Explanatory Note

This presentation contains, and management may make, certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Specifically, earnings guidance, statements about our share repurchase plans (which repurchase plans depend on a variety of factors, including our financial position, earnings, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints, other investment opportunities (including mergers and acquisitions), strategic initiatives and other factors), statements about the potential impact of recent or future disruption in the investment markets and other economic conditions on our investment portfolio and underwriting results are forward looking, and we may make forward-looking statements about: our results of operations (including, among others, premium volume, premium rates (either for new or renewal business), net and operating income, investment income, return on equity, expected current returns and combined ratio) and financial condition (including, among others, invested assets and liquidity); the sufficiency of our asbestos and other reserves (including, among others, asbestos claim payment patterns); the cost and availability of reinsurance coverage; catastrophe losses; investment performance; investment, economic and underwriting market conditions; and strategic initiatives. Such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially and adversely affect our results of operations, our financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance; during or following a period of financial market disruption or prolonged economic downturn, our business could be materially and adversely affected; our investment portfolio may suffer reduced returns or material losses; if actual claims exceed our loss reserves, or if changes in the estimated level of loss reserves are necessary, our financial results could be materially and adversely affected; our business could be harmed because of our potential exposure to asbestos and environmental claims and related litigation; we are exposed to, and may face adverse developments involving, mass tort claims such as those relating to exposure to potentially harmful products or substances; the effects of emerging claim and coverage issues on our business are uncertain; the intense competition that we face could harm our ability to maintain or increase our business volumes and our profitability; we may not be able to collect all amounts due to us from reinsurers, and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all; we are exposed to credit risk in certain of our business operations; our businesses are heavily regulated and changes in regulation may reduce our profitability and limit our growth; a downgrade in our claims-paying and financial strength ratings could adversely impact our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs; the inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts would harm our ability to meet our obligations and to pay future shareholder dividends; disruptions to our relationships with our independent agents and brokers could adversely affect us; our efforts to develop new products or expand in targeted markets may not be successful and may create enhanced risks; our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; if we experience difficulties with technology, data security and/or outsourcing relationships our ability to conduct our business could be negatively impacted; acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences; we are subject to a number of risks associated with our business outside the United States; we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; our businesses may be adversely affected if we are unable to hire and retain qualified employees; and loss of or significant restriction on the use of credit scoring in the pricing and underwriting of Personal Insurance products could reduce our future profitability.

For a more detailed discussion of these factors, see the information under the caption "Risk Factors" in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission and "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

Our forward-looking statements speak only as of the date of this presentation or as of the date they are made, and we undertake no obligation to update our forward-looking statements.

In this presentation, we may refer to some non-GAAP financial measures, including, among others, operating income, operating income per diluted share, operating income excluding catastrophes, operating return on equity, underwriting gain (loss), GAAP combined ratio excluding catastrophes and prior year development and adjusted and tangible book value per common share. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of financial measures, we refer you to the press releases and financial supplements that we have made available with our quarterly earnings releases which are available on the Travelers website under the investor section (www.travelers.com).
Overview

Commercial Accounts Strategy

• Leverage size and scale while executing locally
• Capitalize on leadership position within distribution

Results

• Renewal business
• New business
Overview: Travelers Segments

Travelers Full Year 2009 Net Written Premiums: $21.3 Billion

- Personal Insurance $7.1 Billion
- Business Insurance $10.9 Billion
- Financial, Professional & International Insurance $3.3 Billion
Overview: Business Insurance

Business Insurance Full Year 2009 Net Written Premiums: $10.9 Billion

Core Multi-Line

Middle Market Businesses

2009 NWP: $6.3 Billion

Characteristics:

- Underwriting and pricing driven by loss experience and exposure of individual account
- Local point of sale where field-based expertise is critical
- Majority of account premiums less than $500,000
Overview: Business Insurance

Business Insurance Full Year 2009 Net Written Premiums: $10.9 Billion

**Commercial Accounts**
2009 NWP: $2.5 Billion

- $50,000 - $1 million premium per account
- Primarily general liability, property, auto, workers’ compensation and umbrella
- Individually underwritten accounts
- Over 400 underwriters in over 50 field offices; average experience approximately 14 years
Overview

Commercial Accounts Strategy

- Leverage size and scale while executing locally
- Capitalize on leadership position within distribution

Results

- Renewal business
- New business
Enhance industry leading analytics and predictive modeling

Build upon product breadth, expertise and specialization with new and enhanced products

Execute on excellence in underwriting and risk selection

Increase penetration with top performing agents

Add new agency relationships
Predictive models
• Large scale of proprietary data
• More robust management information
• Better pricing segmentation
• Continuously refine and update

Business metrics
• Granular views of profit, loss, production metrics
• Views include by: region, office, account, industry, underwriter, etc.
• Macro and micro level data enables quick identification of trends

Leverage Size and Scale While Executing Locally
Industry Leading Analytics and Predictive Modeling
Leverage Size and Scale While Executing Locally

Renewal Rate Change Distribution

Commercial Accounts\(^1\): Renewal Rate Change by Band – Full Year 2009

Combination of sophisticated pricing tools and experienced underwriters leads to better pricing segmentation

\(^1\) Guaranteed cost only
Suite of products and services providing tailored risk management solutions

- Tailored coverage solutions
- Packaged sales kits and joint advertising for agents
- Pre-qualified leads

