

The Travelers Companies, Inc.
Financial Supplement - Second Quarter 2015



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

The Travelers Companies, Inc.
Financial Highlights

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



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	YTD 2Q 2014	YTD 2Q 2015
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Net income per share:								
Basic	\$ 2.98	\$ 1.98	\$ 2.72	\$ 3.15	\$ 2.58	\$ 2.56	\$ 4.97	\$ 5.14
Diluted	\$ 2.95	\$ 1.95	\$ 2.69	\$ 3.11	\$ 2.55	\$ 2.53	\$ 4.91	\$ 5.08
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 1,725	\$ 1,633
Operating income per share:								
Basic	\$ 2.98	\$ 1.95	\$ 2.64	\$ 3.11	\$ 2.56	\$ 2.54	\$ 4.94	\$ 5.10
Diluted	\$ 2.95	\$ 1.93	\$ 2.61	\$ 3.07	\$ 2.53	\$ 2.52	\$ 4.89	\$ 5.05
Return on equity	16.8%	10.7%	14.5%	16.6%	13.4%	13.3%	13.7%	13.3%
Operating return on equity	17.8%	11.4%	15.2%	17.7%	14.5%	14.2%	14.6%	14.3%
Total assets, at period end	\$ 104,134	\$ 104,811	\$ 104,522	\$ 103,078	\$ 102,691	\$ 101,664	\$ 104,811	\$ 101,664
Total equity, at period end	\$ 25,387	\$ 25,532	\$ 25,321	\$ 24,836	\$ 24,847	\$ 24,121	\$ 25,532	\$ 24,121
Book value per share, at period end	\$ 73.06	\$ 75.32	\$ 76.42	\$ 77.08	\$ 77.96	\$ 77.51	\$ 75.32	\$ 77.51
Less: Net unrealized investment gains, net of tax	4.81	5.94	5.78	6.10	6.51	4.42	5.94	4.42
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>\$ 69.38</u>	<u>\$ 73.09</u>
Weighted average number of common shares outstanding (basic)	350.9	343.0	335.1	326.8	320.8	314.8	346.9	317.7
Weighted average number of common shares outstanding and common stock equivalents (diluted)	354.6	346.7	338.9	331.0	324.5	318.0	350.5	321.2
Common shares outstanding at period end	347.5	339.0	331.4	322.2	318.7	311.2	339.0	311.2
Common stock dividends declared	\$ 177	\$ 190	\$ 186	\$ 182	\$ 178	\$ 194	\$ 367	\$ 372
Common stock repurchased:								
Under Board of Directors authorization								
Shares	7.8	9.5	8.1	9.7	5.6	7.9	17.3	13.5
Cost	\$ 650	\$ 875	\$ 750	\$ 1,000	\$ 600	\$ 800	\$ 1,525	\$ 1,400
Other								
Shares	0.7	-	-	-	0.7	-	0.7	0.7
Cost	\$ 55	\$ 1	\$ 1	\$ 1	\$ 72	\$ 1	\$ 56	\$ 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	YTD 2Q 2014	YTD 2Q 2015
Net income								
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 1,725	\$ 1,633
Net realized investment gains, after-tax	-	10	26	15	6	6	10	12
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Basic earnings per share								
Operating income	\$ 2.98	\$ 1.95	\$ 2.64	\$ 3.11	\$ 2.56	\$ 2.54	\$ 4.94	\$ 5.10
Net realized investment gains, after-tax	-	0.03	0.08	0.04	0.02	0.02	0.03	0.04
Net income	\$ 2.98	\$ 1.98	\$ 2.72	\$ 3.15	\$ 2.58	\$ 2.56	\$ 4.97	\$ 5.14
Diluted earnings per share								
Operating income	\$ 2.95	\$ 1.93	\$ 2.61	\$ 3.07	\$ 2.53	\$ 2.52	\$ 4.89	\$ 5.05
Net realized investment gains, after-tax	-	0.02	0.08	0.04	0.02	0.01	0.02	0.03
Net income	\$ 2.95	\$ 1.95	\$ 2.69	\$ 3.11	\$ 2.55	\$ 2.53	\$ 4.91	\$ 5.08
Adjustments to net income and weighted average shares for net income EPS calculations: (1)								
	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	YTD 2Q 2014	YTD 2Q 2015
Basic and Diluted								
Net income, as reported	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Participating share-based awards - allocated income	(7)	(5)	(7)	(8)	(6)	(6)	(12)	(12)
Net income available to common shareholders - basic and diluted	\$ 1,045	\$ 678	\$ 912	\$ 1,030	\$ 827	\$ 806	\$ 1,723	\$ 1,633
Common Shares								
Basic								
Weighted average shares outstanding	350.9	343.0	335.1	326.8	320.8	314.8	346.9	317.7
Diluted								
Weighted average shares outstanding	350.9	343.0	335.1	326.8	320.8	314.8	346.9	317.7
Weighted average effects of dilutive securities - stock options and performance shares	3.7	3.7	3.8	4.2	3.7	3.2	3.6	3.5
Diluted weighted average shares outstanding	354.6	346.7	338.9	331.0	324.5	318.0	350.5	321.2

(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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Premiums	\$ 5,823	\$ 5,928	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 11,751	\$ 11,819
Net investment income	736	695	719	637	592	632	1,431	1,224
Fee income	107	112	110	109	111	111	219	222
Net realized investment gains	1	16	40	22	10	10	17	20
Other revenues	41	34	34	36	25	22	75	47
Total revenues	6,708	6,785	6,886	6,783	6,626	6,706	13,493	13,332
Claims and expenses								
Claims and claim adjustment expenses	3,315	3,826	3,520	3,209	3,431	3,547	7,141	6,978
Amortization of deferred acquisition costs	950	965	984	983	963	963	1,915	1,926
General and administrative expenses	881	1,001	1,031	1,039	992	1,028	1,882	2,020
Interest expense	92	92	93	92	92	92	184	184
Total claims and expenses	5,238	5,884	5,628	5,323	5,478	5,630	11,122	11,108
Income before income taxes	1,470	901	1,258	1,460	1,148	1,076	2,371	2,224
Income tax expense	418	218	339	422	315	264	636	579
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Other-than-temporary impairments (OTTI)								
Total OTTI losses	\$ (7)	\$ (1)	\$ (8)	\$ (6)	\$ (4)	\$ (8)	\$ (8)	\$ (12)
OTTI losses recognized in net realized investment gains	\$ (9)	\$ (1)	\$ (10)	\$ (6)	\$ (3)	\$ (6)	\$ (10)	\$ (9)
OTTI gains (losses) recognized in other comprehensive income	\$ 2	\$ -	\$ 2	\$ -	\$ (1)	\$ (2)	\$ 2	\$ (3)
Other statistics								
Effective tax rate on net investment income	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	20.7%	19.9%
Net investment income (after-tax)	\$ 582	\$ 553	\$ 568	\$ 513	\$ 478	\$ 503	\$ 1,135	\$ 981
Catastrophes, net of reinsurance:								
Pre-tax	\$ 149	\$ 436	\$ 83	\$ 41	\$ 162	\$ 221	\$ 585	\$ 383
After-tax	\$ 97	\$ 284	\$ 54	\$ 27	\$ 106	\$ 143	\$ 381	\$ 249
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 294	\$ 183	\$ 113	\$ 351	\$ 243	\$ 207	\$ 477	\$ 450
After-tax	\$ 190	\$ 122	\$ 74	\$ 230	\$ 158	\$ 133	\$ 312	\$ 291

