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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.

The Travelers Companies, Inc.
Financial Highlights



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

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net income	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Net income per share:					
Basic	\$ 3.01	\$ 2.11	\$ 1.52	\$ 3.37	\$ 2.34
Diluted	\$ 2.99	\$ 2.10	\$ 1.50	\$ 3.35	\$ 2.33
Core income	\$ 755	\$ 537	\$ 378	\$ 867	\$ 676
Core income per share:					
Basic	\$ 2.85	\$ 2.04	\$ 1.45	\$ 3.35	\$ 2.64
Diluted	\$ 2.83	\$ 2.02	\$ 1.43	\$ 3.32	\$ 2.62
Return on equity	13.5%	9.0%	6.2%	13.5%	9.4%
Core return on equity	13.0%	9.2%	6.5%	14.8%	11.5%
Total assets, at period end	\$107,246	\$108,572	\$110,241	\$110,122	\$109,436
Total equity, at period end	\$ 24,340	\$ 25,321	\$ 25,607	\$ 25,943	\$ 25,204
Book value per share, at period end	\$ 92.94	\$ 97.26	\$ 99.21	\$ 101.55	\$ 99.69
Less: Net unrealized investment gains, net of tax	3.85	7.21	9.12	8.79	7.06
Adjusted book value per share, at period end	\$ 89.09	\$ 90.05	\$ 90.09	\$ 92.76	\$ 92.63
Weighted average number of common shares outstanding (basic)	262.9	261.3	259.2	256.8	254.4
Weighted average number of common shares outstanding and common stock equivalents (diluted)	264.8	263.7	261.8	259.0	255.9
Common shares outstanding at period end	261.9	260.3	258.1	255.5	252.8
Common stock dividends declared	\$ 204	\$ 217	\$ 215	\$ 212	\$ 210
Common stock repurchased:					
Under Board of Directors authorization					
Shares	2.9	2.6	2.5	2.8	3.5
Cost	\$ 375	\$ 375	\$ 375	\$ 375	\$ 425
Other					
Shares	0.3	—	—	0.1	0.3
Cost	\$ 46	\$ 1	\$ —	\$ 1	\$ 46

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



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

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net income					
Net income.....	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Adjustments:					
Net realized investment (gains) losses, after-tax.....	(41)	(20)	(18)	(6)	76
Core income.....	\$ 755	\$ 537	\$ 378	\$ 867	\$ 676
Basic earnings per share					
Net income.....	\$ 3.01	\$ 2.11	\$ 1.52	\$ 3.37	\$ 2.34
Adjustments:					
Net realized investment (gains) losses, after-tax.....	(0.16)	(0.07)	(0.07)	(0.02)	0.30
Core income.....	\$ 2.85	\$ 2.04	\$ 1.45	\$ 3.35	\$ 2.64
Diluted earnings per share					
Net income.....	\$ 2.99	\$ 2.10	\$ 1.50	\$ 3.35	\$ 2.33
Adjustments:					
Net realized investment (gains) losses, after-tax.....	(0.16)	(0.08)	(0.07)	(0.03)	0.29
Core income.....	\$ 2.83	\$ 2.02	\$ 1.43	\$ 3.32	\$ 2.62

Adjustments to net income and weighted average shares for net income EPS calculations: (1)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Basic and Diluted					
Net income, as reported.....	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Participating share-based awards - allocated income.....	(5)	(4)	(3)	(7)	(5)
Net income available to common shareholders - basic and diluted.....	\$ 791	\$ 553	\$ 393	\$ 866	\$ 595
Common Shares					
Basic					
Weighted average shares outstanding.....	262.9	261.3	259.2	256.8	254.4
Diluted					
Weighted average shares outstanding.....	262.9	261.3	259.2	256.8	254.4
Weighted average effects of dilutive securities - stock options and performance shares.....	1.9	2.4	2.6	2.2	1.5
Diluted weighted average shares outstanding.....	264.8	263.7	261.8	259.0	255.9

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

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Statement of Income - Consolidated



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Premiums.....	\$ 6,855	\$ 6,988	\$ 7,179	\$ 7,250	\$ 7,229
Net investment income.....	582	648	622	616	611
Fee income.....	109	116	121	113	108
Net realized investment gains (losses).....	53	25	23	12	(98)
Other revenues.....	72	57	68	72	58
Total revenues.....	7,671	7,834	8,013	8,063	7,908
Claims and expenses					
Claims and claim adjustment expenses.....	4,442	4,821	5,230	4,640	4,789
Amortization of deferred acquisition costs.....	1,117	1,134	1,169	1,181	1,178
General and administrative expenses.....	1,057	1,125	1,098	1,085	1,137
Interest expense.....	88	89	84	83	84
Total claims and expenses.....	6,704	7,169	7,581	6,989	7,188
Income before income taxes.....	967	665	432	1,074	720
Income tax expense.....	171	108	36	201	120
Net income.....	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Investment impairments					
Total investment impairments.....	\$ (1)	\$ (1)	\$ —	\$ (1)	\$ (16)
Credit losses recognized in net realized investment gains (losses).....	\$ (1)	\$ (1)	\$ —	\$ (2)	\$ (16)
Non-credit losses recognized in other comprehensive income.....	\$ —	\$ —	\$ —	\$ 1	\$ —
Other statistics					
Effective tax rate on net investment income.....	14.7%	15.4%	15.2%	14.8%	15.1%
Net investment income (after-tax).....	\$ 496	\$ 548	\$ 528	\$ 525	\$ 519
Catastrophes, net of reinsurance:					
Pre-tax.....	\$ 193	\$ 367	\$ 241	\$ 85	\$ 333
After-tax.....	\$ 152	\$ 290	\$ 190	\$ 67	\$ 263
Prior year reserve development - favorable (unfavorable):					
Pre-tax.....	\$ 51	\$ 123	\$ (294)	\$ 60	\$ 27
After-tax.....	\$ 41	\$ 99	\$ (232)	\$ 45	\$ 21

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions, net of tax)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Underwriting gain (loss).....	\$ 307	\$ 52	\$ (101)	\$ 396	\$ 220
Net investment income.....	496	548	528	525	519
Other income (expense), including interest expense.....	(48)	(63)	(49)	(54)	(63)
Core income.....	755	537	378	867	676
Net realized investment gains (losses).....	41	20	18	6	(76)
Net income	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Combined ratio (1) (2)					
Loss and loss adjustment expense ratio.....	64.0 %	68.2 %	72.0%	63.3 %	65.5 %
Underwriting expense ratio.....	29.7 %	30.2 %	29.5%	29.1 %	30.0 %
Combined ratio.....	93.7 %	98.4 %	101.5%	92.4 %	95.5 %
Impact on combined ratio:					
Net (favorable) unfavorable prior year reserve development.....	(0.7)%	(1.8)%	4.1%	(0.8)%	(0.4)%
Catastrophes, net of reinsurance.....	2.8 %	5.3 %	3.3%	1.1 %	4.6 %
Underlying combined ratio.....	91.6 %	94.9 %	94.1%	92.1 %	91.3 %