### Commercial Accounts: Examples of New and Enhanced Products

<table>
<thead>
<tr>
<th>2007 &amp; Prior</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Dealers</td>
<td>Architects</td>
<td>Building Service Contractors</td>
</tr>
<tr>
<td>Educational Institutions</td>
<td>Engineers</td>
<td>Plastic &amp; Rubber Goods Manufacturing</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>Wood Products</td>
<td>Retail Businesses</td>
</tr>
<tr>
<td>Food Manufacturers</td>
<td>Plastics &amp; Rubber Goods</td>
<td>Wholesalers &amp; Distributers</td>
</tr>
<tr>
<td>Hotels &amp; Restaurants</td>
<td></td>
<td>Healthcare</td>
</tr>
<tr>
<td>Imported Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printers/Publishers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Meeting specialized needs of customers
INDUSTRYEdge™

- Effective tools for underwriters and agents
  - Underwriting knowledge edge
  - Pricing

- Industry leading risk control organization
  - Over 700 specialists help customers assess risk and mitigate loss experience
  - Approximately 75% of new accounts inspected prior to quote

- Claim experience / claim management
  - Connectivity between underwriting and claim organization
  - Claim effectiveness
Capitalize on Leadership Position Within Distribution
Increase Penetration With Top Performing Agents

An Agency’s Average Share of Middle Market Written Premium With Their Top 3 Carriers¹

80% of an agency’s book is with their top 3 carriers

80%
20%

Agency Preference Survey²

- Percentage of agents who responded that Travelers was one of the top 5 companies they do business with:

Commercial Lines

#1 Rank: Travelers: 69%
#2 Ranked Company: 35%

¹ Source: June 2007 Copernicus Market Research Telephone Survey; Booz Allen analysis.
Capitalizing on Leadership Position Within Distribution
Add New Agency Relationships

Commercial Accounts: Agency Relationships

12% Increase

Expanding on broad distribution plant
Overview

Commercial Accounts Strategy

• Leverage size and scale while executing locally
• Capitalize on leadership position within distribution

Results

• Renewal business
• New business
Renewal Business Results
Retention

Commercial Accounts

86%  85%  86%  85%

2006  2007  2008  2009

Retaining business at historically high levels

Note: statistics are subject to change based on a number of factors, including changes in actuarial estimates.
Renewal Business Results

Pricing

Commercial Accounts

1 Renewal Rate Change\(^1\) %

2 Exposure/Other %

3 Renewal Premium Change\(^2\) %

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

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

3 First quarter-to-date results through end of February 2010.

Note: statistics are subject to change based on a number of factors, including changes in actuarial estimates.
New Business Results

Commercial Accounts: New Business Premium

23% Increase

Increased Opportunities
New Product
Account Rounding
New Agency Relationships

Creating opportunities to drive positive new business results
New Business Results
Increased Opportunities

Generating more opportunities…

Submissions

Quotes

70% Increase

79% Increase

…while continuing to apply discipline

Quote Ratio

Hit Ratio

Generally consistent

Decrease of 11.4 points

Note: Commercial Accounts statistics
Commercial Accounts: New Business Premium from New Products

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$39</td>
</tr>
<tr>
<td>2007</td>
<td>$73</td>
</tr>
<tr>
<td>2008</td>
<td>$85</td>
</tr>
<tr>
<td>2009</td>
<td>$106</td>
</tr>
</tbody>
</table>

172% Increase

New products helping drive new business

Note: New business from the following products: Auto Dealers, Printer/Publishers, Restaurants, Hotels, Architects & Engineers, Building Service Contractors and Healthcare
New Business Results
Account Rounding

Commercial Accounts: New Business from Existing Customers

($ in millions)

2006: $71
2009: $89

25% Increase

Leveraging existing relationships
New Business Results
Increasing the Number of Lines per Account

Commercial Accounts: Accounts With 5 Lines of Coverage

3-Year Growth: 49%

Retention improves as the number of lines increase
New Business Results
New Agency Relationships

Utilizing the strength of the franchise to build successful new relationships

Agency Relationships

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>12% Increase</td>
</tr>
</tbody>
</table>

New Business from New Agency Relationships

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>12% Increase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$53</td>
<td>$56</td>
<td>$79</td>
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</tbody>
</table>

Note: Commercial Accounts statistics
New Business Results
Net Gain in Accounts from Top Competitors

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Full Year 2009</th>
<th>Full Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier 1</td>
<td>302</td>
<td>97</td>
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<tr>
<td>Carrier 2</td>
<td>188</td>
<td>178</td>
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<tr>
<td>Carrier 3</td>
<td>160</td>
<td>82</td>
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<td>Carrier 4</td>
<td>156</td>
<td>49</td>
</tr>
<tr>
<td>Carrier 5</td>
<td>153</td>
<td>99</td>
</tr>
<tr>
<td>Carrier 6</td>
<td>145</td>
<td>94</td>
</tr>
</tbody>
</table>

Significant advantage over competitors

1 Based on extensive sampling of Commercial Account data for net gain from top competitors in accounts greater than $50,000
Travelers Commercial Accounts
Widening the Gap Through Superior Execution

- Industry leading analytics
- Product breadth
- Disciplined underwriting
- Agency relationships

Optimizing results in any market environment
• For further information, please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC’s website (www.sec.gov)

• Copies of this presentation and related financial supplement are publicly available on the Travelers website (www.travelers.com)

• From time to time, Travelers may use its website as a channel of distribution of material company information. Financial and other material information regarding the company is routinely posted on and accessible at http://investor.travelers.com. In addition, you may automatically receive email alerts and other information about Travelers by enrolling your email by visiting the “E-mail Alert Service” section at http://investor.travelers.com.