



Third Quarter 2008 Results

October 22, 2008

Explanatory Note

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

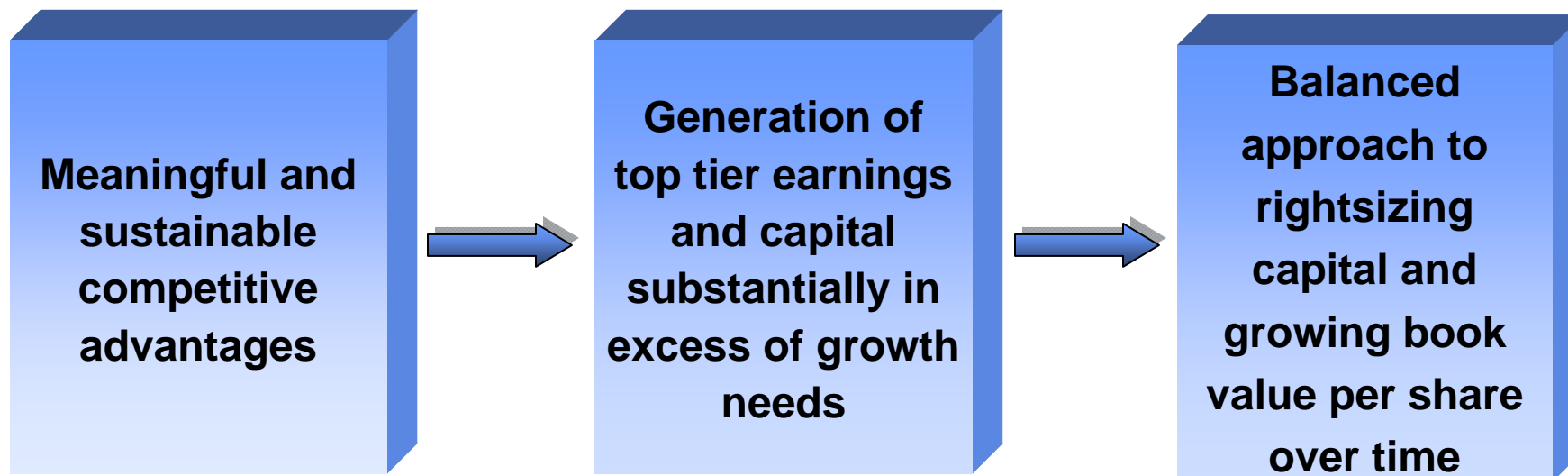
Some of the factors that could cause actual results to differ include, but are not limited to, the following: catastrophe losses could materially and adversely affect our results of operations, our financial position and/or liquidity and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance; if actual claims exceed our loss reserves, or if changes in the estimated level of loss reserves are necessary, our financial results could be materially and adversely affected; our business could be harmed because of our potential exposure to asbestos and environmental claims and related litigation; we are exposed to, and may face adverse developments involving mass tort claims, such as those relating to exposure to potentially harmful products or substances; the effects of emerging claim and coverage issues on our business are uncertain; we may not be able to collect all amounts due to us from reinsurers, and reinsurance coverage may not be available to us in the future at commercially reasonable rates or at all; the intense competition that we face could harm our ability to maintain or increase our profitability and premium volume; we are exposed to credit risk in certain of our business operations and in our investment portfolio; the insurance industry and we are the subject of a number of investigations by state and federal authorities in the United States, and we cannot predict the outcome of these investigations or their impact on our business or financial results; our businesses are heavily regulated, and changes in regulation may reduce our profitability and limit our growth; a downgrade in our claims-paying and financial strength ratings could adversely impact our business volumes, adversely impact our ability to access the capital markets and increase our borrowing costs; our investment portfolio may suffer reduced returns or losses; deteriorating economic conditions in the United States and abroad could adversely impact our ability to grow our business profitability, and inflation could result in an increase in loss costs which could negatively impact our profitability; the inability of our insurance subsidiaries to pay dividends to our holding company in sufficient amounts would harm our ability to meet our obligations and to pay future shareholder dividends; disruptions to our relationships with our independent agents and brokers could adversely affect us; we are subject to a number of risks associated with our business outside the United States including operational, legal and foreign exchange rate risk; we could be adversely affected if our controls to ensure compliance with guidelines, policies and legal and regulatory standards are not effective; our business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology; certain significant multiyear technology projects are currently in process but may not be successful; and if we experience difficulties with technology, data security and/or outsourcing relationships, our ability to conduct our business could be negatively impacted.