(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. In addition, general and administrative expenses include non-insurance expenses that are excluded from underwriting expenses, and accordingly are excluded in calculating the combined ratio. See following:

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Billing and policy fees and other.....	\$ 27	\$ 26	\$ 28	\$ 27	\$ 28
Fee income:					
Loss and loss adjustment expenses.....	\$ 40	\$ 45	\$ 47	\$ 42	\$ 41
Underwriting expenses.....	69	71	74	71	67
Total fee income.....	\$ 109	\$ 116	\$ 121	\$ 113	\$ 108
Non-insurance general and administrative expenses.....	\$ 47	\$ 50	\$ 48	\$ 56	\$ 55

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Core Income - Consolidated



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Premiums.....	\$ 6,855	\$ 6,988	\$ 7,179	\$ 7,250	\$ 7,229
Net investment income.....	582	648	622	616	611
Fee income.....	109	116	121	113	108
Other revenues.....	72	57	68	72	58
Total revenues.....	7,618	7,809	7,990	8,051	8,006
Claims and expenses					
Claims and claim adjustment expenses.....	4,442	4,821	5,230	4,640	4,789
Amortization of deferred acquisition costs.....	1,117	1,134	1,169	1,181	1,178
General and administrative expenses.....	1,057	1,125	1,098	1,085	1,137
Interest expense.....	88	89	84	83	84
Total claims and expenses.....	6,704	7,169	7,581	6,989	7,188
Core income before income taxes.....	914	640	409	1,062	818
Income tax expense.....	159	103	31	195	142
Core income.....	\$ 755	\$ 537	\$ 378	\$ 867	\$ 676
Other statistics					
Effective tax rate on net investment income.....	14.7%	15.4%	15.2%	14.8%	15.1%
Net investment income (after-tax).....	\$ 496	\$ 548	\$ 528	\$ 525	\$ 519
Catastrophes, net of reinsurance:					
Pre-tax.....	\$ 193	\$ 367	\$ 241	\$ 85	\$ 333
After-tax.....	\$ 152	\$ 290	\$ 190	\$ 67	\$ 263
Prior year reserve development - favorable (unfavorable):					
Pre-tax.....	\$ 51	\$ 123	\$ (294)	\$ 60	\$ 27
After-tax.....	\$ 41	\$ 99	\$ (232)	\$ 45	\$ 21

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 7,839	\$ 7,824	\$ 8,022	\$ 7,378	\$ 8,152
Net written premiums	\$ 7,057	\$ 7,450	\$ 7,569	\$ 7,075	\$ 7,346
Net earned premiums.....	\$ 6,855	\$ 6,988	\$ 7,179	\$ 7,250	\$ 7,229
Losses and loss adjustment expenses	4,389	4,764	5,166	4,578	4,733
Underwriting expenses	2,116	2,217	2,179	2,072	2,193
Statutory underwriting gain (loss).....	350	7	(166)	600	303
Policyholder dividends	13	9	15	10	12
Statutory underwriting gain (loss) after policyholder dividends.....	\$ 337	\$ (2)	\$ (181)	\$ 590	\$ 291
Other statutory statistics					
Reserves for losses and loss adjustment expenses	\$ 42,581	\$ 42,979	\$ 43,624	\$ 43,743	\$ 43,913
Increase in reserves.....	\$ 172	\$ 398	\$ 645	\$ 119	\$ 170
Statutory capital and surplus	\$ 21,074	\$ 21,080	\$ 20,780	\$ 21,330	\$ 20,808
Net written premiums/surplus (1).....	1.33:1	1.34:1	1.38:1	1.37:1	1.41:1

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

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Written premiums					
Gross.....	\$ 7,839	\$ 7,824	\$ 8,022	\$ 7,378	\$ 8,152
Ceded.....	(782)	(374)	(453)	(303)	(806)
Net.....	\$ 7,057	\$ 7,450	\$ 7,569	\$ 7,075	\$ 7,346
Earned premiums					
Gross.....	\$ 7,282	\$ 7,429	\$ 7,636	\$ 7,723	\$ 7,683
Ceded.....	(427)	(441)	(457)	(473)	(454)
Net.....	\$ 6,855	\$ 6,988	\$ 7,179	\$ 7,250	\$ 7,229

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Segment Income - Business Insurance



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Premiums.....	\$ 3,742	\$ 3,783	\$ 3,882	\$ 3,893	\$ 3,864
Net investment income.....	427	481	457	451	453
Fee income.....	104	111	114	108	102
Other revenues.....	43	30	39	43	31
Total revenues.....	4,316	4,405	4,492	4,495	4,450
Claims and expenses					
Claims and claim adjustment expenses.....	2,580	2,686	3,028	2,669	2,791
Amortization of deferred acquisition costs.....	615	618	634	636	636
General and administrative expenses.....	632	686	657	652	685
Total claims and expenses.....	3,827	3,990	4,319	3,957	4,112
Segment income before income taxes.....	489	415	173	538	338
Income tax expense (benefit).....	75	64	(6)	90	49
Segment income.....	\$ 414	\$ 351	\$ 179	\$ 448	\$ 289
Other statistics					
Effective tax rate on net investment income.....	14.6%	15.3%	15.1%	14.8%	15.0%
Net investment income (after-tax).....	\$ 365	\$ 407	\$ 389	\$ 384	\$ 385
Catastrophes, net of reinsurance:					
Pre-tax.....	\$ 95	\$ 211	\$ 116	\$ 48	\$ 195
After-tax.....	\$ 75	\$ 167	\$ 91	\$ 37	\$ 154
Prior year reserve development - favorable (unfavorable):					
Pre-tax.....	\$ (21)	\$ 71	\$ (316)	\$ 8	\$ 5
After-tax.....	\$ (16)	\$ 57	\$ (249)	\$ 5	\$ 3

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

Segment Income by Major Component and Combined Ratio - Business Insurance

(\$ in millions, net of tax)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Underwriting gain (loss).....	\$ 44	\$ (48)	\$ (210)	\$ 65	\$ (84)
Net investment income.....	365	407	389	384	385
Other income (expense).....	5	(8)	—	(1)	(12)
Segment income	\$ 414	\$ 351	\$ 179	\$ 448	\$ 289
Combined ratio (1) (2)					
Loss and loss adjustment expense ratio.....	67.6%	69.6 %	76.6%	67.3 %	70.9 %
Underwriting expense ratio.....	30.5%	31.5 %	30.4%	30.2 %	31.3 %
Combined ratio.....	98.1%	101.1 %	107.0%	97.5 %	102.2 %
Impact on combined ratio:					
Net (favorable) unfavorable prior year reserve development.....	0.6%	(1.9)%	8.1%	(0.2)%	(0.1)%
Catastrophes, net of reinsurance.....	2.5%	5.6 %	3.0%	1.3 %	5.0 %
Underlying combined ratio.....	95.0%	97.4 %	95.9%	96.4 %	97.3 %

(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. In addition, general and administrative expenses include non-insurance expenses that are excluded from underwriting expenses, and accordingly are excluded in calculating the combined ratio. See following:

(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Billing and policy fees and other.....	\$ 4	\$ 3	\$ 5	\$ 4	\$ 4
Fee income:					
Loss and loss adjustment expenses.....	\$ 40	\$ 45	\$ 47	\$ 42	\$ 41
Underwriting expenses.....	64	66	67	66	61
Total fee income.....	\$ 104	\$ 111	\$ 114	\$ 108	\$ 102
Non-insurance general and administrative expenses.....	\$ 38	\$ 41	\$ 39	\$ 43	\$ 47

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Selected Statistics - Business Insurance



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 4,730	\$ 4,193	\$ 4,271	\$ 3,957	\$ 4,794
Net written premiums	\$ 4,163	\$ 3,874	\$ 3,889	\$ 3,703	\$ 4,190
Net earned premiums.....	\$ 3,742	\$ 3,783	\$ 3,882	\$ 3,893	\$ 3,864
Losses and loss adjustment expenses	2,529	2,631	2,969	2,608	2,737
Underwriting expenses	1,226	1,226	1,164	1,133	1,247
Statutory underwriting gain (loss)	(13)	(74)	(251)	152	(120)
Policyholder dividends	11	7	11	7	10
Statutory underwriting gain (loss) after policyholder dividends	\$ (24)	\$ (81)	\$ (262)	\$ 145	\$ (130)

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net written premiums by market					
Domestic					
Select Accounts.....	\$ 785	\$ 756	\$ 695	\$ 675	\$ 799
Middle Market	2,410	2,009	2,150	2,061	2,408
National Accounts.....	304	223	273	251	301
National Property and Other	387	588	553	437	428
Total Domestic.....	3,886	3,576	3,671	3,424	3,936
International.....	277	298	218	279	254
Total.....	\$ 4,163	\$ 3,874	\$ 3,889	\$ 3,703	\$ 4,190
Net written premiums by product line					
Domestic					
Workers' compensation.....	\$ 1,191	\$ 893	\$ 905	\$ 817	\$ 1,096
Commercial automobile.....	719	677	674	666	755
Commercial property	389	583	568	474	433
General liability	678	548	611	579	683
Commercial multi-peril.....	902	871	885	884	956
Other	7	4	28	4	13
Total Domestic.....	3,886	3,576	3,671	3,424	3,936
International.....	277	298	218	279	254
Total.....	\$ 4,163	\$ 3,874	\$ 3,889	\$ 3,703	\$ 4,190

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Segment Income - Bond & Specialty Insurance



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Premiums.....	\$ 606	\$ 632	\$ 653	\$ 674	\$ 667
Net investment income.....	56	58	59	60	55
Other revenues.....	6	6	7	7	5
Total revenues.....	668	696	719	741	727
Claims and expenses					
Claims and claim adjustment expenses.....	266	238	303	287	327
Amortization of deferred acquisition costs.....	112	118	123	125	124
General and administrative expenses.....	117	120	124	122	125
Total claims and expenses.....	495	476	550	534	576
Segment income before income taxes.....	173	220	169	207	151
Income tax expense.....	35	46	30	40	29
Segment income.....	\$ 138	\$ 174	\$ 139	\$ 167	\$ 122
Other statistics					
Effective tax rate on net investment income.....	14.4%	14.8%	14.9%	13.2%	14.7%
Net investment income (after-tax).....	\$ 47	\$ 50	\$ 50	\$ 52	\$ 47
Catastrophes, net of reinsurance:					
Pre-tax.....	\$ 3	\$ —	\$ 1	\$ 1	\$ 1
After-tax.....	\$ 2	\$ —	\$ 1	\$ 1	\$ 1
Prior year reserve development - favorable:					
Pre-tax.....	\$ 3	\$ 39	\$ 3	\$ 20	\$ —
After-tax.....	\$ 2	\$ 31	\$ 2	\$ 16	\$ —

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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

(\$ in millions, net of tax)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Underwriting gain.....	\$ 86	\$ 120	\$ 85	\$ 111	\$ 72
Net investment income.....	47	50	50	52	47
Other income.....	5	4	4	4	3
Segment income	\$ 138	\$ 174	\$ 139	\$ 167	\$ 122
Combined ratio (1)					
Loss and loss adjustment expense ratio.....	43.5 %	37.4 %	45.7 %	42.4 %	48.8%
Underwriting expense ratio.....	37.6 %	37.5 %	37.6 %	36.2 %	37.1%
Combined ratio.....	81.1 %	74.9 %	83.3 %	78.6 %	85.9%
Impact on combined ratio:					
Net favorable prior year reserve development.....	(0.5)%	(6.2)%	(0.5)%	(2.9)%	—%
Catastrophes, net of reinsurance.....	0.5 %	0.1 %	0.2 %	0.2 %	0.2%
Underlying combined ratio.....	81.1 %	81.0 %	83.6 %	81.3 %	85.7%

(1) General and administrative expenses include non-insurance expenses that are excluded from underwriting expenses, and accordingly are excluded in calculating the combined ratio. See following:

(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Non-insurance general and administrative expenses.....	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 662	\$ 747	\$ 770	\$ 752	\$ 750
Net written premiums	\$ 587	\$ 710	\$ 728	\$ 714	\$ 663
Net earned premiums.....	\$ 606	\$ 632	\$ 653	\$ 674	\$ 667
Losses and loss adjustment expenses	264	236	298	286	325
Underwriting expenses	233	251	261	242	254
Statutory underwriting gain.....	109	145	94	146	88
Policyholder dividends	2	2	4	3	2
Statutory underwriting gain after policyholder dividends.....	\$ 107	\$ 143	\$ 90	\$ 143	\$ 86

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net written premiums by market					
Domestic					
Management Liability.....	\$ 367	\$ 403	\$ 424	\$ 411	\$ 401
Surety.....	184	244	232	206	215
Total Domestic.....	551	647	656	617	616
International.....	36	63	72	97	47
Total.....	\$ 587	\$ 710	\$ 728	\$ 714	\$ 663
Net written premiums by product line					
Domestic					
Fidelity & surety.....	\$ 239	\$ 298	\$ 292	\$ 260	\$ 272
General liability.....	262	292	293	301	289
Other.....	50	57	71	56	55
Total Domestic.....	551	647	656	617	616
International.....	36	63	72	97	47
Total.....	\$ 587	\$ 710	\$ 728	\$ 714	\$ 663

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Segment Income - Personal Insurance



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Premiums.....	\$ 2,507	\$ 2,573	\$ 2,644	\$ 2,683	\$ 2,698
Net investment income.....	99	109	106	105	103
Fee income.....	5	5	7	5	6
Other revenues.....	22	21	22	22	22
Total revenues.....	2,633	2,708	2,779	2,815	2,829
Claims and expenses					
Claims and claim adjustment expenses.....	1,596	1,897	1,899	1,684	1,671
Amortization of deferred acquisition costs.....	390	398	412	420	418
General and administrative expenses.....	300	311	309	300	320
Total claims and expenses.....	2,286	2,606	2,620	2,404	2,409
Segment income before income taxes.....	347	102	159	411	420
Income tax expense.....	69	14	28	84	84
Segment income.....	\$ 278	\$ 88	\$ 131	\$ 327	\$ 336
Other statistics					
Effective tax rate on net investment income.....	15.4%	16.1%	15.8%	15.6%	15.8%
Net investment income (after-tax).....	\$ 84	\$ 91	\$ 89	\$ 89	\$ 87
Catastrophes, net of reinsurance:					
Pre-tax.....	\$ 95	\$ 156	\$ 124	\$ 36	\$ 137
After-tax.....	\$ 75	\$ 123	\$ 98	\$ 29	\$ 108
Prior year reserve development - favorable:					
Pre-tax.....	\$ 69	\$ 13	\$ 19	\$ 32	\$ 22
After-tax.....	\$ 55	\$ 11	\$ 15	\$ 24	\$ 18