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	YTD 2Q 2014	YTD 2Q 2015
Underwriting gain	\$ 507	\$ 162	\$ 364	\$ 551	\$ 395	\$ 353	\$ 669	\$ 748
Net investment income	582	553	568	513	478	503	1,135	981
Other income (expense), including interest expense	(37)	(42)	(39)	(41)	(46)	(50)	(79)	(96)
Operating income	1,052	673	893	1,023	827	806	1,725	1,633
Net realized investment gains	-	10	26	15	6	6	10	12
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Combined ratio (1) (2)								
Loss and loss adjustment expense ratio	56.0%	63.6%	58.0%	52.8%	57.4%	58.9%	59.9%	58.2%
Underwriting expense ratio	29.7%	31.5%	32.0%	32.2%	31.5%	31.9%	30.6%	31.7%
Combined ratio	85.7%	95.1%	90.0%	85.0%	88.9%	90.8%	90.5%	89.9%
<i>Combined ratio excluding incremental impact of direct to consumer initiative</i>	85.3%	94.6%	89.4%	84.4%	88.5%	90.3%	90.0%	89.4%
Impact of catastrophes on combined ratio	2.6%	7.3%	1.4%	0.7%	2.7%	3.7%	5.0%	3.3%
Impact of prior year reserve development on combined ratio	-5.1%	-3.1%	-1.9%	-5.9%	-4.1%	-3.5%	-4.1%	-3.8%

(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	YTD 2Q 2014	YTD 2Q 2015
Billing and policy fees and other	\$ 30	\$ 25	\$ 25	\$ 23	\$ 23	\$ 22	\$ 55	\$ 45
Fee income:								
Loss and loss adjustment expenses	\$ 43	\$ 46	\$ 43	\$ 40	\$ 42	\$ 43	\$ 89	\$ 85
Underwriting expenses	64	66	67	69	69	68	130	137
Total fee income	\$ 107	\$ 112	\$ 110	\$ 109	\$ 111	\$ 111	\$ 219	\$ 222

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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Premiums	\$ 5,823	\$ 5,928	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 11,751	\$ 11,819
Net investment income	736	695	719	637	592	632	1,431	1,224
Fee income	107	112	110	109	111	111	219	222
Other revenues	41	34	34	36	25	22	75	47
Total revenues	6,707	6,769	6,846	6,761	6,616	6,696	13,476	13,312
Claims and expenses								
Claims and claim adjustment expenses	3,315	3,826	3,520	3,209	3,431	3,547	7,141	6,978
Amortization of deferred acquisition costs	950	965	984	983	963	963	1,915	1,926
General and administrative expenses	881	1,001	1,031	1,039	992	1,028	1,882	2,020
Interest expense	92	92	93	92	92	92	184	184
Total claims and expenses	5,238	5,884	5,628	5,323	5,478	5,630	11,122	11,108
Operating income before income taxes	1,469	885	1,218	1,438	1,138	1,066	2,354	2,204
Income tax expense	417	212	325	415	311	260	629	571
Operating income	\$ 1,052	\$ 673	\$ 893	\$ 1,023	\$ 827	\$ 806	\$ 1,725	\$ 1,633
Other statistics								
Effective tax rate on net investment income	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	20.7%	19.9%
Net investment income (after-tax)	\$ 582	\$ 553	\$ 568	\$ 513	\$ 478	\$ 503	\$ 1,135	\$ 981
Catastrophes, net of reinsurance:								
Pre-tax	\$ 149	\$ 436	\$ 83	\$ 41	\$ 162	\$ 221	\$ 585	\$ 383
After-tax	\$ 97	\$ 284	\$ 54	\$ 27	\$ 106	\$ 143	\$ 381	\$ 249
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 294	\$ 183	\$ 113	\$ 351	\$ 243	\$ 207	\$ 477	\$ 450
After-tax	\$ 190	\$ 122	\$ 74	\$ 230	\$ 158	\$ 133	\$ 312	\$ 291

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	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 6,401	\$ 6,525	\$ 6,578	\$ 6,134	\$ 6,474	\$ 6,542	\$ 12,926	\$ 13,016
Net written premiums	\$ 5,873	\$ 6,168	\$ 6,033	\$ 5,836	\$ 5,897	\$ 6,169	\$ 12,041	\$ 12,066
Net earned premiums	\$ 5,823	\$ 5,934	\$ 5,983	\$ 5,979	\$ 5,888	\$ 5,931	\$ 11,757	\$ 11,819
Losses and loss adjustment expenses	3,267	3,766	3,468	3,157	3,379	3,495	7,033	6,874
Underwriting expenses	1,783	1,918	1,946	1,885	1,890	1,949	3,701	3,839
Statutory underwriting gain	773	250	569	937	619	487	1,023	1,106
Policyholder dividends	11	7	9	11	9	10	18	19
Statutory underwriting gain after policyholder dividends	\$ 762	\$ 243	\$ 560	\$ 926	\$ 610	\$ 477	\$ 1,005	\$ 1,087
Other statutory statistics								
Reserves for losses and loss adjustment expenses	\$ 41,383	\$ 41,715	\$ 41,525	\$ 41,007	\$ 40,296	\$ 40,273	\$ 41,715	\$ 40,273
Increase (decrease) in reserves	\$ (185)	\$ 332	\$ (190)	\$ (518)	\$ (711)	\$ (23)	\$ 147	\$ (734)
Statutory capital and surplus	\$ 21,440	\$ 21,036	\$ 21,005	\$ 21,049	\$ 20,944	\$ 20,851	\$ 21,036	\$ 20,851
Net written premiums/surplus (1)	1.07:1	1.11:1	1.13:1	1.14:1	1.14:1	1.15:1	1.11:1	1.15:1

(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	YTD 2Q 2014	YTD 2Q 2015
Written premiums								
Gross	\$ 6,401	\$ 6,519	\$ 6,578	\$ 6,134	\$ 6,474	\$ 6,542	\$ 12,920	\$ 13,016
Ceded	(528)	(357)	(545)	(298)	(577)	(373)	(885)	(950)
Net	<u>\$ 5,873</u>	<u>\$ 6,162</u>	<u>\$ 6,033</u>	<u>\$ 5,836</u>	<u>\$ 5,897</u>	<u>\$ 6,169</u>	<u>\$ 12,035</u>	<u>\$ 12,066</u>
Earned premiums								
Gross	\$ 6,295	\$ 6,378	\$ 6,437	\$ 6,443	\$ 6,308	\$ 6,356	\$ 12,673	\$ 12,664
Ceded	(472)	(450)	(454)	(464)	(420)	(425)	(922)	(845)
Net	<u>\$ 5,823</u>	<u>\$ 5,928</u>	<u>\$ 5,983</u>	<u>\$ 5,979</u>	<u>\$ 5,888</u>	<u>\$ 5,931</u>	<u>\$ 11,751</u>	<u>\$ 11,819</u>