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

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

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

Long-term Financial Strategy



Create Shareholder Value
Objective: Mid-Teens ROE Over Time

Third Quarter 2008 Highlights

- Operating income of \$330 million or \$0.55 per diluted share
 - Catastrophe losses of \$682 million after-tax
 - Net favorable prior year reserve development of \$210 million after-tax
- GAAP combined ratio of 104.7%
 - Catastrophe losses added +19.1 points, net favorable prior year reserve development of (6.2) points
 - Excluding these impacts the GAAP combined ratio was 91.8%
- Operating return on equity of 5.1% current quarter and 11.7% year-to-date
- Net written premiums of \$5.481 billion, a 2% increase from the prior year quarter
- Adjusted book value per share of \$43.34
 - Less than 1% decline from June 30, 2008 after repurchasing 6.2 million shares under the company's share repurchase authorization for a total cost of \$272 million and paying dividends of \$177 million
 - 8% increase from September 30, 2007 after repurchasing 61.3 million shares under the company's share repurchase authorization during the past twelve months for a total cost of \$3.022 billion and paying dividends of \$719 million
- All financial strength indicators at or better than target levels
 - Debt-to-total capital ratio of 19.9%
 - Holding company liquidity of \$2.1 billion

Very Strong Financial Position

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

| | Sept 30 2008 | Dec 31 2007 |
|--|------------------|------------------|
| Debt | \$ 6,331 | \$ 6,242 |
| Preferred equity | 92 | 112 |
| Common equity ¹ | 25,447 | 25,884 |
| Total capital ¹ | \$ 31,870 | \$ 32,238 |
| Debt-to-total capital ¹ | 19.9% | 19.4% |
| Common shares outstanding | 587.2 | 627.8 |
| Book value per common share | \$ 41.94 | \$ 42.22 |
| Adjusted book value per common share ¹ | \$ 43.34 | \$ 41.23 |
| Tangible book value per common share ¹ | \$ 36.53 | \$ 34.74 |
| Statutory surplus | \$ 21,929 | \$ 22,878 |
| Holding company liquidity | \$ 2,106 | \$ 1,617 |

¹ Excludes FAS 115

Capital

- At or above target levels for all rating agencies
- Continued to generate excess capital and repurchased shares
 - \$2.022 billion of share repurchases in first nine months of 2008

Leverage

- Debt-to-total capital ratio of 19.9% below 20.0% target
 - Low level of maturing debt
 - 4Q 2008 \$149 million
 - 2009 \$143 million
 - 2010 \$273 million
 - 2011 \$ 11 million
- } Can self-fund all maturing debt

Liquidity

- Holding company liquidity almost twice the target of \$1.1 billion
- Not reliant on commercial paper market

Very high credit quality investment portfolio

Consistent, High Quality Investment Portfolio

| | Sept 30, 2008 | Dec 31, 2007 | Dec 31, 2005 |
|--|--------------------|--------------------|--------------------|
| U.S. Treasury securities & obligations of U.S. Government corporations and agencies | 3% | 3% | 5% |
| Obligations of states and political subdivisions | 53% | 52% | 47% |
| Debt securities issued by foreign governments | 2% | 2% | 2% |
| Mortgage-backed securities - principally obligations of U.S. Government agencies | 9% | 10% | 12% |
| Corporates (including redeemable preferreds) | 20% | 20% | 21% |
| Total fixed maturities | <u>87%</u> | <u>87%</u> | <u>87%</u> |
| Mortgage loans | -% | -% | -% |
| Short-term securities | 7% | 7% | 7% |
| Total fixed income | <u>94%</u> | <u>94%</u> | <u>94%</u> |
| Private equities | 2% | 2% | 2% |
| Hedge funds | 1% | 1% | 1% |
| Equity securities | 1% | 1% | 1% |
| Real estate & other | 2% | 2% | 2% |
| Total other investments | <u>6%</u> | <u>6%</u> | <u>6%</u> |
| Total invested assets | <u>100%</u> | <u>100%</u> | <u>100%</u> |
| Duration | 4.1 | 4.0 | 3.9 |
| Average quality rating | AA+ | AA+ | AA+ |
| Below investment grade | 2.4% | 2.5% | 3.0% |

Areas of Market Disruption

- Subprime / Alt-A mortgage-backed securities
- Collateralized debt obligations
- Collateralized loan obligations
- Monoline insurer guarantee of municipal bonds
- Structured investment vehicles
- Asset-backed commercial paper
- Auction-rate securities
- Loss of access to commercial paper market
- Credit default swaps
- Securities lending