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

Segment Income by Major Component and Combined Ratio - Personal Insurance

(\$ in millions, net of tax)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Underwriting gain (loss).....	\$ 177	\$ (20)	\$ 24	\$ 220	\$ 232
Net investment income.....	84	91	89	89	87
Other income.....	17	17	18	18	17
Segment income	\$ 278	\$ 88	\$ 131	\$ 327	\$ 336
Combined ratio (1)					
Loss and loss adjustment expense ratio.....	63.7 %	73.7 %	71.8 %	62.8 %	61.9 %
Underwriting expense ratio.....	26.4 %	26.5 %	26.2 %	25.7 %	26.3 %
Combined ratio.....	90.1 %	100.2 %	98.0 %	88.5 %	88.2 %
<i>Domestic Agency combined ratio</i>	88.9 %	98.8 %	97.2 %	88.2 %	86.9 %
Impact on combined ratio:					
Net favorable prior year reserve development.....	(2.8)%	(0.5)%	(0.7)%	(1.2)%	(0.8)%
Catastrophes, net of reinsurance.....	3.8 %	6.1 %	4.7 %	1.3 %	5.0 %
Underlying combined ratio.....	89.1 %	94.6 %	94.0 %	88.4 %	84.0 %

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

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Billing and policy fees and other.....	\$ 23	\$ 23	\$ 23	\$ 23	\$ 24
Fee income.....	\$ 5	\$ 5	\$ 7	\$ 5	\$ 6

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Selected Statistics - Personal Insurance



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 2,447	\$ 2,884	\$ 2,981	\$ 2,669	\$ 2,608
Net written premiums	\$ 2,307	\$ 2,866	\$ 2,952	\$ 2,658	\$ 2,493
Net earned premiums.....	\$ 2,507	\$ 2,573	\$ 2,644	\$ 2,683	\$ 2,698
Losses and loss adjustment expenses	1,596	1,897	1,899	1,684	1,671
Underwriting expenses	657	740	754	697	692
Statutory underwriting gain (loss).....	\$ 254	\$ (64)	\$ (9)	\$ 302	\$ 335
Policies in force (in thousands)					
Automobile	2,981	2,980	2,979	2,973	2,970
Homeowners and Other	5,163	5,263	5,361	5,444	5,534

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Net Written Premiums - Personal Insurance



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net written premiums by market					
Domestic					
Agency					
Automobile	\$ 1,224	\$ 1,300	\$ 1,347	\$ 1,253	\$ 1,260
Homeowners and Other	837	1,258	1,300	1,145	990
Total Agency	2,061	2,558	2,647	2,398	2,250
Direct-to-Consumer	95	103	115	99	100
Total Domestic.....	2,156	2,661	2,762	2,497	2,350
International.....	151	205	190	161	143
Total.....	\$ 2,307	\$ 2,866	\$ 2,952	\$ 2,658	\$ 2,493

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

Selected Statistics - Personal Insurance - Domestic Agency Automobile (1)

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 1,240	\$ 1,304	\$ 1,352	\$ 1,258	\$ 1,272
Net written premiums	\$ 1,224	\$ 1,300	\$ 1,347	\$ 1,253	\$ 1,260
Net earned premiums.....	\$ 1,228	\$ 1,249	\$ 1,271	\$ 1,276	\$ 1,279
Losses and loss adjustment expenses	810	876	891	971	842
Underwriting expenses	296	312	310	299	301
Statutory underwriting gain.....	\$ 122	\$ 61	\$ 70	\$ 6	\$ 136
Other statistics					
Combined ratio (2):					
Loss and loss adjustment expense ratio.....	66.0 %	70.1 %	70.1 %	76.1 %	65.9 %
Underwriting expense ratio	23.4 %	23.9 %	22.9 %	23.1 %	23.5 %
Combined ratio	89.4 %	94.0 %	93.0 %	99.2 %	89.4 %
Impact on combined ratio:					
Net favorable prior year reserve development	(3.4)%	(1.1)%	(0.5)%	(0.5)%	(0.4)%
Catastrophes, net of reinsurance.....	0.7 %	1.3 %	0.8 %	0.1 %	0.6 %
Underlying combined ratio	92.1 %	93.8 %	92.7 %	99.6 %	89.2 %
Catastrophe losses, net of reinsurance:					
Pre-tax	\$ 9	\$ 16	\$ 11	\$ 1	\$ 7
After-tax.....	\$ 7	\$ 13	\$ 8	\$ 1	\$ 6
Prior year reserve development - favorable:					
Pre-tax	\$ 42	\$ 13	\$ 5	\$ 6	\$ 6
After-tax.....	\$ 33	\$ 10	\$ 5	\$ 4	\$ 5
Policies in force (in thousands)	2,516	2,517	2,524	2,532	2,540
Change from prior year quarter	(0.1)%	— %	0.2 %	0.6 %	1.0 %
Change from prior quarter	(0.1)%	— %	0.3 %	0.3 %	0.3 %

(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, and fee income are allocated as a reduction of underwriting expenses.

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Billing and policy fees and other	\$ 12	\$ 12	\$ 12	\$ 11	\$ 12
Fee income	\$ 3	\$ 3	\$ 4	\$ 3	\$ 3

Selected Statistics - Personal Insurance - Domestic Agency Homeowners and Other (1)

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory underwriting					
Gross written premiums	\$ 954	\$ 1,268	\$ 1,316	\$ 1,147	\$ 1,086
Net written premiums	\$ 837	\$ 1,258	\$ 1,300	\$ 1,145	\$ 990
Net earned premiums.....	\$ 1,011	\$ 1,050	\$ 1,089	\$ 1,125	\$ 1,145
Losses and loss adjustment expenses	604	801	801	542	642
Underwriting expenses	277	335	349	314	310
Statutory underwriting gain (loss).....	\$ 130	\$ (86)	\$ (61)	\$ 269	\$ 193
Other statistics					
Combined ratio (2):					
Loss and loss adjustment expense ratio.....	59.8 %	76.3 %	73.6 %	48.2 %	56.1 %
Underwriting expense ratio	28.4 %	28.2 %	28.4 %	27.6 %	28.1 %
Combined ratio	88.2 %	104.5 %	102.0 %	75.8 %	84.2 %
Impact on combined ratio:					
Net (favorable) unfavorable prior year reserve development.....	(2.4)%	(1.3)%	(1.4)%	(0.8)%	(1.5)%
Catastrophes, net of reinsurance.....	8.0 %	12.9 %	9.9 %	3.0 %	10.8 %
Underlying combined ratio	82.6 %	92.9 %	93.5 %	73.6 %	74.9 %
Catastrophe losses, net of reinsurance:					
Pre-tax	\$ 80	\$ 136	\$ 107	\$ 34	\$ 123
After-tax.....	\$ 63	\$ 107	\$ 85	\$ 27	\$ 97
Prior year reserve development - favorable (unfavorable):					
Pre-tax	\$ 25	\$ 13	\$ 15	\$ 9	\$ 17
After-tax.....	\$ 19	\$ 11	\$ 12	\$ 7	\$ 14
Policies in force (in thousands)	4,726	4,825	4,927	5,016	5,111
Change from prior year quarter	6.1 %	6.5 %	7.1 %	7.8 %	8.1 %
Change from prior quarter	1.6 %	2.1 %	2.1 %	1.8 %	1.9 %