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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Premiums	\$ 3,558	\$ 3,631	\$ 3,660	\$ 3,663	\$ 3,620	\$ 3,609	\$ 7,189	\$ 7,229
Net investment income	570	539	557	490	454	487	1,109	941
Fee income	107	112	110	109	111	111	219	222
Other revenues	12	10	10	14	8	5	22	13
Total revenues	4,247	4,292	4,337	4,276	4,193	4,212	8,539	8,405
Claims and expenses								
Claims and claim adjustment expenses	2,177	2,455	2,360	2,153	2,265	2,238	4,632	4,503
Amortization of deferred acquisition costs	565	580	589	587	584	578	1,145	1,162
General and administrative expenses	554	653	661	673	654	674	1,207	1,328
Total claims and expenses	3,296	3,688	3,610	3,413	3,503	3,490	6,984	6,993
Operating income before income taxes	951	604	727	863	690	722	1,555	1,412
Income tax expense	257	133	175	233	175	179	390	354
Operating income	\$ 694	\$ 471	\$ 552	\$ 630	\$ 515	\$ 543	\$ 1,165	\$ 1,058
Other statistics								
Effective tax rate on net investment income	21.1%	20.6%	21.0%	19.6%	19.4%	20.7%	20.9%	20.0%
Net investment income (after-tax)	\$ 450	\$ 427	\$ 440	\$ 394	\$ 366	\$ 386	\$ 877	\$ 752
Catastrophes, net of reinsurance:								
Pre-tax	\$ 83	\$ 242	\$ 31	\$ 11	\$ 99	\$ 108	\$ 325	\$ 207
After-tax	\$ 55	\$ 158	\$ 19	\$ 7	\$ 65	\$ 70	\$ 213	\$ 135
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 95	\$ 47	\$ 21	\$ 159	\$ 77	\$ 103	\$ 142	\$ 180
After-tax	\$ 61	\$ 33	\$ 14	\$ 106	\$ 50	\$ 65	\$ 94	\$ 115

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	YTD 2Q 2014	YTD 2Q 2015
Underwriting gain	\$ 236	\$ 37	\$ 104	\$ 227	\$ 142	\$ 155	\$ 273	\$ 297
Net investment income	450	427	440	394	366	386	877	752
Other income (expense)	8	7	8	9	7	2	15	9
Operating income	\$ 694	\$ 471	\$ 552	\$ 630	\$ 515	\$ 543	\$ 1,165	\$ 1,058
Combined ratio (1) (2)								
Loss and loss adjustment expense ratio	59.8%	66.2%	63.1%	57.4%	61.2%	60.6%	63.0%	60.9%
Underwriting expense ratio	29.4%	31.9%	32.1%	32.4%	32.1%	32.6%	30.7%	32.4%
Combined ratio	89.2%	98.1%	95.2%	89.8%	93.3%	93.2%	93.7%	93.3%
Impact of catastrophes on combined ratio	2.4%	6.6%	0.9%	0.2%	2.7%	2.9%	4.5%	2.9%
Impact of prior year reserve development on combined ratio	-2.7%	-1.3%	-0.6%	-4.3%	-2.1%	-2.8%	-2.0%	-2.5%

(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	YTD 2Q 2014	YTD 2Q 2015
Billing and policy fees and other	\$ 8	\$ 7	\$ 7	\$ 7	\$ 7	\$ 6	\$ 15	\$ 13
Fee income:								
Loss and loss adjustment expenses	\$ 43	\$ 46	\$ 43	\$ 40	\$ 42	\$ 43	\$ 89	\$ 85
Underwriting expenses	64	66	67	69	69	68	130	137
Total fee income	\$ 107	\$ 112	\$ 110	\$ 109	\$ 111	\$ 111	\$ 219	\$ 222

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

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

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 4,224	\$ 4,067	\$ 4,057	\$ 3,860	\$ 4,276	\$ 4,027	\$ 8,291	\$ 8,303
Net written premiums	\$ 3,772	\$ 3,735	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 7,507	\$ 7,476
Net earned premiums	\$ 3,558	\$ 3,637	\$ 3,660	\$ 3,663	\$ 3,620	\$ 3,609	\$ 7,195	\$ 7,229
Losses and loss adjustment expenses	2,132	2,397	2,310	2,103	2,216	2,187	4,529	4,403
Underwriting expenses	1,105	1,178	1,169	1,156	1,206	1,192	2,283	2,398
Statutory underwriting gain	321	62	181	404	198	230	383	428
Policyholder dividends	8	5	7	9	7	8	13	15
Statutory underwriting gain after policyholder dividends	\$ 313	\$ 57	\$ 174	\$ 395	\$ 191	\$ 222	\$ 370	\$ 413

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	YTD 2Q 2014	YTD 2Q 2015
Net written premiums by market								
Domestic								
Select Accounts	\$ 718	\$ 705	\$ 654	\$ 630	\$ 722	\$ 709	\$ 1,423	\$ 1,431
Middle Market	1,632	1,420	1,545	1,511	1,733	1,456	3,052	3,189
National Accounts	300	243	249	255	299	228	543	527
First Party	387	450	369	373	340	452	837	792
Specialized Distribution	267	283	262	262	268	300	550	568
Total Domestic	3,304	3,101	3,079	3,031	3,362	3,145	6,405	6,507
International	468	628	481	544	435	534	1,096	969
Total	\$ 3,772	\$ 3,729	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 7,501	\$ 7,476
Net written premiums by product line								
Workers' compensation	\$ 1,076	\$ 904	\$ 921	\$ 893	\$ 1,142	\$ 906	\$ 1,980	\$ 2,048
Commercial automobile	490	456	484	462	503	487	946	990
Commercial property	440	505	415	433	392	507	945	899
General liability	469	477	478	467	494	474	946	968
Commercial multi-peril	821	750	759	773	824	765	1,571	1,589
International	468	628	481	544	435	534	1,096	969
Other	8	9	22	3	7	6	17	13
Total	\$ 3,772	\$ 3,729	\$ 3,560	\$ 3,575	\$ 3,797	\$ 3,679	\$ 7,501	\$ 7,476
National Accounts								
Additions to claim volume under administration (1)	\$ 727	\$ 511	\$ 546	\$ 616	\$ 761	\$ 536	\$ 1,238	\$ 1,297
Written fees	\$ 111	\$ 87	\$ 95	\$ 86	\$ 114	\$ 92	\$ 198	\$ 206

(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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Premiums	\$ 503	\$ 524	\$ 527	\$ 522	\$ 504	\$ 524	\$ 1,027	\$ 1,028
Net investment income	66	62	64	60	56	57	128	113
Other revenues	4	6	5	4	5	5	10	10
Total revenues	573	592	596	586	565	586	1,165	1,151
Claims and expenses								
Claims and claim adjustment expenses	159	110	152	60	192	192	269	384
Amortization of deferred acquisition costs	93	95	101	99	94	97	188	191
General and administrative expenses	97	102	101	103	100	99	199	199
Total claims and expenses	349	307	354	262	386	388	656	774
Operating income before income taxes	224	285	242	324	179	198	509	377
Income tax expense	70	93	77	108	55	47	163	102
Operating income	\$ 154	\$ 192	\$ 165	\$ 216	\$ 124	\$ 151	\$ 346	\$ 275
Other statistics								
Effective tax rate on net investment income	18.9%	18.4%	19.0%	18.1%	18.3%	18.6%	18.7%	18.4%
Net investment income (after-tax)	\$ 53	\$ 52	\$ 51	\$ 49	\$ 46	\$ 47	\$ 105	\$ 93
Catastrophes, net of reinsurance:								
Pre-tax	\$ 1	\$ 4	\$ 1	\$ -	\$ 1	\$ 1	\$ 5	\$ 2
After-tax	\$ -	\$ 3	\$ 1	\$ -	\$ -	\$ 1	\$ 3	\$ 1
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 67	\$ 124	\$ 79	\$ 180	\$ 35	\$ 40	\$ 191	\$ 75
After-tax	\$ 43	\$ 81	\$ 52	\$ 116	\$ 23	\$ 26	\$ 124	\$ 49

