The Travelers Companies, Inc.

One Underwriter, One Agent, One Account: Why Our Differences Matter
Explanatory Note

This presentation contains, and management may make, “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. Examples of our forward-looking statements include statements relating to our future financial condition and operating results, our share repurchase plans, potential margins, the sufficiency of our reserves and our strategic initiatives, among others.

We caution investors that such statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following:

- Catastrophe losses;
- Financial market disruption or economic downturn;
- Changes to our claims and claim adjustment expense reserves;
- The performance of our investment portfolio;
- Asbestos and environmental claims;
- Mass tort claims;
- Emerging claim and coverage issues;
- Competition;
- The collectability and availability of reinsurance coverage;
- Credit risk we face in insurance operations and investment activities;
- The federal, state and international regulatory environment;
- A downgrade in our claims-paying or financial strength ratings;
- The inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts;
- Disruptions to our relationships with our independent agents and brokers;
- Risks associated with developing new products or expanding in targeted markets;
- A reduction in the U.S. federal corporate income tax rate that adversely affects any net deferred tax assets we may have;
- Other changes in tax laws that adversely impact our investment portfolio or operating results;
- Risks associated with our use of pricing and capital models;
- Risks associated with our business outside of the United States, including regulatory risks;
- Limits to the effectiveness of our information technology systems;
- Difficulties with our technology, data security and/or outsourcing relationships;
- Risks associated with acquisitions;
- Changes to existing accounting standards;
- Limits to the effectiveness of our compliance controls;
- Our ability to hire and retain qualified employees;
- Losses of or restrictions placed on the use of credit scoring in the pricing and underwriting of insurance products; and
- Factors impacting the operation of our repurchase plans.

For a more detailed discussion of these factors, see the information under "Risk Factors" and "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Form 10-K and Form 10-Q 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 those statements.
Bill Cunningham
Executive Vice President, Business Insurance
Travelers Business Segments
2012 Net Written Premiums: $22.4 Billion

- Personal Insurance: 34%
- Financial, Professional & International Insurance: 13%
- Business Insurance: 53%
Business Insurance

2012 Net Written Premiums: $11.9 Billion

By Market

- Select Accounts: 23%
- Industry-Focused Underwriting: 22%
- Commercial Accounts: 26%
- Target Risk Underwriting: 14%
- Specialized Distribution: 7%
- National Accounts: 8%

By Product Line

- Workers’ Compensation: 29%
- Commercial Multi-Peril: 26%
- Commercial Automobile: 16%
- General Liability: 15%
- Commercial Property: 14%

Broad appetite / balanced portfolio

Industry-Focused Underwriting: Construction, Technology, Public Sector Services, Oil & Gas, Agribusiness
Target Risk Underwriting: National Property, Inland Marine, Ocean Marine, Excess Casualty, Boiler & Machinery, Global Partner Services
Specialized Distribution: Northland, National Programs

TRAVELERS
Business Insurance: Individually Underwritten Accounts

2012 Net Written Premiums: $10.2 Billion

Approximately 85% of business is individually underwritten accounts

- **Commercial Accounts**: 26%
- **Select Accounts: Express Plus**: 9%
- **Select Accounts: Express**: 14%
- **National Accounts**: 8%
- **Specialized Distribution**: 7%
- **Target Risk Underwriting**: 14%
- **Industry-Focused Underwriting**: 22%

**Select Accounts: Express**
- Express Plus: 9%
- Express: 14%

**Industry-Focused Underwriting**
- Construction
- Technology
- Public Sector Services
- Oil & Gas
- Agribusiness

**Target Risk Underwriting**
- National Property
- Inland Marine
- Ocean Marine
- Excess Casualty
- Boiler & Machinery
- Global Partner Services

**Specialized Distribution**
- Northland
- National Programs
Superior execution = top tier returns
Distribution Position

**Distributors Want**
- Broadest capabilities
- Specialization / expertise
- Superior risk control and claim management
- Ease of doing business

**Travelers Delivers**
- Solutions for a wide range of customers
- Carriers that understand their customers
- Risk improvement services
- Efficiency and responsiveness

Differentiated position with distribution drives superior results
Distribution Position

Leadership Advantage

Booz Allen Hamilton Analysis\(^1\)

- **#1 Carrier**: 42%
- **#2 Carrier**: 23%
- **#3 Carrier**: 15%
- **All Other**: 20%

80% Top 3 Carriers

Average 15-20 carriers within an agency

IIABA Study\(^2\)

- **How Often in Top 3 Accounts over $100,000**
  - TRV: 53%
  - Second: 36%
  - Third: 25%
  - Others: 13%, 11%, 8%

Accounts over $100,000

Strong position within distribution provides greater opportunity to quote best risks

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\(^1\) June 2007 Copernicus Market Research Telephone Survey; Booz Allen Hamilton analysis.

