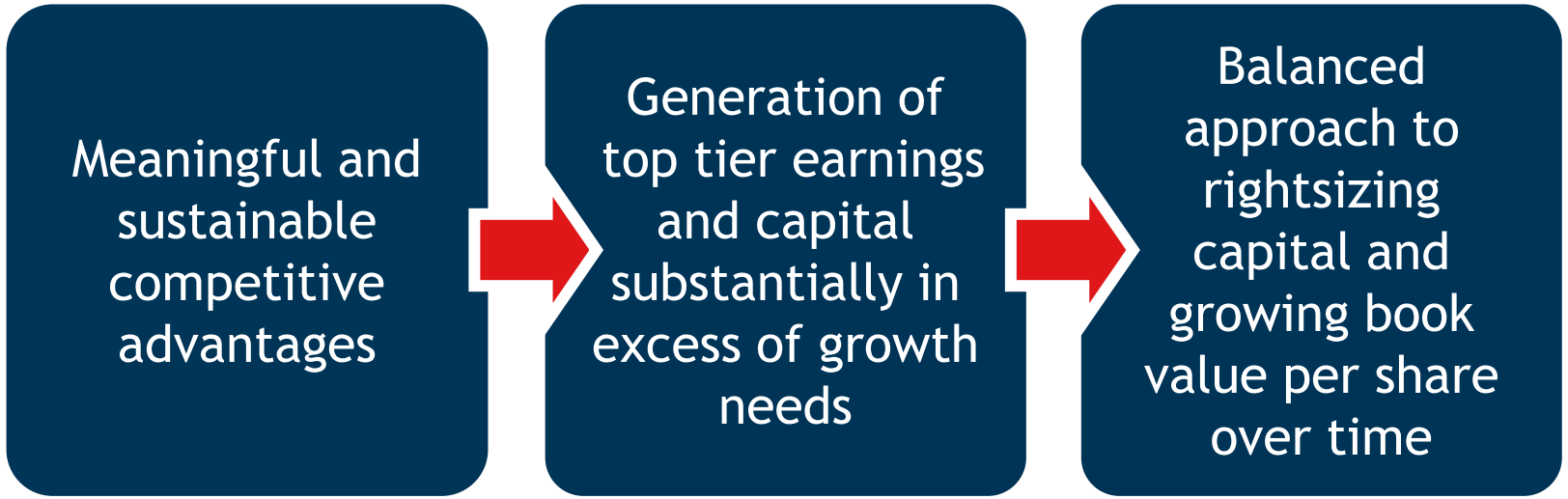
Fourth Quarter 2021 Results

January 20, 2022

TRAVELERS

Long-Term Financial Strategy



CREATE SHAREHOLDER VALUE

Objective: Mid-Teens Core ROE *Over Time*

Fourth Quarter 2021 Overview

Travelers Reports Excellent Fourth Quarter and Full Year Results, Including Strong Earnings and Premium Growth

Fourth Quarter 2021 Record Net Income per Diluted Share of $5.37 and Return on Equity of 18.6%

Fourth Quarter 2021 Record Core Income per Diluted Share of $5.20 and Core Return on Equity of 19.8%

Full Year Net Income of $3.662 billion, up 36%, and Return on Equity of 12.7%

Full Year Core Income of $3.522 billion, up 31%, and Core Return on Equity of 13.7%

- Record fourth quarter net income of $1.333 billion and record core income of $1.289 billion.
- Consolidated combined ratio of 88.0% and underlying combined ratio of 88.7%.
- Net written premiums of $7.995 billion, up 10% compared to the prior year quarter; record full year net written premiums of $31.959 billion, up 7% compared to the prior year.
- Net written premium growth in all three segments compared to the prior year quarter; Business Insurance up 9%, Bond & Specialty Insurance up 13% and Personal Insurance up 10%.
- Total capital returned to shareholders of $1.017 billion, including $801 million of share repurchases; full year total capital returned to shareholders of $3.076 billion, including $2.200 billion of share repurchases.
- Book value per share of $119.77, up 4% from year-end 2020; adjusted book value per share of $109.76, up 10% from year-end 2020.
- Board of Directors declares regular quarterly cash dividend of $0.88 per share.