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	YTD 2Q 2014	YTD 2Q 2015
Underwriting gain	\$ 99	\$ 136	\$ 110	\$ 164	\$ 75	\$ 101	\$ 235	\$ 176
Net investment income	53	52	51	49	46	47	105	93
Other income (expense)	2	4	4	3	3	3	6	6
Operating income	\$ 154	\$ 192	\$ 165	\$ 216	\$ 124	\$ 151	\$ 346	\$ 275
Combined ratio								
Loss and loss adjustment expense ratio	31.0%	20.5%	28.7%	11.1%	37.6%	36.3%	25.7%	36.9%
Underwriting expense ratio	37.6%	37.9%	38.2%	38.6%	38.5%	37.4%	37.7%	38.0%
Combined ratio	68.6%	58.4%	66.9%	49.7%	76.1%	73.7%	63.4%	74.9%
Impact of catastrophes on combined ratio	0.2%	0.9%	0.2%	0.0%	0.1%	0.3%	0.6%	0.2%
Impact of prior year reserve development on combined ratio	-13.2%	-23.7%	-15.0%	-34.4%	-6.9%	-7.7%	-18.6%	-7.3%

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	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 528	\$ 542	\$ 562	\$ 533	\$ 522	\$ 537	\$ 1,070	\$ 1,059
Net written premiums	\$ 482	\$ 540	\$ 556	\$ 525	\$ 478	\$ 534	\$ 1,022	\$ 1,012
Net earned premiums	\$ 503	\$ 524	\$ 527	\$ 522	\$ 504	\$ 524	\$ 1,027	\$ 1,028
Losses and loss adjustment expenses	155	108	152	58	189	191	263	380
Underwriting expenses	197	201	205	198	196	199	398	395
Statutory underwriting gain	151	215	170	266	119	134	366	253
Policyholder dividends	3	2	2	2	2	2	5	4
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>\$ 361</u>	<u>\$ 249</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	YTD 2Q 2014	YTD 2Q 2015
Net written premiums by product line								
Fidelity & surety	\$ 211	\$ 257	\$ 260	\$ 235	\$ 206	\$ 259	\$ 468	\$ 465
General liability	223	239	247	252	226	236	462	462
Other	48	44	49	38	46	39	92	85
Total	<u>\$ 482</u>	<u>\$ 540</u>	<u>\$ 556</u>	<u>\$ 525</u>	<u>\$ 478</u>	<u>\$ 534</u>	<u>\$ 1,022</u>	<u>\$ 1,012</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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Premiums	\$ 1,762	\$ 1,773	\$ 1,796	\$ 1,794	\$ 1,764	\$ 1,798	\$ 3,535	\$ 3,562
Net investment income	100	94	98	87	82	88	194	170
Other revenues	26	17	19	18	12	12	43	24
Total revenues	<u>1,888</u>	<u>1,884</u>	<u>1,913</u>	<u>1,899</u>	<u>1,858</u>	<u>1,898</u>	<u>3,772</u>	<u>3,756</u>
Claims and expenses								
Claims and claim adjustment expenses	979	1,261	1,008	996	974	1,117	2,240	2,091
Amortization of deferred acquisition costs	292	290	294	297	285	288	582	573
General and administrative expenses	223	237	263	254	231	248	460	479
Total claims and expenses	<u>1,494</u>	<u>1,788</u>	<u>1,565</u>	<u>1,547</u>	<u>1,490</u>	<u>1,653</u>	<u>3,282</u>	<u>3,143</u>
Operating income before income taxes	394	96	348	352	368	245	490	613
Income tax expense	126	21	109	110	116	71	147	187
Operating income	<u>\$ 268</u>	<u>\$ 75</u>	<u>\$ 239</u>	<u>\$ 242</u>	<u>\$ 252</u>	<u>\$ 174</u>	<u>\$ 343</u>	<u>\$ 426</u>
Other statistics								
Effective tax rate on net investment income	21.3%	20.7%	21.8%	20.2%	19.6%	20.8%	21.0%	20.2%
Net investment income (after-tax)	\$ 79	\$ 74	\$ 77	\$ 70	\$ 66	\$ 70	\$ 153	\$ 136
Catastrophes, net of reinsurance:								
Pre-tax	\$ 65	\$ 190	\$ 51	\$ 30	\$ 62	\$ 112	\$ 255	\$ 174
After-tax	\$ 42	\$ 123	\$ 34	\$ 20	\$ 41	\$ 72	\$ 165	\$ 113
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 132	\$ 12	\$ 13	\$ 12	\$ 131	\$ 64	\$ 144	\$ 195
After-tax	\$ 86	\$ 8	\$ 8	\$ 8	\$ 85	\$ 42	\$ 94	\$ 127

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	YTD 2Q 2014	YTD 2Q 2015
Underwriting gain (loss)	\$ 172	\$ (11)	\$ 150	\$ 160	\$ 178	\$ 97	\$ 161	\$ 275
Net investment income	79	74	77	70	66	70	153	136
Other income (expense)	17	12	12	12	8	7	29	15
Operating income	\$ 268	\$ 75	\$ 239	\$ 242	\$ 252	\$ 174	\$ 343	\$ 426
Combined ratio (1)								
Loss and loss adjustment expense ratio	55.6%	71.1%	56.0%	55.5%	55.2%	62.2%	63.4%	58.7%
Underwriting expense ratio	28.0%	28.7%	30.1%	29.8%	28.3%	28.9%	28.3%	28.6%
Combined ratio	83.6%	99.8%	86.1%	85.3%	83.5%	91.1%	91.7%	87.3%
<i>Combined ratio excluding incremental impact of direct to consumer initiative</i>	82.0%	98.3%	84.2%	83.5%	81.8%	89.4%	90.1%	85.6%
Impact of catastrophes on combined ratio	3.7%	10.7%	2.8%	1.7%	3.5%	6.2%	7.2%	4.9%
Impact of prior year reserve development on combined ratio	-7.5%	-0.7%	-0.7%	-0.7%	-7.5%	-3.5%	-4.1%	-5.5%

(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	YTD 2Q 2014	YTD 2Q 2015
Billing and policy fees and other	\$ 22	\$ 18	\$ 18	\$ 16	\$ 16	\$ 16	\$ 40	\$ 32