(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, and fee income are allocated as a reduction of underwriting expenses.

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Billing and policy fees and other.....	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8
Fee income.....	\$ 2	\$ 2	\$ 3	\$ 2	\$ 2

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Interest Expense and Other



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Revenues					
Other revenues.....	\$ 1	\$ —	\$ —	\$ —	\$ —
Claims and expenses					
Interest expense	88	89	84	83	84
General and administrative expenses	8	8	8	11	7
Total claims and expenses.....	96	97	92	94	91
Loss before income tax benefit.....	(95)	(97)	(92)	(94)	(91)
Income tax benefit	(20)	(21)	(21)	(19)	(20)
Loss	\$ (75)	\$ (76)	\$ (71)	\$ (75)	\$ (71)

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Consolidated Balance Sheet



(\$ in millions)

	March 31, 2020	December 31, 2019
Assets		
Fixed maturities, available for sale, at fair value (amortized cost \$65,630 and \$65,281; allowance for expected credit losses of \$4 at March 31, 2020).....	\$ 67,897	\$ 68,134
Equity securities, at fair value (cost \$372 and \$376).....	342	425
Real estate investments.....	966	963
Short-term securities.....	4,033	4,943
Other investments.....	3,412	3,419
Total investments.....	76,650	77,884
Cash.....	544	494
Investment income accrued.....	567	618
Premiums receivable (net of allowance for expected credit losses of \$78 at March 31, 2020).....	8,202	7,909
Reinsurance recoverables (net of allowance for estimated uncollectible reinsurance of \$149 at March 31, 2020).....	8,152	8,235
Ceded unearned premiums.....	1,030	689
Deferred acquisition costs.....	2,298	2,273
Deferred taxes.....	9	—
Contractholder receivables (net of allowance for expected credit losses of \$20 at March 31, 2020).....	4,634	4,599
Goodwill.....	3,915	3,961
Other intangible assets.....	322	330
Other assets.....	3,113	3,130
Total assets	\$ 109,436	\$ 110,122
Liabilities		
Claims and claim adjustment expense reserves.....	\$ 51,957	\$ 51,849
Unearned premium reserves.....	14,941	14,604
Contractholder payables.....	4,654	4,619
Payables for reinsurance premiums.....	634	363
Deferred taxes.....	—	137
Debt.....	6,559	6,558
Other liabilities.....	5,487	6,049
Total liabilities	84,232	84,179
Shareholders' equity		
Common stock (1,750.0 shares authorized; 252.9 and 255.5 shares issued, 252.8 and 255.5 shares outstanding).....	23,542	23,469
Retained earnings.....	37,325	36,977
Accumulated other comprehensive income (loss).....	(49)	640
Treasury stock, at cost (525.9 and 522.1 shares).....	(35,614)	(35,143)
Total shareholders' equity	25,204	25,943
Total liabilities and shareholders' equity	\$ 109,436	\$ 110,122

Note: Certain reclassifications have been made to the 2019 consolidated balance sheet to conform to the 2020 presentation.

The Travelers Companies, Inc.
Investment Portfolio



(at carrying value, \$ in millions)

	March 31, 2020	Pre-tax Book Yield (1)	December 31, 2019	Pre-tax Book Yield (1)
Investment portfolio				
Taxable fixed maturities (including redeemable preferred stock).....	\$ 37,357	3.16 %	\$ 38,570	3.17 %
Tax-exempt fixed maturities.....	30,540	3.11 %	29,564	3.12 %
Total fixed maturities.....	67,897	3.14%	68,134	3.15%
Non-redeemable preferred stocks.....	37	5.10 %	42	5.04 %
Public common stocks.....	305		383	
Total equity securities.....	342		425	
Real estate investments.....	966		963	
Short-term securities.....	4,033	1.48%	4,943	1.82%
Private equities.....	2,261		2,236	
Hedge funds.....	185		186	
Real estate partnerships.....	682		658	
Other investments.....	284		339	
Total other investments.....	3,412		3,419	
Total investments.....	\$ 76,650		\$ 77,884	
Net unrealized investment gains, net of tax, included in shareholders' equity.....	\$ 1,785		\$ 2,246	

(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)

	March 31, 2020	December 31, 2019
Fixed maturities		
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	\$ 2,055	\$ 2,095
Obligations of states and political subdivisions:		
Pre-refunded	2,255	2,056
All other	28,753	27,861
Total	31,008	29,917
Debt securities issued by foreign governments	1,040	1,173
Mortgage-backed securities - principally obligations of U.S. Government agencies	3,307	3,280
Corporates (including redeemable preferreds)	30,487	31,669
Total fixed maturities	\$ 67,897	\$ 68,134

Fixed Maturities
Quality Characteristics (1)

	March 31, 2020		December 31, 2019	
	Amount	% of Total	Amount	% of Total
Quality Ratings				
Aaa	\$ 29,537	43.5%	\$ 29,164	42.9%
Aa	15,812	23.3	15,819	23.2
A	12,135	17.9	12,148	17.8
Baa	8,964	13.2	9,541	14.0
Total investment grade	66,448	97.9	66,672	97.9
Ba	882	1.3	846	1.2
B	445	0.6	511	0.7
Caa and lower	122	0.2	105	0.2
Total below investment grade	1,449	2.1	1,462	2.1
Total fixed maturities	\$ 67,897	100.0%	\$ 68,134	100.0%
Average weighted quality	Aa2, AA		Aa2, AA	
Weighted average duration of fixed maturities and short-term securities, net of securities lending activities and net receivables and payables on investment sales and purchases	3.9		4.0	

(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)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Gross investment income					
Fixed maturities	\$ 511	\$ 514	\$ 520	\$ 525	\$ 511
Short-term securities	28	27	26	24	22
Other	53	118	85	77	88
	592	659	631	626	621
Investment expenses	10	11	9	10	10
Net investment income, pre-tax	582	648	622	616	611
Income taxes	86	100	94	91	92
Net investment income, after-tax	\$ 496	\$ 548	\$ 528	\$ 525	\$ 519
Effective tax rate	14.7%	15.4%	15.2%	14.8%	15.1%
Average invested assets (1).....	\$74,040	\$74,370	\$74,910	\$75,996	\$76,191
Average yield pre-tax (1)	3.1%	3.5%	3.3%	3.2%	3.2%
Average yield after-tax	2.7%	2.9%	2.8%	2.8%	2.7%

(1) Excludes net unrealized investment gains (losses), and is adjusted for cash, receivables for investment sales, payables on investment purchases and accrued investment income.