\(^2\) Independent Insurance Agents & Brokers of America (IIABA) 2012 Future One Agency Universe Agency Study.
Distribution Position
Leadership Advantage

Agent Survey\(^1\): 2007 - 2013

How Often in Top 5

Consistently named as a top 5 commercial lines carrier

\(^1\) Bi-Annual Goldman Sachs Property & Casualty Pricing Survey: 1st half of the year edition for each year.
Specialization
Product & Appetite Breadth & Depth

<table>
<thead>
<tr>
<th>Commercial Accounts</th>
<th>Construction</th>
<th>Public Sector</th>
<th>Technology</th>
<th>Oil &amp; Gas</th>
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<tbody>
<tr>
<td>Architects &amp; Engineers</td>
<td>General Building</td>
<td>American Indian Nations</td>
<td>Telecommunications</td>
<td>Operators/Non-Operators</td>
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<td>Automobile Dealers</td>
<td>Highway, Street &amp; Road</td>
<td>K-12 Public Schools</td>
<td>Information Technology</td>
<td>Drilling Contractors</td>
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<td>Building Service Contractors</td>
<td>Bridges</td>
<td>Municipalities/Counties</td>
<td>Medical Technology</td>
<td>Service Contractors</td>
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<td>Educational Institutions</td>
<td>Underground Utilities</td>
<td>Other Special Districts</td>
<td>Electronics Manufacturing</td>
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<td>Equipment Dealers</td>
<td>Sprinklers</td>
<td>Water/Sewer Districts</td>
<td>Clean Energy &amp; Technology</td>
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<td>Healthcare</td>
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<td>– High Hazard Products</td>
<td>Tile &amp; Masonry</td>
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<td>– Textiles</td>
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<td>– Wood &amp; Paper</td>
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<td>Printers &amp; Publishers</td>
<td>Wind Pac &amp; Solar Pac</td>
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<td>Real Estate</td>
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<td>Retail</td>
<td>Boiler &amp; Machinery</td>
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<td>Wholesale/Imported Products</td>
<td>Inland Marine</td>
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TRV offers specialized solutions for two-thirds of U.S. mid-size business premium

1Source: MarketStance, Travelers estimates
Data & Analytics

Underwriting Sophistication

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

Specialization + Scale + Analytics = Underwriting Advantage
Value-added services make a difference
Ability to impact loss costs is a key differentiator among companies.
Service Capabilities

- Resolution excellence compressing claim process (improve customer satisfaction, pay right amount and eliminate fraud)
- Speed, flexible delivery of claim service that customers value, share risk management knowledge

Claim effectiveness gives us a competitive advantage
Talent
Business Insurance Underwriting

Approximately 2,270 Employees in Business Insurance Underwriting Functions

- ~1,900 located in the field
- Regional Vice President (RVP) average tenure is ~24 years
- Managing Director (MD) average tenure is ~16 years
- Account Executive (AE) average tenure is >9 years

Attracting and retaining the best talent in the business

As of 3/31/13. Includes all levels of underwriting EE’s in the UW job families, Senior Management, and Underwriting Support Functions.
Talent
Investing in the Future

Underwriting Professional Development Program: New Hires

564 new underwriting trainees hired since 2006
Talent
Investing in Agent Talent

- 3-week new producer training – 7 courses; 150 participants
- 2,200 site visits on average per month
- 15,000 online courses completed
- 900+ agents completed CE-credit courses
Business Insurance: Individually Underwritten Accounts

TRV Differentiation

One Underwriter, One Agent, One Account at a Time
Commercial Accounts has approximately **22,000** customers at an average of **$150,000** in premium.

**Industry-Focused Underwriting**: Construction, Technology, Public Sector Services, Oil & Gas, Agribusiness

**Target Risk Underwriting**: National Property, Inland Marine, Ocean Marine, Excess Casualty, Boiler & Machinery, Global Partner Services

**Specialized Distribution**: Northland, National Programs
Range of Travelers Accounts

- **Employees**: 50 to 1,000
- **Sales**: $25 million to $250 million
- **Property value**: $10 million to $50 million
- **Fleet count**: 5 to 100
Commercial Accounts

Approximately 60% of our customers buy 4 or more lines of coverage.