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	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 1,649	\$ 1,916	\$ 1,959	\$ 1,741	\$ 1,676	\$ 1,978	\$ 3,565	\$ 3,654
Net written premiums	\$ 1,619	\$ 1,893	\$ 1,917	\$ 1,736	\$ 1,622	\$ 1,956	\$ 3,512	\$ 3,578
Net earned premiums	\$ 1,762	\$ 1,773	\$ 1,796	\$ 1,794	\$ 1,764	\$ 1,798	\$ 3,535	\$ 3,562
Losses and loss adjustment expenses	980	1,261	1,006	996	974	1,117	2,241	2,091
Underwriting expenses	481	539	572	531	488	558	1,020	1,046
Statutory underwriting gain (loss)	<u>\$ 301</u>	<u>\$ (27)</u>	<u>\$ 218</u>	<u>\$ 267</u>	<u>\$ 302</u>	<u>\$ 123</u>	<u>\$ 274</u>	<u>\$ 425</u>
Policies in force (in thousands)								
Automobile	2,068	2,068	2,083	2,097	2,125	2,166	2,068	2,166
Homeowners and other	4,232	4,199	4,164	4,128	4,107	4,121	4,199	4,121

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	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 795	\$ 834	\$ 852	\$ 797	\$ 828	\$ 893	\$ 1,629	\$ 1,721
Net written premiums	\$ 788	\$ 831	\$ 849	\$ 792	\$ 822	\$ 890	\$ 1,619	\$ 1,712
Net earned premiums	\$ 787	\$ 792	\$ 804	\$ 812	\$ 802	\$ 827	\$ 1,579	\$ 1,629
Losses and loss adjustment expenses	533	588	564	583	516	582	1,121	1,098
Underwriting expenses	208	221	224	215	215	230	429	445
Statutory underwriting gain (loss)	\$ 46	\$ (17)	\$ 16	\$ 14	\$ 71	\$ 15	\$ 29	\$ 86
Other statistics								
Combined ratio (2):								
Loss and loss adjustment expense ratio	67.7%	74.3%	70.1%	71.7%	64.4%	70.4%	71.0%	67.4%
Underwriting expense ratio	25.6%	26.5%	26.6%	26.2%	25.8%	26.1%	26.1%	26.0%
Combined ratio	93.3%	100.8%	96.7%	97.9%	90.2%	96.5%	97.1%	93.4%
Impact of catastrophes on combined ratio	0.0%	4.6%	0.6%	0.0%	0.0%	2.1%	2.3%	1.1%
Impact of prior year reserve development on combined ratio	0.0%	0.0%	0.0%	0.0%	-2.8%	-2.5%	0.0%	-2.7%
Catastrophe losses, net of reinsurance:								
Pre-tax	\$ -	\$ 36	\$ 5	\$ -	\$ -	\$ 18	\$ 36	\$ 18
After-tax	\$ -	\$ 23	\$ 4	\$ -	\$ -	\$ 12	\$ 23	\$ 12
Prior year reserve development - favorable (unfavorable):								
Pre-tax	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ 21	\$ -	\$ 43
After-tax	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 14	\$ -	\$ 29
Policies in force (in thousands)	1,985	1,981	1,990	2,000	2,021	2,057		
Change from prior year quarter	-9.4%	-6.7%	-3.3%	-0.5%	1.8%	3.8%		
Change from prior quarter	-1.3%	-0.2%	0.5%	0.5%	1.1%	1.8%		

(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	YTD 2Q 2014	YTD 2Q 2015
Billing and policy fees and other	\$ 9	\$ 8	\$ 9	\$ 8	\$ 9	\$ 8	\$ 17	\$ 17

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	YTD 2Q 2014	YTD 2Q 2015
Statutory underwriting								
Gross written premiums	\$ 811	\$ 1,036	\$ 1,055	\$ 898	\$ 795	\$ 1,029	\$ 1,847	\$ 1,824
Net written premiums	\$ 788	\$ 1,016	\$ 1,017	\$ 897	\$ 748	\$ 1,010	\$ 1,804	\$ 1,758
Net earned premiums	\$ 935	\$ 938	\$ 948	\$ 935	\$ 914	\$ 920	\$ 1,873	\$ 1,834
Losses and loss adjustment expenses	419	639	414	381	425	498	1,058	923
Underwriting expenses	240	283	303	276	236	289	523	525
Statutory underwriting gain	\$ 276	\$ 16	\$ 231	\$ 278	\$ 253	\$ 133	\$ 292	\$ 386
Other statistics								
Combined ratio (2):								
Loss and loss adjustment expense ratio	44.8%	68.1%	43.6%	40.8%	46.5%	54.2%	56.5%	50.3%
Underwriting expense ratio	27.6%	28.0%	29.9%	30.2%	27.9%	28.8%	27.8%	28.4%
Combined ratio	72.4%	96.1%	73.5%	71.0%	74.4%	83.0%	84.3%	78.7%
Impact of catastrophes on combined ratio	6.8%	15.9%	4.8%	3.1%	6.7%	10.1%	11.4%	8.4%
Impact of prior year reserve development on combined ratio	-14.1%	-1.3%	-1.4%	-1.1%	-11.8%	-4.6%	-7.7%	-8.2%
Catastrophe losses, net of reinsurance:								
Pre-tax	\$ 64	\$ 150	\$ 46	\$ 29	\$ 61	\$ 93	\$ 214	\$ 154
After-tax	\$ 41	\$ 98	\$ 30	\$ 19	\$ 40	\$ 60	\$ 139	\$ 100
Prior year reserve development - favorable (unfavorable)								
Pre-tax	\$ 132	\$ 12	\$ 13	\$ 10	\$ 108	\$ 43	\$ 144	\$ 151
After-tax	\$ 86	\$ 8	\$ 8	\$ 7	\$ 70	\$ 28	\$ 94	\$ 98
Policies in force (in thousands)	4,146	4,110	4,072	4,032	4,008	4,017		
Change from prior year quarter	-7.5%	-6.5%	-5.4%	-4.2%	-3.3%	-2.3%		
Change from prior quarter	-1.5%	-0.9%	-0.9%	-1.0%	-0.6%	0.2%		

(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	YTD 2Q 2014	YTD 2Q 2015
Billing and policy fees and other	\$ 13	\$ 9	\$ 9	\$ 7	\$ 7	\$ 7	\$ 22	\$ 14

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	YTD 2Q 2014	YTD 2Q 2015
Net written premiums								
Automobile	\$ 31	\$ 31	\$ 36	\$ 32	\$ 38	\$ 38	\$ 62	\$ 76
Homeowners and other	12	15	15	15	14	18	27	32
Total net written premiums	<u>\$ 43</u>	<u>\$ 46</u>	<u>\$ 51</u>	<u>\$ 47</u>	<u>\$ 52</u>	<u>\$ 56</u>	<u>\$ 89</u>	<u>\$ 108</u>
Revenues								
Premiums	\$ 40	\$ 43	\$ 44	\$ 47	\$ 48	\$ 51	\$ 83	\$ 99
Other revenues	-	-	1	-	-	1	-	1
Total revenues	<u>40</u>	<u>43</u>	<u>45</u>	<u>47</u>	<u>48</u>	<u>52</u>	<u>83</u>	<u>100</u>
Claims and expenses								
Claims and claim adjustment expenses	28	33	29	32	32	39	61	71
Amortization of deferred acquisition costs	1	1	1	1	1	1	2	2
General and administrative expenses	33	35	43	39	37	38	68	75
Total claims and expenses	<u>62</u>	<u>69</u>	<u>73</u>	<u>72</u>	<u>70</u>	<u>78</u>	<u>131</u>	<u>148</u>
Operating loss before income taxes	(22)	(26)	(28)	(25)	(22)	(26)	(48)	(48)
Income taxes	(8)	(9)	(10)	(8)	(8)	(9)	(17)	(17)
Operating loss	<u>\$ (14)</u>	<u>\$ (17)</u>	<u>\$ (18)</u>	<u>\$ (17)</u>	<u>\$ (14)</u>	<u>\$ (17)</u>	<u>\$ (31)</u>	<u>\$ (31)</u>
Other statistics								
Policies in force (in thousands)								
Automobile	83	87	93	97	104	109		
Homeowners and other	86	89	92	96	99	104		
Catastrophes, net of reinsurance:								
Pre-tax	\$ 1	\$ 4	\$ -	\$ 1	\$ 1	\$ 1	\$ 5	\$ 2
After-tax	\$ 1	\$ 2	\$ -	\$ 1	\$ 1	\$ -	\$ 3	\$ 1
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	YTD 2Q 2014	YTD 2Q 2015
Revenues								
Other revenues	\$ (1)	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Claims and expenses								
Interest expense	92	92	93	92	92	92	184	184
General and administrative expenses	7	9	6	9	7	7	16	14
Total claims and expenses	99	101	99	101	99	99	200	198
Operating loss before income tax benefit	(100)	(100)	(99)	(101)	(99)	(99)	(200)	(198)
Income taxes	(36)	(35)	(36)	(36)	(35)	(37)	(71)	(72)
Operating loss	\$ (64)	\$ (65)	\$ (63)	\$ (65)	\$ (64)	\$ (62)	\$ (129)	\$ (126)