Travelers Status

Holdings of \$254 million - negligible exposure

None

None

Municipal bond portfolio AA+ with or without guarantee (based on underlying ratings)

None

None

None

Not reliant on; only approximately \$100 million outstanding

Not a party to any

Only \$15 million of loans outstanding; company believes it has no exposure to loss

Consolidated Performance

(\$ in millions, except per share amounts, after-tax)

| | Third Quarter | | | Year-to-Date | | |
|--|-----------------|---------------|-------------------|-----------------|---------------|------------------|
| | 2008 | 2007 | Change | 2008 | 2007 | Change |
| Operating income | \$ 330 | \$ 1,198 | (72) % | \$ 2,256 | \$ 3,443 | (34) % |
| <i>per diluted share</i> | \$ 0.55 | \$ 1.81 | (70) % | \$ 3.69 | \$ 5.08 | (27) % |
| Included the following items: | | | | | | |
| Catastrophes, net of reinsurance | \$ (682) | \$ (9) | | \$ (975) | \$ (64) | |
| Net favorable prior year reserve development | 210 | 145 | | 811 | 268 | |
| Timing impact of agent compensation program ¹ | - | 19 | | - | 104 | |
| Charge on the redemption of securities ² | - | - | | - | (25) | |
| Resolution of prior year tax matters | - | - | | - | 86 | |
| Total Items | \$ (472) | \$ 155 | | \$ (164) | \$ 369 | |
| Loss and loss adjustment ratio | 69.9 % | 53.6 % | | 60.9 % | 56.6 % | |
| Underwriting expense ratio | 34.8 | 30.8 | | 33.1 | 30.5 | |
| GAAP combined ratio ³ | 104.7 % | 84.4 % | (20.3) pts | 94.0 % | 87.1 % | (6.9) pts |
| Catastrophes, net of reinsurance | (19.1) | (0.3) | | (9.3) | (0.6) | |
| Net favorable prior year reserve development | 6.2 | 4.3 | | 7.8 | 2.6 | |
| Timing impact of agent compensation program ¹ | - | 0.5 | | - | 1.0 | |
| Adjusted GAAP combined ratio | 91.8 % | 88.9 % | (2.9) pts | 92.5 % | 90.1 % | (2.4) pts |

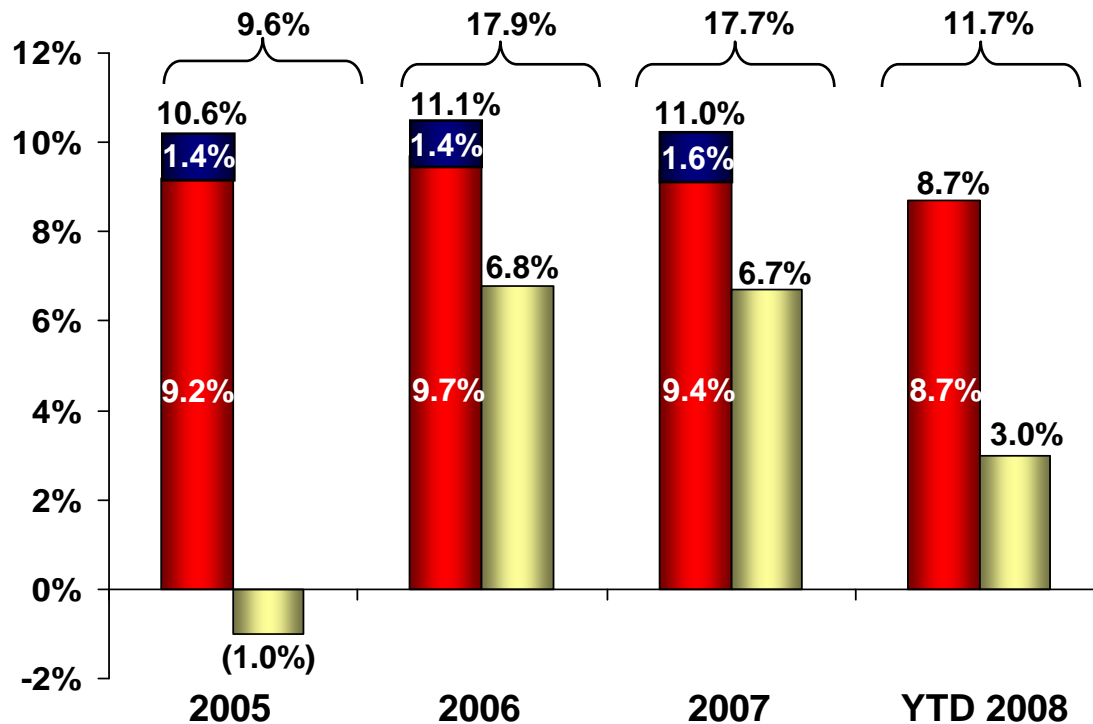


¹ Timing impact for the transition to the fixed, value-based agent compensation program.