Net Realized and Unrealized Investment Gains (Losses) included in Shareholders' Equity

(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Net realized investment gains (losses)					
Fixed maturities.....	\$ 16	\$ 13	\$ 14	\$ 12	\$ (2)
Equity securities.....	41	10	8	14	(88)
Other (1).....	(4)	2	1	(14)	(8)
Realized investment gains (losses) before tax.....	53	25	23	12	(98)
Related taxes.....	12	5	5	6	(22)
Net realized investment gains (losses).....	\$ 41	\$ 20	\$ 18	\$ 6	\$ (76)
Gross investment gains (1).....	\$ 65	\$ 31	\$ 30	\$ 32	\$ 31
Gross investment losses before impairments (1).....	(11)	(5)	(7)	(18)	(113)
Net investment gains (losses) before impairments.....	54	26	23	14	(82)
Credit losses.....	(1)	(1)	—	(2)	(16)
Net realized investment gains (losses) before tax.....	53	25	23	12	(98)
Related taxes.....	12	5	5	6	(22)
Net realized investment gains (losses).....	\$ 41	\$ 20	\$ 18	\$ 6	\$ (76)
(\$ in millions)	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net unrealized investment gains, net of tax, included in shareholders' equity, by asset type					
Fixed maturities.....	\$ 1,284	\$ 2,388	\$ 2,990	\$ 2,853	\$ 2,271
Equity securities & other.....	—	1	1	—	2
Unrealized investment gains before tax.....	1,284	2,389	2,991	2,853	2,273
Related taxes.....	277	511	637	607	488
Balance, end of period.....	\$ 1,007	\$ 1,878	\$ 2,354	\$ 2,246	\$ 1,785

(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	\$ 1	\$ —	\$ —	\$ —	\$ 5
Gross investment Treasury future losses	\$ 1	\$ —	\$ —	\$ —	\$ 12

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)	March 31, 2020	December 31, 2019
Gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses (1)	\$ 3,456	\$ 3,476
Gross structured settlements (2)	2,928	2,965
Mandatory pools and associations (3)	1,917	1,886
Gross reinsurance recoverables (4)	8,301	8,327
Allowance for estimated uncollectible reinsurance (5)	(149)	(92)
Net reinsurance recoverables	\$ 8,152	\$ 8,235

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

Reinsurer	A.M. Best Rating of Group's Predominant Reinsurer	March 31, 2020
Swiss Re Group	A+ second highest of 16 ratings	\$ 492
Berkshire Hathaway	A++ highest of 16 ratings	365
Munich Re Group	A+ second highest of 16 ratings	298
Axa Group	A+ second highest of 16 ratings	174
Alleghany Group	A+ second highest of 16 ratings	148

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.

(2) 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 amounts due from the life insurance company related to the structured settlement are included in both the claims and claim adjustment expense reserves and reinsurance recoverables in the Company's consolidated balance sheet, as the Company retains the 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 included in gross structured settlements is as follows:

Group	A.M. Best Rating of Group's Predominant Insurer	March 31, 2020
Fidelity & Guaranty Life Group (a)	A- fourth highest of 16 ratings	\$ 774
Genworth Financial Group (b)	B seventh highest of 16 ratings	338
John Hancock Group	A+ second highest of 16 ratings	263
Brighthouse Financial, Inc	A third highest of 16 ratings	245
Symetra Financial Corporation	A third highest of 16 ratings	239

(a) On February 7, 2020, Fidelity National Financial, Inc. announced that it had signed a merger agreement to acquire FGL Holdings (Fidelity & Guaranty Life Group). The transaction is expected to close in the second or third quarter of 2020, and is subject to the approval of FGL Holdings stockholders and federal and state regulators, as well as the satisfaction of other customary closing conditions.

(b) On October 23, 2016, Genworth Financial (Genworth) announced that they have entered into a definitive agreement under which China Oceanwide Holdings Group Co., Ltd. (China Oceanwide) agreed to acquire all of the outstanding shares of Genworth. China Oceanwide is a privately held, family-owned international financial holding group headquartered in Beijing, China. On March 7, 2017, Genworth stockholders adopted the merger agreement, and the acquisition is pending the receipt of required regulatory approvals. On April 1, 2020, the parties agreed to extend the closing deadline for the transaction until June 30, 2020.

(3) 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.

(4) Of the total reinsurance recoverables at March 31, 2020, after deducting mandatory pools and associations and before allowances for estimated uncollectible reinsurance, \$5.58 billion, or 87%, were rated by A.M. Best Company. The Company utilizes updated A.M. Best credit ratings on a quarterly basis when determining the allowance. Of the total rated by A.M. Best Company, 93% were rated A- or better. The remaining 13% of reinsurance recoverables were comprised of the following: 6% related to captive insurance companies, 1% related to the Company's participation in voluntary pools and 6% were balances from other companies not rated by A.M. Best Company. Certain of the Company's reinsurance recoverables are collateralized by letters of credit, funds held or trust agreements.

(5) The Company reports its reinsurance recoverables net of an allowance for estimated uncollectible reinsurance. The allowance is based upon the Company's ongoing review of amounts outstanding, length of collection periods, changes in reinsurer credit standing, disputes, applicable coverage defenses and other relevant factors. For structured settlements, the allowance is also based upon the Company's ongoing review of life insurers' creditworthiness and estimated amounts of coverage that would be available from state guaranty funds if a life insurer defaults. A probability-of-default methodology which reflects current and forecasted economic conditions is used to estimate the amount of uncollectible reinsurance due to credit-related factors and the estimate is reported in an allowance for estimated uncollectible reinsurance. The allowance also includes estimated uncollectible amounts related to dispute risk with reinsurers. The Company adopted updated guidance for the accounting for credit losses for financial instruments for the quarter ending March 31, 2020 which resulted in the recognition of an allowance for expected credit losses on structured settlements of \$53 million, pre-tax, with an offsetting after-tax cumulative effect adjustment to retained earnings as of January 1, 2020.