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

The Travelers Companies, Inc.
Consolidated Balance Sheet

(in millions)



	June 30, 2015	December 31, 2014
Assets		
Fixed maturities, available for sale, at fair value (amortized cost \$60,103 and \$60,801)	\$ 61,933	\$ 63,474
Equity securities, available for sale, at fair value (cost \$573 and \$579)	828	899
Real estate investments	980	938
Short-term securities	3,924	4,364
Other investments	3,565	3,586
Total investments	<u>71,230</u>	<u>73,261</u>
Cash	317	374
Investment income accrued	655	685
Premiums receivable	6,764	6,298
Reinsurance recoverables	8,965	9,260
Ceded unearned premiums	782	678
Deferred acquisition costs	1,891	1,835
Deferred taxes	216	33
Contractholder receivables	4,473	4,362
Goodwill	3,594	3,611
Other intangible assets	284	304
Other assets	2,493	2,377
Total assets	<u>\$ 101,664</u>	<u>\$ 103,078</u>

Liabilities

Claims and claim adjustment expense reserves	\$ 48,833	\$ 49,850
Unearned premium reserves	12,153	11,839
Contractholder payables	4,473	4,362
Payables for reinsurance premiums	428	336
Debt	6,350	6,349
Other liabilities	5,306	5,506
Total liabilities	<u>77,543</u>	<u>78,242</u>

Shareholders' equity

Common stock (1,750.0 shares authorized; 311.2 and 322.2 shares issued and outstanding)	22,039	21,843
Retained earnings	28,524	27,251
Accumulated other comprehensive income	169	880
Treasury stock, at cost (451.5 and 437.3 shares)	(26,611)	(25,138)
Total shareholders' equity	<u>24,121</u>	<u>24,836</u>
Total liabilities and shareholders' equity	<u>\$ 101,664</u>	<u>\$ 103,078</u>

The Travelers Companies, Inc.

Investment Portfolio

(at carrying value, \$ in millions)



	<u>June 30, 2015</u>	<u>Pre-tax Book Yield (1)</u>	<u>December 31, 2014</u>	<u>Pre-tax Book Yield (1)</u>
Investment portfolio				
Taxable fixed maturities (including redeemable preferred stock)	\$ 29,586	3.36%	\$ 30,283	3.42%
Tax-exempt fixed maturities	32,347	3.67%	33,191	3.72%
Total fixed maturities	61,933	3.52%	63,474	3.58%
Non-redeemable preferred stocks	189	5.65%	208	5.60%
Public common stocks	639		691	
Total equity securities	828		899	
Real estate investments	980		938	
Short-term securities	3,924	0.20%	4,364	0.17%
Private equities	2,062		2,090	
Hedge funds	442		414	
Real estate partnerships	617		593	
Other investments	444		489	
Total other investments	3,565		3,586	
Total investments	\$ 71,230		\$ 73,261	
Net unrealized investment gains, net of tax, included in shareholders' equity	\$ 1,376		\$ 1,966	

(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

	June 30, 2015		December 31, 2014
\$	2,046	\$	2,053
	7,271		7,561
	25,439		26,012
	32,710		33,573
	2,100		2,368
	2,046		2,213
	23,031		23,267
\$	61,933	\$	63,474

Fixed Maturities Quality Characteristics (1)

Quality Ratings

Aaa
 Aa
 A
 Baa
 Total investment grade
 Ba
 B
 Caa and lower
 Total below investment grade
 Total fixed maturities
 Average weighted quality
 Average duration of fixed maturities and short-term securities, net of securities lending activities and net receivables and payables on investment sales and purchases

June 30, 2015		
	Amount	% of Total
\$	25,932	41.9 %
	18,195	29.4
	9,445	15.2
	6,535	10.6
	60,107	97.1
	1,087	1.7
	393	0.6
	346	0.6
	1,826	2.9
\$	61,933	100.0 %
	Aa2, AA	
	3.9	

(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	YTD 2Q 2014	YTD 2Q 2015
Gross investment income								
Fixed maturities	\$ 580	\$ 562	\$ 552	\$ 550	\$ 531	\$ 526	\$ 1,142	\$ 1,057
Short-term securities	2	2	2	3	2	3	4	5
Other	163	140	174	96	69	113	303	182
	745	704	728	649	602	642	1,449	1,244
Investment expenses	9	9	9	12	10	10	18	20
Net investment income, pre-tax	736	695	719	637	592	632	1,431	1,224
Income taxes	154	142	151	124	114	129	296	243
Net investment income, after-tax	<u>\$ 582</u>	<u>\$ 553</u>	<u>\$ 568</u>	<u>\$ 513</u>	<u>\$ 478</u>	<u>\$ 503</u>	<u>\$ 1,135</u>	<u>\$ 981</u>
Effective tax rate	21.0%	20.5%	20.9%	19.6%	19.3%	20.5%	20.7%	19.9%
Average invested assets (1)	\$ 72,112	\$ 71,880	\$ 72,062	\$ 72,071	\$ 70,722	\$ 70,291	\$ 72,010	\$ 70,548
Average yield pre-tax (1)	4.1%	3.9%	4.0%	3.5%	3.3%	3.6%	4.0%	3.5%
Average yield after-tax	3.2%	3.1%	3.2%	2.8%	2.7%	2.9%	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	YTD 2Q 2014	YTD 2Q 2015
Net realized investment gains (losses)								
Fixed maturities	\$ 6	\$ 9	\$ -	\$ 1	\$ 17	\$ 14	\$ 15	\$ 31
Equity securities	(4)	15	-	4	-	(1)	11	(1)
Other (1)	(1)	(8)	40	17	(7)	(3)	(9)	(10)
Realized investment gains before tax	1	16	40	22	10	10	17	20
Related taxes	1	6	14	7	4	4	7	8
Net realized investment gains	\$ -	\$ 10	\$ 26	\$ 15	\$ 6	\$ 6	\$ 10	\$ 12
Gross investment gains (1)	\$ 59	\$ 46	\$ 101	\$ 93	\$ 71	\$ 102	\$ 105	\$ 173
Gross investment losses before impairments (1)	(49)	(29)	(51)	(65)	(58)	(86)	(78)	(144)
Net investment gains before impairments	10	17	50	28	13	16	27	29
Other-than-temporary impairment losses	(9)	(1)	(10)	(6)	(3)	(6)	(10)	(9)
Net realized investment gains before tax	1	16	40	22	10	10	17	20
Related taxes	1	6	14	7	4	4	7	8
Net realized investment gains	\$ -	\$ 10	\$ 26	\$ 15	\$ 6	\$ 6	\$ 10	\$ 12
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015		
Net unrealized investment gains, net of tax, by asset type								
Fixed maturities	\$ 2,276	\$ 2,742	\$ 2,579	\$ 2,673	\$ 2,853	\$ 1,830		
Equity securities & other	293	346	356	335	319	274		
Unrealized investment gains before tax	2,569	3,088	2,935	3,008	3,172	2,104		
Related taxes	895	1,075	1,021	1,042	1,096	728		
Balance, end of period	\$ 1,674	\$ 2,013	\$ 1,914	\$ 1,966	\$ 2,076	\$ 1,376		