² Redemption of 4.5% convertible junior subordinated notes due 2032 in 2007.

³ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

Components of Operating Return on Equity



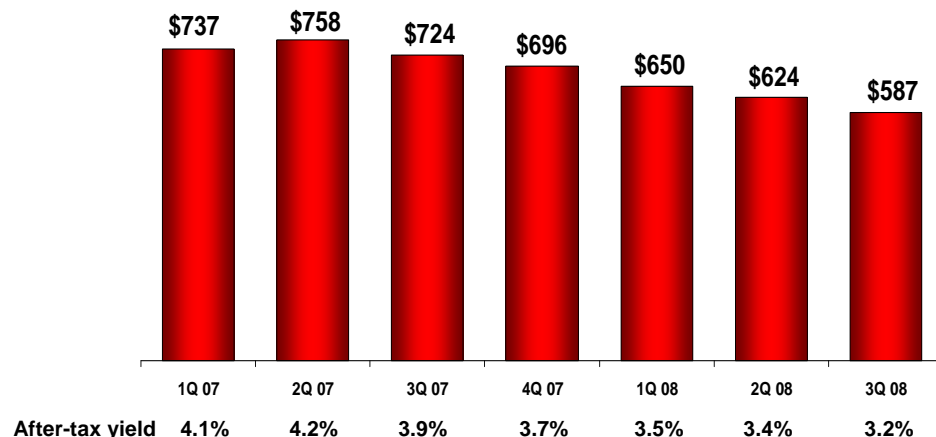
■ Fixed investment portfolio investment income less holding company interest expense
■ Non-fixed investment portfolio investment income
■ Underwriting income / (loss)

- Investment income from the fixed income portfolio, net of interest expense on holding company debt, produced an operating return on equity of 8.7% down slightly due to lower short-term interest rates
- Underwriting income produced an operating return on equity of 3.0% including significant catastrophe losses and net favorable prior year reserve development
- January 1, 2005 through September 30, 2008 annual operating return on equity of approximately 15%

Net Investment Income

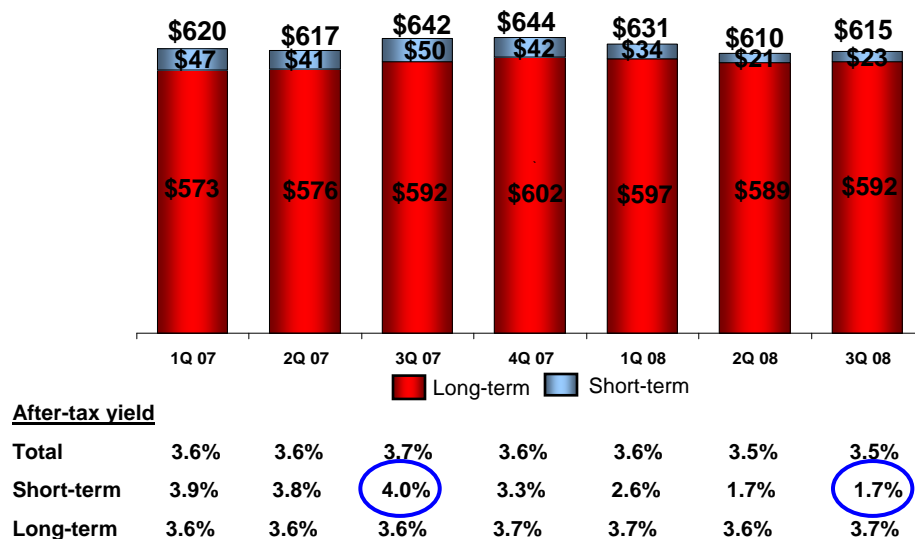
(\$ in millions, after-tax)