Consolidated Performance

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

	FOURTH QUARTER			FULL YEAR		
	2021	2020	Change	2021	2020	Change
Core income	**$ 1,289**	**$ 1,262**	**2 %**	**$ 3,522**	**$ 2,686**	**31 %**
per diluted share	*$ 5.20*	*$ 4.91*	*6 %*	*$ 13.94*	*$ 10.48*	*33 %*
Included the following items:						
Net favorable prior year reserve development	$ 75	$ 141		$ 424	$ 276	
Catastrophes, net of reinsurance	(29)	(24)		(1,459)	(1,274)	
Total items	**$ 46**	**$ 117**		**$ (1,035)**	**$ (998)**	
Loss and loss adjustment ratio	59.5 %	57.3 %		65.1 %	65.1 %	
Underwriting expense ratio	28.5	29.4		29.4	29.9	
Combined ratio [1]	**88.0 %**	**86.7 %**	**(1.3) pts**	**94.5 %**	**95.0 %**	**0.5 pts**
Net favorable prior year reserve development	1.2	2.4		1.8	1.2	
Catastrophes, net of reinsurance	(0.5)	(0.4)		(6.0)	(5.5)	
Underlying combined ratio	**88.7 %**	**88.7 %**	**– pts**	**90.3 %**	**90.7 %**	**0.4 pts**
Net written premiums	**$ 7,995**	**$ 7,269**	**10 %**	**$ 31,959**	**$ 29,732**	**7 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

Very Strong Financial Position

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

	December 31, 2021	December 31, 2020
Debt	$ 7,290	$ 6,550
Common equity [1]	26,472	25,127
Total capital [1]	$ 33,762	$ 31,677
Debt-to-capital [1]	21.6%	20.7%
Common shares outstanding	241.2	252.4
Book value per common share	$ 119.77	$ 115.68
Adjusted book value per common share [1]	$ 109.76	$ 99.54
Tangible book value per common share [1, 2]	$ 92.15	$ 82.77
Statutory capital and surplus	$ 23,906	$ 22,180
Holding company liquidity	$ 1,525	$ 1,688

Capital

- At or above target levels for all rating agencies.
- Repurchased 5.1 million shares during fourth quarter 2021 for a total of $801 million; 14.2 million shares for full year 2021 for a total of $2.20 billion.
- Dividends in the fourth quarter were $216 million; $876 million for full year 2021.

Leverage

- Debt-to-capital ratio[1] of 21.6% comfortably within target range of 15% - 25%.
- Next maturing long-term debt of $200 million in April 2026.

Very high-quality investment portfolio

- Fixed maturities average weighted quality Aa2, AA.
- Fixed maturities at or above investment grade 98.6%.

Strong independent ratings

	AM Best	Moody's	S&P	Fitch
Claims Paying - Travelers Reinsurance Pool	A++ (1st of 16)	Aa2 (3rd of 21)	AA (3rd of 21)	AA (3rd of 21)
Senior Debt	a+ (5th of 22)	A2 (6th of 21)	A (6th of 22)	A (6th of 22)
Commercial Paper	AMB-1+ (1st of 5)	P-1 (1st of 4)	A-1 (2nd of 10)	F1 (2nd of 8)