(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	\$ 8	\$ 100
Gross investment Treasury future losses	\$ 3	\$ 5	\$ 6	\$ 29	\$ 54	\$ 47	\$ 8	\$ 101

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

	June 30, 2015	December 31, 2014
	\$ 4,013	\$ 4,270
	(194)	(203)
	<u>3,819</u>	<u>4,067</u>
	1,947	1,909
	3,199	3,284
	<u>\$ 8,965</u>	<u>\$ 9,260</u>

(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	June 30, 2015
Swiss Re Group	A+ second highest of 16 ratings	\$ 436
Munich Re Group	A+ second highest of 16 ratings	404
Berkshire Hathaway	A++ highest of 16 ratings	267
Sompo Japan Nipponkoa Group	A+ second highest of 16 ratings	246
XL Capital Group	A third highest of 16 ratings	198

On January 25, 2015, AXIS Capital Holdings Limited and PartnerRe Ltd. announced that they had signed a definitive amalgamation agreement. The Company's aggregated reinsurance recoverables from these entities at June 30, 2015 totaled approximately \$221 million. The A.M. Best ratings for each entity at July 20, 2015 was "A+" (second highest of 16 ratings). A.M. Best has placed the ratings of each entity under review with negative implications. Subsequent to January 25, 2015, another organization has expressed interest in acquiring PartnerRe Ltd.

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 June 30, 2015, after deducting mandatory pools and associations and structured settlement balances, \$3.1 billion, or 82%, were rated by A.M. Best Company. Of the total rated by A.M. Best Company, 99% were rated A- or better. The remaining 18% of net recoverables from reinsurers were comprised of the following: 6% related to the Company's participation in voluntary pools, 9% related to recoverables from captive insurance companies and 3% 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 June 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	June 30, 2015
Fidelity and Guaranty Life	B++ fifth highest of 16 ratings	\$ 922
MetLife	A+ second highest of 16 ratings	419
Genworth Financial Group	A- fourth highest of 16 ratings	387
John Hancock Group	A+ second highest of 16 ratings	249
Symetra Financial Corporation	A third highest of 16 ratings	235

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	YTD 2Q 2014	YTD 2Q 2015
Statutory Reserves for Losses and Loss Adjustment Expenses								
Business and International Insurance								
Beginning of period	\$ 34,717	\$ 34,661	\$ 34,929	\$ 34,887	\$ 34,568	\$ 33,924	\$ 34,717	\$ 34,568
Incurred	2,132	2,397	2,310	2,103	2,216	2,187	4,529	4,403
Paid	(2,109)	(2,231)	(2,170)	(2,300)	(2,616)	(2,291)	(4,340)	(4,907)
Foreign exchange and other	(79)	102	(182)	(122)	(244)	85	23	(159)
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>\$ 34,929</u>	<u>\$ 33,905</u>
Bond & Specialty Insurance								
Beginning of period	\$ 3,595	\$ 3,585	\$ 3,501	\$ 3,416	\$ 3,239	\$ 3,228	\$ 3,595	\$ 3,239
Incurred	155	108	152	58	189	191	263	380
Paid	(165)	(192)	(237)	(235)	(200)	(207)	(357)	(407)
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>\$ 3,501</u>	<u>\$ 3,212</u>
Personal Insurance								
Beginning of period	\$ 3,256	\$ 3,137	\$ 3,285	\$ 3,222	\$ 3,200	\$ 3,144	\$ 3,256	\$ 3,200
Incurred	980	1,261	1,006	996	974	1,117	2,241	2,091
Paid	(1,099)	(1,113)	(1,069)	(1,018)	(1,030)	(1,105)	(2,212)	(2,135)
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>\$ 3,285</u>	<u>\$ 3,156</u>
Total								
Beginning of period	\$ 41,568	\$ 41,383	\$ 41,715	\$ 41,525	\$ 41,007	\$ 40,296	\$ 41,568	\$ 41,007
Incurred	3,267	3,766	3,468	3,157	3,379	3,495	7,033	6,874
Paid	(3,373)	(3,536)	(3,476)	(3,553)	(3,846)	(3,603)	(6,909)	(7,449)
Foreign exchange and other	(79)	102	(182)	(122)	(244)	85	23	(159)
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>\$ 41,715</u>	<u>\$ 40,273</u>
Prior Year Reserve Development: Unfavorable (Favorable)								
Business and International Insurance								
Asbestos	\$ -	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	-	87	-	-	-	72	87	72
All other	(95)	(134)	(271)	(159)	(77)	(175)	(229)	(252)
Total Business and International Insurance (1)	(95)	(47)	(21)	(159)	(77)	(103)	(142)	(180)
Bond & Specialty Insurance								
	(67)	(124)	(79)	(180)	(35)	(40)	(191)	(75)
Personal Insurance								
	(132)	(12)	(13)	(12)	(131)	(64)	(144)	(195)
Total	<u>\$ (294)</u>	<u>\$ (183)</u>	<u>\$ (113)</u>	<u>\$ (351)</u>	<u>\$ (243)</u>	<u>\$ (207)</u>	<u>\$ (477)</u>	<u>\$ (450)</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	YTD 2Q 2014	YTD 2Q 2015
Asbestos reserves								
Beginning reserves:								
Gross	\$ 2,606	\$ 2,547	\$ 2,482	\$ 2,665	\$ 2,520	\$ 1,959	\$ 2,606	\$ 2,520
Ceded	(256)	(242)	(232)	(220)	(163)	(123)	(256)	(163)
Net	2,350	2,305	2,250	2,445	2,357	1,836	2,350	2,357
Incurring losses and loss expenses:								
Gross	-	-	258	-	-	-	-	-
Ceded	-	-	(8)	-	-	-	-	-
Paid loss and loss expenses:								
Gross	59	65	74	145	560	104	124	664
Ceded	(14)	(10)	(20)	(57)	(40)	(1)	(24)	(41)
Foreign exchange and other:								
Gross	-	-	(1)	-	(1)	1	-	-
Ceded	-	-	-	-	-	-	-	-
Ending reserves:								
Gross	2,547	2,482	2,665	2,520	1,959	1,856	2,482	1,856
Ceded	(242)	(232)	(220)	(163)	(123)	(122)	(232)	(122)
Net	\$ 2,305	\$ 2,250	\$ 2,445	\$ 2,357	\$ 1,836	\$ 1,734	\$ 2,250	\$ 1,734
Environmental reserves								
Beginning reserves:								
Gross	\$ 355	\$ 331	\$ 396	\$ 375	\$ 353	\$ 341	\$ 355	\$ 353
Ceded	(11)	(11)	(14)	(11)	(7)	(6)	(11)	(7)
Net	344	320	382	364	346	335	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	53	26
Ceded	-	(4)	(3)	(4)	(1)	-	(4)	(1)
Acquired reserves, foreign exchange and other:								
Gross	-	-	(1)	-	(1)	(1)	-	(2)
Ceded	-	-	-	-	-	-	-	-
Ending reserves:								
Gross	331	396	375	353	341	406	396	406
Ceded	(11)	(14)	(11)	(7)	(6)	(15)	(14)	(15)
Net	\$ 320	\$ 382	\$ 364	\$ 346	\$ 335	\$ 391	\$ 382	\$ 391