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



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Statutory Reserves for Losses and Loss Adjustment Expenses					
Business Insurance					
Beginning of period	\$ 33,857	\$ 34,086	\$ 34,377	\$ 34,963	\$ 35,142
Incurred	2,529	2,631	2,969	2,608	2,737
Paid	(2,320)	(2,345)	(2,354)	(2,482)	(2,364)
Foreign exchange and other	20	5	(29)	53	(100)
End of period.....	\$ 34,086	\$ 34,377	\$ 34,963	\$ 35,142	\$ 35,415
Bond & Specialty Insurance					
Beginning of period	\$ 2,987	\$ 3,068	\$ 3,042	\$ 3,074	\$ 3,094
Incurred	264	236	298	286	325
Paid	(189)	(260)	(256)	(290)	(300)
Foreign exchange and other	6	(2)	(10)	24	(34)
End of period.....	\$ 3,068	\$ 3,042	\$ 3,074	\$ 3,094	\$ 3,085
Personal Insurance					
Beginning of period	\$ 5,565	\$ 5,427	\$ 5,560	\$ 5,587	\$ 5,507
Incurred	1,596	1,897	1,899	1,684	1,671
Paid	(1,751)	(1,781)	(1,862)	(1,782)	(1,693)
Foreign exchange and other	17	17	(10)	18	(72)
End of period.....	\$ 5,427	\$ 5,560	\$ 5,587	\$ 5,507	\$ 5,413
Total					
Beginning of period	\$ 42,409	\$ 42,581	\$ 42,979	\$ 43,624	\$ 43,743
Incurred	4,389	4,764	5,166	4,578	4,733
Paid	(4,260)	(4,386)	(4,472)	(4,554)	(4,357)
Foreign exchange and other	43	20	(49)	95	(206)
End of period.....	\$ 42,581	\$ 42,979	\$ 43,624	\$ 43,743	\$ 43,913
Prior Year Reserve Development: Unfavorable (Favorable)					
Business Insurance					
Asbestos	\$ —	\$ —	\$ 220	\$ —	\$ —
Environmental.....	—	60	8	8	17
All other	21	(131)	88	(16)	(22)
Total Business Insurance (1).....	21	(71)	316	(8)	(5)
Bond & Specialty Insurance	(3)	(39)	(3)	(20)	—
Personal Insurance	(69)	(13)	(19)	(32)	(22)
Total	\$ (51)	\$ (123)	\$ 294	\$ (60)	\$ (27)

(1) Excludes accretion of discount.

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Asbestos and Environmental Reserves



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Asbestos reserves					
Beginning reserves:					
Gross	\$ 1,608	\$ 1,564	\$ 1,474	\$ 1,685	\$ 1,601
Ceded	(327)	(321)	(295)	(334)	(322)
Net.....	1,281	1,243	1,179	1,351	1,279
Incurred losses and loss expenses:					
Gross	—	—	268	—	—
Ceded	—	—	(48)	—	—
Paid loss and loss expenses:					
Gross	44	90	57	86	69
Ceded	(6)	(26)	(9)	(12)	(6)
Foreign exchange and other:					
Gross	—	—	—	2	(2)
Ceded	—	—	—	—	—
Ending reserves:					
Gross	1,564	1,474	1,685	1,601	1,530
Ceded	(321)	(295)	(334)	(322)	(316)
Net.....	\$ 1,243	\$ 1,179	\$ 1,351	\$ 1,279	\$ 1,214
Environmental reserves					
Beginning reserves:					
Gross	\$ 358	\$ 338	\$ 388	\$ 374	\$ 350
Ceded	(24)	(24)	(29)	(29)	(29)
Net.....	334	314	359	345	321
Incurred losses and loss expenses:					
Gross	—	67	8	9	19
Ceded	—	(7)	—	(1)	(2)
Paid loss and loss expenses:					
Gross	20	16	22	34	18
Ceded	—	(1)	—	(1)	(4)
Foreign exchange and other:					
Gross	—	(1)	—	1	(1)
Ceded	—	1	—	—	—
Ending reserves:					
Gross	338	388	374	350	350
Ceded	(24)	(29)	(29)	(29)	(27)
Net.....	\$ 314	\$ 359	\$ 345	\$ 321	\$ 323

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Capitalization



(\$ in millions)

	March 31, 2020	December 31, 2019
Debt		
Short-term debt		
Commercial paper	\$ 100	\$ 100
3.90% Senior notes due November 1, 2020 (1)	500	500
Total short-term debt.....	600	600
Long-term debt		
7.75% Senior notes due April 15, 2026.....	200	200
7.625% Junior subordinated debentures due December 15, 2027	125	125
6.375% Senior notes due March 15, 2033 (1).....	500	500
6.75% Senior notes due June 20, 2036 (1).....	400	400
6.25% Senior notes due June 15, 2037 (1).....	800	800
5.35% Senior notes due November 1, 2040 (1)	750	750
4.60% Senior notes due August 1, 2043 (1).....	500	500
4.30% Senior notes due August 25, 2045 (1).....	400	400
8.50% Junior subordinated debentures due December 15, 2045	56	56
3.75% Senior notes due May 15, 2046 (1).....	500	500
8.312% Junior subordinated debentures due July 1, 2046	73	73
4.00% Senior notes due May 30, 2047 (1).....	700	700
4.05% Senior notes due March 7, 2048 (1).....	500	500
4.10% Senior notes due March 4, 2049 (1).....	500	500
Total long-term debt.....	6,004	6,004
Unamortized fair value adjustment	43	43
Unamortized debt issuance costs.....	(88)	(89)
	5,959	5,958
Total debt	6,559	6,558
Common equity (excluding net unrealized investment gains, net of tax, included in shareholders' equity)	23,419	23,697
Total capital (excluding net unrealized investment gains, net of tax, included in shareholders' equity)	\$ 29,978	\$ 30,255
Total debt to capital (excluding net unrealized investment gains, net of tax, included in shareholders' equity)	21.9%	21.7%

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

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

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



(\$ in millions)

	March 31, 2020 (1)	December 31, 2019
Statutory capital and surplus	\$ 20,808	\$ 21,330
GAAP adjustments		
Goodwill and intangible assets.....	3,574	3,589
Investments.....	2,553	3,130
Noninsurance companies.....	(3,944)	(4,111)
Deferred acquisition costs	2,298	2,273
Deferred federal income tax.....	(974)	(1,144)
Current federal income tax.....	(33)	(29)
Reinsurance recoverables.....	47	47
Furniture, equipment & software	688	676
Agents balances.....	182	212
Other.....	5	(30)
Total GAAP adjustments	4,396	4,613
GAAP shareholders' equity	\$ 25,204	\$ 25,943

(1) Estimated and Preliminary

See Glossary of Financial Measures and Description of Reportable Business Segments on pages 35 and 36.