Total

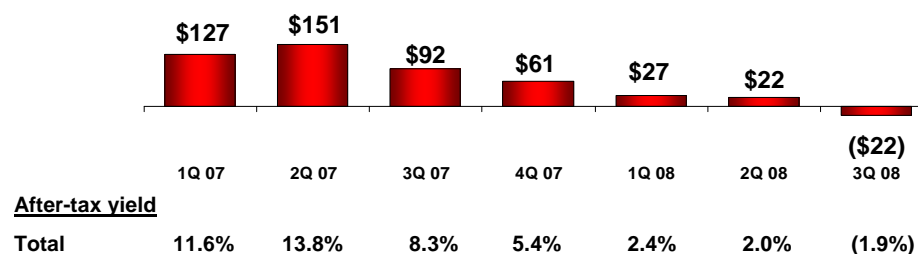


- Long-term fixed income portfolio continued to produce stable returns
- Short-term portion of fixed income portfolio impacted by lower rates
- Non-fixed income portfolio produced a slight loss in the quarter due to valuation adjustments in real estate partnerships and hedge funds (hedge fund valuations updated through September 30, 2008)

Fixed Income¹



Non-Fixed Income¹



¹ Excludes investment expenses

Commercial Segments - Illustrative Business Statistics

| | Retention | | | | | | |
|---------------------------------------|-----------|-----|-----|-----|------|-----|-----|
| | 2007 | | | | 2008 | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Select Accounts | 81% | 81% | 81% | 81% | 82% | 81% | 82% |
| Commercial Accounts | 86% | 86% | 85% | 85% | 86% | 85% | 86% |
| Other Business Insurance ¹ | 82% | 80% | 80% | 80% | 82% | 82% | 82% |
| Financial Products | 84% | 85% | 82% | 83% | 84% | 84% | 84% |
| International | 86% | 84% | 82% | 85% | 82% | 79% | 79% |

**Retentions remain
at historically
high levels**

| | Renewal Price Change ² | | | | | | |
|---------------------------------------|-----------------------------------|-----|-----|-----|------|-----|-----|
| | 2007 | | | | 2008 | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Select Accounts | 4% | 2% | 2% | 1% | 1% | 1% | 0% |
| Commercial Accounts | 0% | -3% | -2% | -6% | -4% | -3% | -4% |
| Other Business Insurance ¹ | 1% | -1% | -4% | -6% | -4% | -6% | -3% |
| Financial Products | 5% | -1% | 2% | -2% | 0% | -2% | 0% |
| International | 0% | -3% | -2% | -2% | -6% | -1% | 0% |

**Renewal price
changes generally
consistent with
recent quarters**

¹ Includes all other groups within Business Insurance Core operations excluding National Accounts.

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

Commercial Segments - Illustrative Business Statistics

(\$ in millions)

| | New Business | | | | | | |
|---------------------------------------|---------------------|-----------|-----------|-----------|-------------|-----------|--------------|
| | 2007 | | | | 2008 | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
| Select Accounts | \$146 | \$144 | \$123 | \$110 | \$125 | \$134 | \$143 |
| Commercial Accounts | \$169 | \$125 | \$143 | \$123 | \$142 | \$118 | \$116 |
| Other Business Insurance ¹ | \$296 | \$315 | \$299 | \$273 | \$298 | \$294 | \$288 |
| Financial Products | \$53 | \$60 | \$49 | \$50 | \$46 | \$51 | \$48 |
| International | \$56 | \$81 | \$72 | \$90 | \$67 | \$124 | \$69 |

Overall strong, but disciplined performance

¹ Includes all other groups within Business Insurance Core operations excluding National Accounts.

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

Business Insurance Performance

(\$ in millions)

| | Third Quarter | | | Year-to-Date | | |
|---------------------------------|------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | <u>2008</u> | <u>2007</u> | <u>Change</u> | <u>2008</u> | <u>2007</u> | <u>Change</u> |
| Net Written Premiums | | | | | | |
| Select Accounts | \$ 662 | \$ 637 | | \$ 2,094 | \$ 2,069 | |
| Commercial Accounts | 635 | 615 | | 1,858 | 1,837 | |
| National Accounts | 240 | 245 | | 727 | 786 | |
| Industry-Focused Underwriting | 613 | 584 | | 1,810 | 1,746 | |
| Target Risk Underwriting | 366 | 394 | | 1,234 | 1,286 | |
| Specialized Distribution | <u>228</u> | <u>243</u> | | <u>731</u> | <u>771</u> | |
| Business Insurance Core | 2,744 | 2,718 | 1 % | 8,454 | 8,495 | - % |
| Business Insurance Other | <u>4</u> | <u>8</u> | | <u>10</u> | <u>46</u> | |
| Total Business Insurance | \$ <u>2,748</u> | \$ <u>2,726</u> | 1 % | \$ <u>8,464</u> | \$ <u>8,541</u> | (1) % |

