwriting approaches. The range of coverages includes performance, payment and commercial surety and fidelity bonds for construction and general commercial enterprises; management liability coverages for losses caused by the actual or alleged negligence or misconduct of directors and officers or employee dishonesty; employment practices liability coverages and fiduciary coverages for public corporations, private companies and not-for-profit organizations; professional liability coverage for actual or alleged errors and omissions committed in the course of professional conduct or practice for a variety of professionals including, among others, lawyers and design professionals; and professional and management liability, property, workers' compensation, auto and general liability and fidelity insurance for financial institutions.

**Personal Insurance** - The Personal Insurance segment writes a broad range of property and casualty insurance covering individuals' personal risks. The primary products of automobile and homeowners insurance are complemented by a broad suite of related coverages.