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

The Travelers Companies, Inc. Capitalization

(\$ in millions)



Debt

Short-term debt

Commercial paper	
5.50% Senior notes due December 1, 2015 (1)	
6.25% Senior notes due June 20, 2016 (1)	
Total short-term debt	

Long-term debt

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)	
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	

Total debt

Common equity (excluding net unrealized investment gains, net of tax)

Total capital (excluding net unrealized investment gains, net of tax)

Total debt to capital (excluding net unrealized investment gains, net of tax)

	June 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
	56	56
	73	73
	107	107
	<u>5,461</u>	<u>5,861</u>
	49	50
	(60)	(62)
	<u>5,450</u>	<u>5,849</u>
	<u>6,350</u>	<u>6,349</u>
	22,745	22,870
	<u>\$ 29,095</u>	<u>\$ 29,219</u>
	21.8%	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>June 30, 2015 (1)</u>	<u>December 31, 2014</u>
Statutory capital and surplus	\$ 20,851	\$ 21,049
GAAP adjustments		
Goodwill and intangible assets	3,712	3,750
Investments	2,381	3,315
Noninsurance companies	(4,526)	(4,635)
Deferred acquisition costs	1,891	1,835
Deferred federal income tax	(1,408)	(1,672)
Current federal income tax	(18)	(47)
Reinsurance recoverables	113	117
Furniture, equipment & software	641	662
Agents balances	152	145
Other	332	317
	<u>3,270</u>	<u>3,787</u>
GAAP shareholders' equity	<u>\$ 24,121</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	YTD 2Q 2014	YTD 2Q 2015
Cash flows from operating activities								
Net income	\$ 1,052	\$ 683	\$ 919	\$ 1,038	\$ 833	\$ 812	\$ 1,735	\$ 1,645
Adjustments to reconcile net income to net cash provided by operating activities:								
Net realized investment gains	(1)	(16)	(40)	(22)	(10)	(10)	(17)	(20)
Depreciation and amortization	227	215	211	211	225	204	442	429
Deferred federal income tax expense	153	(22)	(38)	28	133	9	131	142
Amortization of deferred acquisition costs	950	965	984	983	963	963	1,915	1,926
Equity in income from other investments	(139)	(118)	(155)	(74)	(43)	(91)	(257)	(134)
Premiums receivable	(189)	(274)	129	127	(258)	(228)	(463)	(486)
Reinsurance recoverables	106	100	197	(3)	69	194	206	263
Deferred acquisition costs	(986)	(1,003)	(1,004)	(933)	(987)	(1,004)	(1,989)	(1,991)
Claims and claim adjustment expense reserves	(209)	149	(238)	(406)	(561)	(265)	(60)	(826)
Unearned premium reserves	94	141	144	(306)	185	177	235	362
Other	(355)	(195)	731	(118)	(350)	(85)	(550)	(435)
Net cash provided by operating activities	<u>703</u>	<u>625</u>	<u>1,840</u>	<u>525</u>	<u>199</u>	<u>676</u>	<u>1,328</u>	<u>875</u>
Cash flows from investing activities								
Proceeds from maturities of fixed maturities	2,312	2,603	3,060	2,919	2,830	2,484	4,915	5,314
Proceeds from sales of investments:								
Fixed maturities	406	379	142	122	906	320	785	1,226
Equity securities	36	59	33	30	11	17	95	28
Real estate investments	1	4	-	10	7	3	5	10
Other investments	167	171	274	243	146	208	338	354
Purchases of investments:								
Fixed maturities	(2,715)	(2,734)	(2,788)	(3,088)	(3,325)	(2,914)	(5,449)	(6,239)
Equity securities	(18)	(22)	(7)	(5)	(8)	(14)	(40)	(22)
Real estate investments	(9)	(27)	(5)	(7)	(6)	(63)	(36)	(69)
Other investments	(113)	(113)	(180)	(148)	(168)	(107)	(226)	(275)
Net sales (purchases) of short-term securities	(160)	220	(1,223)	665	(134)	567	60	433
Securities transactions in course of settlement	240	(36)	(85)	(37)	305	(122)	204	183
Acquisition, net of cash acquired	(12)	-	-	-	-	-	(12)	-
Other	(60)	(92)	(110)	(96)	(90)	(88)	(152)	(178)
Net cash provided by (used in) investing activities	<u>75</u>	<u>412</u>	<u>(889)</u>	<u>608</u>	<u>474</u>	<u>291</u>	<u>487</u>	<u>765</u>

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

(\$ in millions)



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	YTD 2Q 2014	YTD 2Q 2015
Cash flows from financing activities								
Treasury stock acquired - share repurchase authorization	(650)	(875)	(750)	(1,000)	(600)	(800)	(1,525)	(1,400)
Treasury stock acquired - net employee share-based compensation	(54)	(1)	(1)	(1)	(71)	(1)	(55)	(72)
Dividends paid to shareholders	(176)	(189)	(184)	(180)	(177)	(192)	(365)	(369)
Issuance of common stock - employee share options	57	65	32	41	90	27	122	117
Excess tax benefits from share-based payment arrangements	13	11	14	19	27	4	24	31
Net cash used in financing activities	<u>(810)</u>	<u>(989)</u>	<u>(889)</u>	<u>(1,121)</u>	<u>(731)</u>	<u>(962)</u>	<u>(1,799)</u>	<u>(1,693)</u>
Effect of exchange rate changes on cash	<u>(2)</u>	<u>3</u>	<u>(6)</u>	<u>(5)</u>	<u>(8)</u>	<u>4</u>	<u>1</u>	<u>(4)</u>
Net increase (decrease) in cash	(34)	51	56	7	(66)	9	17	(57)
Cash at beginning of period	294	260	311	367	374	308	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>\$ 311</u>	<u>\$ 317</u>
Income taxes paid	\$ 93	\$ 634	\$ 58	\$ 362	\$ 126	\$ 471	\$ 727	\$ 597
Interest paid	\$ 34	\$ 149	\$ 34	\$ 148	\$ 34	\$ 149	\$ 183	\$ 183

The Travelers Companies, Inc.
Financial Supplement - Second Quarter 2015
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.