Product Lines

- Commercial Automobile
- General Liability
- Global
- Property
- Umbrella
- Workers’ Compensation
We keep more of our business when we write more lines.
Specialization
Product & Appetite Breadth & Depth

Commercial Accounts

- Architects & Engineers
- Automobile Dealers
- Building Service Contractors
- Educational Institutions
- Equipment Dealers
- Healthcare
- Hotels/Restaurants
- Manufacturing
  - Electrical Equipment
  - Food
  - High Hazard Products
  - Metal
  - Plastic & Rubber
  - Textiles
  - Wood & Paper
- Printers & Publishers
- Real Estate
- Retail
- Wholesale/Imported Products

The Commercial Accounts IndustryEdge® suite of products delivers tailored coverages and underwriting expertise to over 20 targeted industries
Specialization
Commercial Accounts

IndustryEdge® - An Industry Focused Approach

- Tailored coverage
- Specialized services
  - Dedicated risk control and claim
- Consistent appetite
- Expertise driven by scale and experience

Specialized underwriting in industry specific coverages and services to match unique exposures
Distribution Position

Commercial Accounts: Field Office Locations

In Over 50 Locations

With 2,600 Independent Agent and Broker Relationships

A national reach with local decision making
The flat organizational structure fosters decision-making empowerment and a local presence.
Drivers of a strong AE / Agent relationship

- Extremely responsive
- Authority to make decisions
- Provides solutions to write complex risks
- Expertise and knowledge of the local market
- Communication

Account executives produce opportunities, have underwriting authority to make decisions and are supported in a collaborative environment
Commercial Accounts: Individually Underwritten Accounts

TRV Differentiation

A collaborative, disciplined and repeatable process
Commercial Accounts: Individually Underwritten Accounts

TRV Differentiation

...at a Time
Northeast Region Team

One Underwriter, One Agent, One Account: Why Our Differences Matter
Barbara Insero
Northeast Regional Vice President

- 22 years of experience

- Responsible for:
  - Seven underwriting locations in New England & Upstate New York
  - 3,000 customers at $290 million in premium
  - Over 300 distributor relationships
Our Team

- **Bill Hayes**, Managing Director for Upstate New York
- **Patrick Salonia**, Account Executive for Upstate New York
- **Deborah Conklin**, Claim Account Executive
- **Scott Humphrey**, Risk Control Consultant
Commercial Accounts: Individually Underwritten Accounts

TRV Differentiation

- Specialization
- Data & Analytics
- Talent
- Distribution Position
- Service Capabilities

Superior Execution

Superior execution = top tier returns
Today’s Agenda

Three Industry Edge® Manufacturing Accounts in the Northeast

- Acme Manufacturing: A prospect to a satisfied customer
- ABC International: A new opportunity declined
- XYZ Packaging: A customer with an exposure change

Travelers differentiation in action
Bill Cunningham
Executive Vice President, Business Insurance
1 Represents the estimated change in average premium on policies that renew, excluding exposure changes.

2 Represents average estimated ultimate loss ratio for individual accounts over time.

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

Commercial Accounts: 1Q’13 Renewal Pricing Results

Long-Term Loss Ratio Bands\(^2\) – All Lines of Business

Account specific rate actions

1 Represents the estimated change in average premium on policies that renew, excluding exposure changes.

2 Represents average estimated ultimate loss ratio for individual accounts over time.

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

\~560 accounts 12\% average rate
Business Insurance

U.S. Commercial Lines Growth & Profitability – 5 Year Trend

Top 10 Commercial Lines Carriers: Profit vs. Growth 2008-2012

Average Annual Growth

Underwriting Profit


2 Includes Business Insurance and Bond & Financial Products segments to equate to SNL Financial’s definition of Commercial Insurance.
Business Insurance: Individually Underwritten Accounts

TRV Differentiation

Specialization

Talent

Data & Analytics

Service Capabilities

Distribution Position

One Underwriter, One Agent, One Account at a Time
Disclosure

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 our earnings releases and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission. See the “For Investors” section at Travelers.com.

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 are publicly available on the Travelers website (www.travelers.com).

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