Business Insurance Performance

(\$ in millions)

| | Third Quarter | | | Year-to-Date | | |
|---|----------------|---------------|-------------------|-----------------|-----------------|------------------|
| | <u>2008</u> | <u>2007</u> | <u>Change</u> | <u>2008</u> | <u>2007</u> | <u>Change</u> |
| Operating income | \$ 378 | \$ 803 | (53) % | \$ 1,719 | \$ 2,286 | (25) % |
| Loss and loss adjustment ratio | 67.1 % | 53.3 % | | 58.7 % | 57.3 % | |
| Underwriting expense ratio | 34.2 | 30.7 | | 33.0 | 30.5 | |
| GAAP combined ratio ¹ | 101.3 % | 84.0 % | (17.3) pts | 91.7 % | 87.8 % | (3.9) pts |
| Catastrophes, net of reinsurance | (17.3) | - | | (8.7) | - | |
| Net favorable prior year reserve development | 8.7 | 5.9 | | 10.9 | 3.0 | |
| Timing impact of agent compensation program ² | - | 0.5 | | - | 0.9 | |
| Adjusted GAAP combined ratio | 92.7 % | 90.4 % | (2.3) pts | 93.9 % | 91.7 % | (2.2) pts |



¹ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

² Timing impact for the transition to the fixed, value-based agent compensation program.

Financial, Professional & International Insurance (FP&II) Performance

(\$ in millions)

| | Third Quarter | | | Year-to-Date | | |
|--|---------------|---------------|-------------------|-----------------|-----------------|------------------|
| | 2008 | 2007 | Change | 2008 | 2007 | Change |
| Operating income | \$ 83 | \$ 183 | (55) % | \$ 495 | \$ 491 | 1 % |
| Loss and loss adjustment ratio | 62.9 % | 48.3 % | | 50.9 % | 51.9 % | |
| Underwriting expense ratio | 36.5 | 36.3 | | 36.3 | 36.4 | |
| GAAP combined ratio ¹ | 99.4 % | 84.6 % | (14.8) pts | 87.2 % | 88.3 % | 1.1 pts |
| Catastrophes, net of reinsurance | (10.5) | - | | (3.8) | - | |
| Net favorable prior year reserve development | 4.9 | 4.8 | | 9.2 | 2.2 | |
| Timing impact of agent compensation program ² | - | 0.2 | | - | 0.4 | |
| Adjusted GAAP combined ratio | 93.8 % | 89.6 % | (4.2) pts | 92.6 % | 90.9 % | (1.7) pts |
| Net Written Premiums | | | | | | |
| Bond & Financial Products | \$ 643 | 655 | | \$ 1,642 | 1,624 | |
| International | 258 | 263 | | 888 | 878 | |
| Total FP&II | \$ 901 | \$ 918 | (2) % | \$ 2,530 | \$ 2,502 | 1 % |
| Total FP&II (excl Afianzadora Insurgentes ³) | \$ 901 | \$ 918 | (2) % | \$ 2,530 | \$ 2,477 | 2 % |
| Gross Written Premiums - Surety (excl Afianzadora Insurgentes ³) | \$ 316 | \$ 315 | - % | \$ 898 | \$ 901 | - % |

¹ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

² Timing impact for the transition to the fixed, value-based agent compensation program.

³ Afianzadora Insurgentes, the company's Mexican surety operation, was sold in the first quarter of 2007.

Personal Insurance Performance

(\$ in millions)