The Travelers Companies, Inc.
Statement of Cash Flows



(\$ in millions)	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Cash flows from operating activities					
Net income.....	\$ 796	\$ 557	\$ 396	\$ 873	\$ 600
Adjustments to reconcile net income to net cash provided by operating activities:					
Net realized investment (gains) losses.....	(53)	(25)	(23)	(12)	98
Depreciation and amortization.....	211	190	180	182	203
Deferred federal income tax expense (benefit).....	32	(22)	(20)	(23)	6
Amortization of deferred acquisition costs.....	1,117	1,134	1,169	1,181	1,178
Equity in income from other investments.....	(34)	(98)	(64)	(55)	(67)
Premiums receivable.....	(434)	(345)	168	227	(326)
Reinsurance recoverables.....	98	53	61	(55)	(15)
Deferred acquisition costs.....	(1,185)	(1,223)	(1,211)	(1,128)	(1,215)
Claims and claim adjustment expense reserves.....	(2)	331	598	120	388
Unearned premium reserves.....	551	407	392	(342)	414
Other.....	(458)	194	355	444	(636)
Net cash provided by operating activities	639	1,153	2,001	1,412	628
Cash flows from investing activities					
Proceeds from maturities of fixed maturities.....	1,556	1,482	1,857	1,950	1,461
Proceeds from sales of investments:					
Fixed maturities.....	769	726	306	386	388
Equity securities.....	39	32	28	41	33
Other investments.....	105	135	106	113	64
Purchases of investments:					
Fixed maturities.....	(2,914)	(2,794)	(2,526)	(2,477)	(2,630)
Equity securities.....	(22)	(19)	(21)	(32)	(35)
Real estate investments.....	(77)	(8)	(10)	(12)	(16)
Other investments.....	(146)	(116)	(107)	(128)	(103)
Net sales (purchases) of short-term securities.....	(109)	606	(1,114)	(340)	906
Securities transactions in course of settlement.....	295	(72)	209	(274)	85
Other.....	(82)	(87)	(74)	(82)	(69)
Net cash provided by (used in) investing activities	(586)	(115)	(1,346)	(855)	84

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



(\$ in millions)

	1Q2019	2Q2019	3Q2019	4Q2019	1Q2020
Cash flows from financing activities					
Treasury stock acquired - share repurchase authorization.....	(375)	(375)	(375)	(375)	(425)
Treasury stock acquired - net employee share-based compensation.....	(46)	(1)	—	(1)	(46)
Dividends paid to shareholders.....	(205)	(214)	(214)	(211)	(210)
Payment of debt.....	—	(500)	—	—	—
Issuance of debt.....	492	—	—	—	—
Issuance of common stock - employee share options.....	63	111	32	7	31
Net cash used in financing activities.....	(71)	(979)	(557)	(580)	(650)
Effect of exchange rate changes on cash.....	2	—	(6)	9	(12)
Net increase (decrease) in cash.....	(16)	59	92	(14)	50
Cash at beginning of period.....	373	357	416	508	494
Cash at end of period.....	<u>\$ 357</u>	<u>\$ 416</u>	<u>\$ 508</u>	<u>\$ 494</u>	<u>\$ 544</u>
Income taxes paid.....	\$ 5	\$ 320	\$ 42	\$ 61	\$ 15
Interest paid.....	\$ 50	\$ 121	\$ 60	\$ 107	\$ 60

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, to establish performance targets on a consolidated basis, and for other reasons as discussed below. 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.

Some of these measures exclude net realized investment gains (losses), net of tax, and/or net unrealized investment gains (losses), net of tax, included in shareholders' equity, 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.

Core income (loss) is consolidated net income (loss) excluding the after-tax impact of net realized investment gains (losses), discontinued operations, the effect of a change in tax laws and tax rates at enactment, and cumulative effect of changes in accounting principles when applicable. **Segment income (loss)** is determined in the same manner as core income (loss) on a segment basis. Management uses segment income (loss) to analyze each segment's performance and as a tool in making business decisions. Financial statement users also consider core income (loss) when analyzing the results and trends of insurance companies. **Core income (loss) per share** is core 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 realized investment gains (losses), net of tax, net unrealized investment gains (losses), net of tax, included in shareholders' equity for the periods presented and the effect of a change in tax laws and tax rates at enactment (excluding the portion related to net unrealized investment gains (losses)). **Adjusted average shareholders' equity** is (a) the sum of total adjusted 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.

Return on equity is the ratio of annualized net income (loss) to average shareholders' equity for the periods presented. **Core return on equity** is the ratio of annualized core 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 designated a catastrophe by internationally recognized organizations that track and report on insured losses resulting from catastrophic events, such as Property Claim Services (PCS) for events in the United States and Canada. Catastrophes can be caused by various natural events, including, among others, hurricanes, tornadoes and other windstorms, earthquakes, hail, wildfires, severe winter weather, floods, tsunamis, volcanic eruptions and other naturally-occurring events, such as solar flares. Catastrophes can also be man-made, such as terrorist attacks and other intentionally destructive acts including those involving nuclear, biological, chemical and radiological events, cyber events, explosions and destruction of infrastructure. Each catastrophe has unique characteristics and catastrophes are not predictable as to timing or amount. Their effects are included in net and core 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. The Company's threshold for disclosing catastrophes is primarily determined at the reportable segment level. If a threshold for one segment or a combination thereof is exceeded and the other segments have losses from the same event, losses from the event are identified as catastrophe losses in the segment results and for the consolidated results of the Company. Additionally, an aggregate threshold is applied for international business across all reportable segments. The threshold for 2020 ranges from approximately \$20 million to \$30 million of losses before reinsurance and taxes.

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 core 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* premiums 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 and other, 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. **Underlying combined ratio** is the combined ratio adjusted to exclude the impact of prior year reserve development and catastrophes, net of reinsurance.

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.

Glossary of Financial Measures and Description of Reportable Business Segments

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

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 net unrealized investment gains and losses, net of tax, included in shareholders' equity, 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, net of tax, included in shareholders' equity** is the ratio of debt to total capital excluding net unrealized investment gains and losses, net of tax, included in shareholders' equity. 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 Insurance - Business Insurance offers a broad array of property and casualty insurance and insurance-related services to its customers, 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 Insurance is organized as follows: Select Accounts; Middle Market including Commercial Accounts, Construction, Technology, Public Sector Services, Oil & Gas, Excess Casualty, Inland Marine, Ocean Marine, and Boiler & Machinery; National Accounts; National Property and Other including National Property, Northland Transportation, Northfield, National Programs, and Agribusiness; and International including Global Services. Business Insurance also includes Simply Business, a leading provider of small business insurance policies primarily in the United Kingdom that was acquired in August 2017, as well as Business Insurance Other, which primarily comprises the Company's asbestos and environmental liabilities, and the assumed reinsurance and certain other runoff operations.

Bond & Specialty Insurance - Bond & Specialty Insurance provides surety, fidelity, management liability, professional liability, and other property and casualty coverages and related risk management services to its customers in the United States and certain specialty insurance products in Canada, the United Kingdom, the Republic of Ireland and Brazil (through a joint venture as described below), 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 including directors' and officers' liability, employee dishonesty, employment practices liability, fiduciary liability and cyber risk for public corporations, private companies, not-for-profit organizations and financial institutions; professional liability coverage for a variety of professionals including, among others, lawyers and design professionals; and in the United States only, property, workers' compensation, auto and general liability for financial institutions.

Bond & Specialty Insurance surety business in Brazil and Colombia is conducted through Junto Holding Brasil S.A. (Junto) and Junto Holding Latam S.A. in Brazil. The Company owns 49.5% of both Junto, a market leader in surety coverages in Brazil, and Junto Holding Latam S.A., a Colombian start-up surety provider. These joint venture investments are accounted for using the equity method and are included in "other investments" on the consolidated balance sheet.

Personal Insurance - Personal Insurance writes a broad range of property and casualty insurance covering individuals' personal risks, primarily in the United States, as well as in Canada. The primary products of automobile and homeowners insurance are complemented by a broad suite of related coverages.