| | Third Quarter | | | Year-to-Date | | |
|---|-----------------|-----------------|------------|-----------------|-----------------|------------|
| | <u>2008</u> | <u>2007</u> | Change | <u>2008</u> | <u>2007</u> | Change |
| Operating income (loss) | \$ <u>(64)</u> | \$ <u>276</u> | NMF % | \$ <u>239</u> | \$ <u>818</u> | (71) % |
| Loss and loss adjustment ratio | <u>77.9</u> % | 56.8 % | | <u>69.4</u> % | 57.8 % | |
| Underwriting expense ratio | <u>35.0</u> | 28.0 | | <u>31.5</u> | 27.6 | |
| GAAP combined ratio ¹ | <u>112.9</u> % | <u>84.8</u> % | (28.1) pts | <u>100.9</u> % | <u>85.4</u> % | (15.5) pts |
| Catastrophes, net of reinsurance | (26.2) | (0.8) | | (12.8) | (1.9) | |
| Net favorable prior year reserve development | 2.5 | 1.4 | | 2.1 | 2.1 | |
| Timing impact of agent compensation program ² | - | 0.8 | | - | 1.4 | |
| Adjusted GAAP combined ratio | <u>89.2</u> % | <u>86.2</u> % | (3.0) pts | <u>90.2</u> % | <u>87.0</u> % | (3.2) pts |
| Net Written Premiums | | | | | | |
| Automobile | \$ 929 | \$ 901 | | \$ 2,784 | \$ 2,781 | |
| Homeowners and Other | <u>903</u> | <u>849</u> | | <u>2,520</u> | <u>2,428</u> | |
| Total Personal Insurance | \$ <u>1,832</u> | \$ <u>1,750</u> | 5 % | \$ <u>5,304</u> | \$ <u>5,209</u> | 2 % |
| Total Personal Insurance (excl Mendota ³) | \$ <u>1,832</u> | \$ <u>1,750</u> | 5 % | \$ <u>5,304</u> | \$ <u>5,160</u> | 3 % |

¹ A benefit to the reported GAAP combined ratio is indicated as a positive item and a charge is indicated as a negative item.

² Timing impact for the transition to the fixed, value-based agent compensation program.

³ Mendota, the company's non-standard personal auto operation, was sold in early second quarter 2007.

Personal Insurance – Illustrative Business Statistics

(\$ in millions)

| | 1Q 2007 | 2Q 2007 | 3Q 2007 | 4Q 2007 | 1Q 2008 | 2Q 2008 | 3Q 2008 |
|--|------------|------------|------------|------------|------------|------------|---------------|
| Automobile | | | | | | | |
| Retention ^{1,2} | 83% | 83% | 83% | 83% | 83% | 84% | 83% |
| Renewal price change ^{2,3} | 4% | 3% | 3% | 2% | 2% | 2% | 3% |
| PIF growth over prior year quarter ⁴ | 6% | 4% | 2% | 1% | 2% | 3% | 3% |
| New business ⁴ | \$ 178 | \$ 171 | \$ 173 | \$ 168 | \$ 184 | \$ 192 | \$ 195 |
| Homeowners and Other | | | | | | | |
| Retention ¹ | 86% | 86% | 86% | 86% | 85% | 86% | 86% |
| Renewal price change ³ | 9% | 9% | 8% | 8% | 6% | 6% | 6% |
| PIF growth over prior year quarter ⁴ | 7% | 6% | 4% | 3% | 3% | 3% | 3% |
| New business ⁴ | \$ 93 | \$ 115 | \$ 121 | \$ 104 | \$ 96 | \$ 125 | \$ 129 |

¹ The ratio of expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.

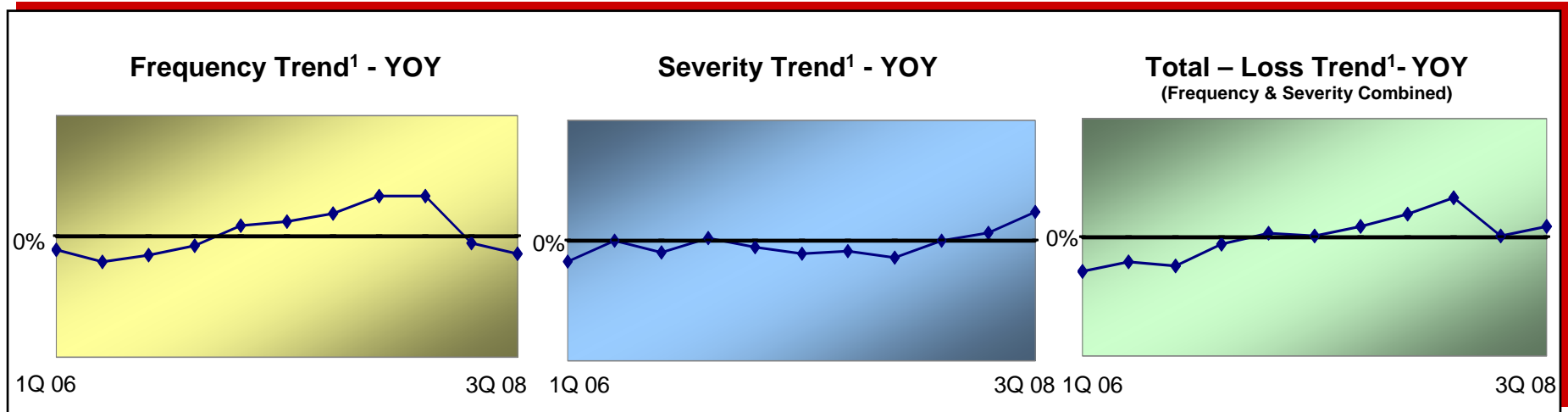
² Statistics for standard voluntary auto, excluding Massachusetts.

³ Each percentage represents the estimated change in average premium on policies that renew, including rate and exposure changes vs. the average premium on those same policies for their prior term.

⁴ PIF growth and new business have been adjusted to exclude Mendota, the company's non-standard personal auto operation sold in early second quarter 2007.

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

Personal Insurance - Automobile



- Observed total loss trend is relatively flat
- Frequency is slightly decreasing
- Severity trend is slightly increasing
 - Physical damage related coverages are increasing low to mid single digits
 - Bodily injury is slightly increasing

2008 Annual Guidance

- Operating income per diluted share range of \$4.90 to \$5.10, compared to the previously announced range of \$5.55 to \$5.85
- This equates to a range of operating return on equity of approximately 11.5% to 12.0%
- This guidance includes the reported results for the first nine months of 2008 and estimates for the remainder of 2008 based on a number of assumptions, including:

Assumptions

- Catastrophe losses of \$1.585 billion pre-tax and \$1.035 billion after-tax, or \$1.70 per diluted share, for the full year which incorporates actual experience for the first nine months of 2008 and \$60 million after-tax for the remainder of the year
- No additional prior year reserve development, favorable or unfavorable
- No significant change in average invested assets (ex. FAS 115)
 - After dividends and approximately \$2.1 billion of share repurchases for the full year
- Weighted average diluted share count of approximately 610 million



Appendix

Third Quarter 2008 Catastrophe Losses

(\$ in millions, after-tax, net of reinsurance, includes assessments of Texas Windstorm Insurance Assoc.)

| | Business Insurance | FP&I | Personal Insurance | Consolidated |
|---------------|-------------------------------|-----------------|-------------------------------|---------------------|
| Ike | \$ 266 | \$ 54 | \$ 275 | \$ 595 |
| Gustav | 35 | 8 | 13 | 56 |
| Dolly | 8 | 2 | 12 | 22 |
| Other | 9 | - | - | 9 |
| Total | \$ 318 | \$ 64 | \$ 300 | \$ 682 |

Note: The estimates recorded for Hurricanes Ike, Gustav and Dolly were developed through an analysis of claims reported and anticipated to be reported, the values of properties in the affected areas, damage projections estimated by wind force and the presence of other perils, anticipated costs for demand surge and other factors requiring considerable judgment. Due to the complexity of factors contributing to the losses from hurricanes, Travelers total costs for these hurricanes may differ materially from its current estimate.

Asbestos Reserves

| | Number of Policyholders Sept 30, 2008 | Sept 30, 2008 | | | Dec 31, 2007 |
|---|---|---------------|-----------------|-----------------|-----------------|
| | | Case | IBNR | Total | Total |
| Policyholders with settlement agreements ¹ | 22 | \$ (13) | \$ 783 | \$ 770 | \$ 1,152 |
| Other policyholders | 1,651 | 331 | 1,689 | 2,020 | 2,116 |
| Assumed and International | - | 192 | 245 | 437 | 466 |
| Total net | 1,673 | \$ 510 | \$ 2,717 | 3,227 | 3,734 |
| Net reinsurance recoverable | | | | 501 | 619 |
| Total gross | | | | \$ 3,728 | \$ 4,353 |
| <i>Net reinsurance recoverable as a % of gross reserves</i> | | | | 13% | 14% |

**Completion of asbestos reserve review resulted in
\$46 million after-tax increase to reserves**

Disclosure

- **For further information, please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (www.sec.gov)**
- **Copies of this presentation and related financial supplement are publicly available on the Travelers website (www.travelers.com)**
- **Travelers uses its Web site as a channel of distribution of material company information. Financial and other material information regarding the company is routinely posted on and accessible at <http://investor.travelers.com>. In addition, you may automatically receive email alerts and other information about Travelers by enrolling your email by visiting the "Email Alert Service" section at <http://investor.travelers.com>.**



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