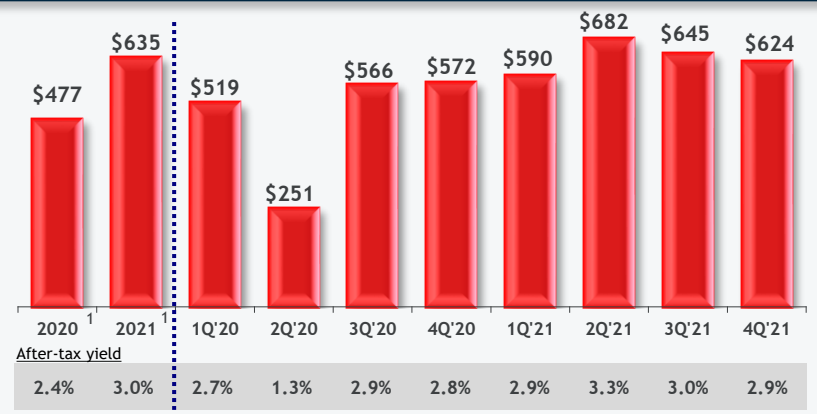
[1] Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity

[2] Excludes the after-tax value of goodwill and other intangible assets

Combined Net Investment Income - After-tax

($ in millions)

TOTAL

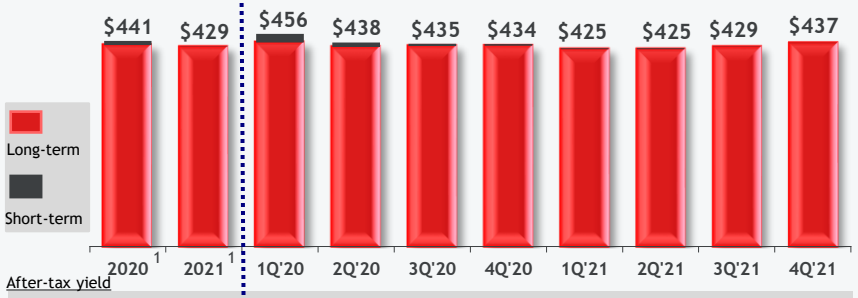


After-tax yield	2020 [1]	2021 [1]	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
	2.4%	3.0%	2.7%	1.3%	2.9%	2.8%	2.9%	3.3%	3.0%	2.9%

Fourth Quarter 2021 vs. Prior Year Quarter Commentary

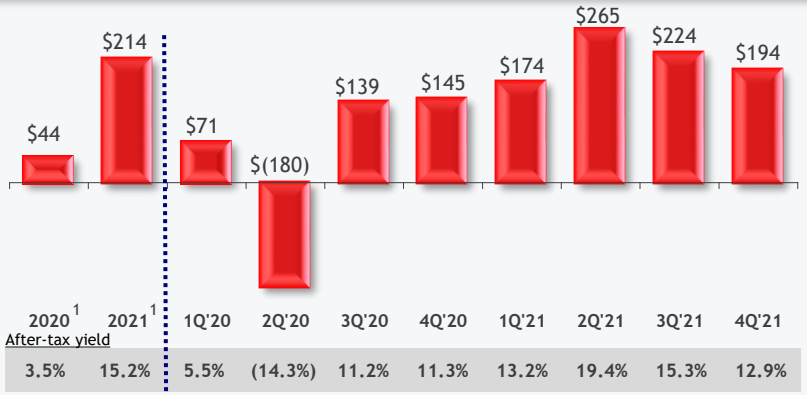
- Net investment income (NII) from the long-term fixed income portfolio was slightly higher reflecting growth in investments, partially offset by lower interest rates
- NII from the short-term fixed income portfolio decreased due to lower interest rates
- Net investment income from the non-fixed income portfolio increased due to higher private equity and real estate partnership returns (non-fixed income returns are generally reported on a one-quarter lagged basis)

FIXED INCOME[2]



After-tax yield	2020 [1]	2021 [1]	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
Total	2.4%	2.2%	2.6%	2.4%	2.4%	2.3%	2.2%	2.2%	2.2%	2.2%
Short-term	0.6%	0.1%	1.5%	0.8%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%
Long-term	2.6%	2.3%	2.6%	2.6%	2.6%	2.5%	2.4%	2.4%	2.3%	2.3%

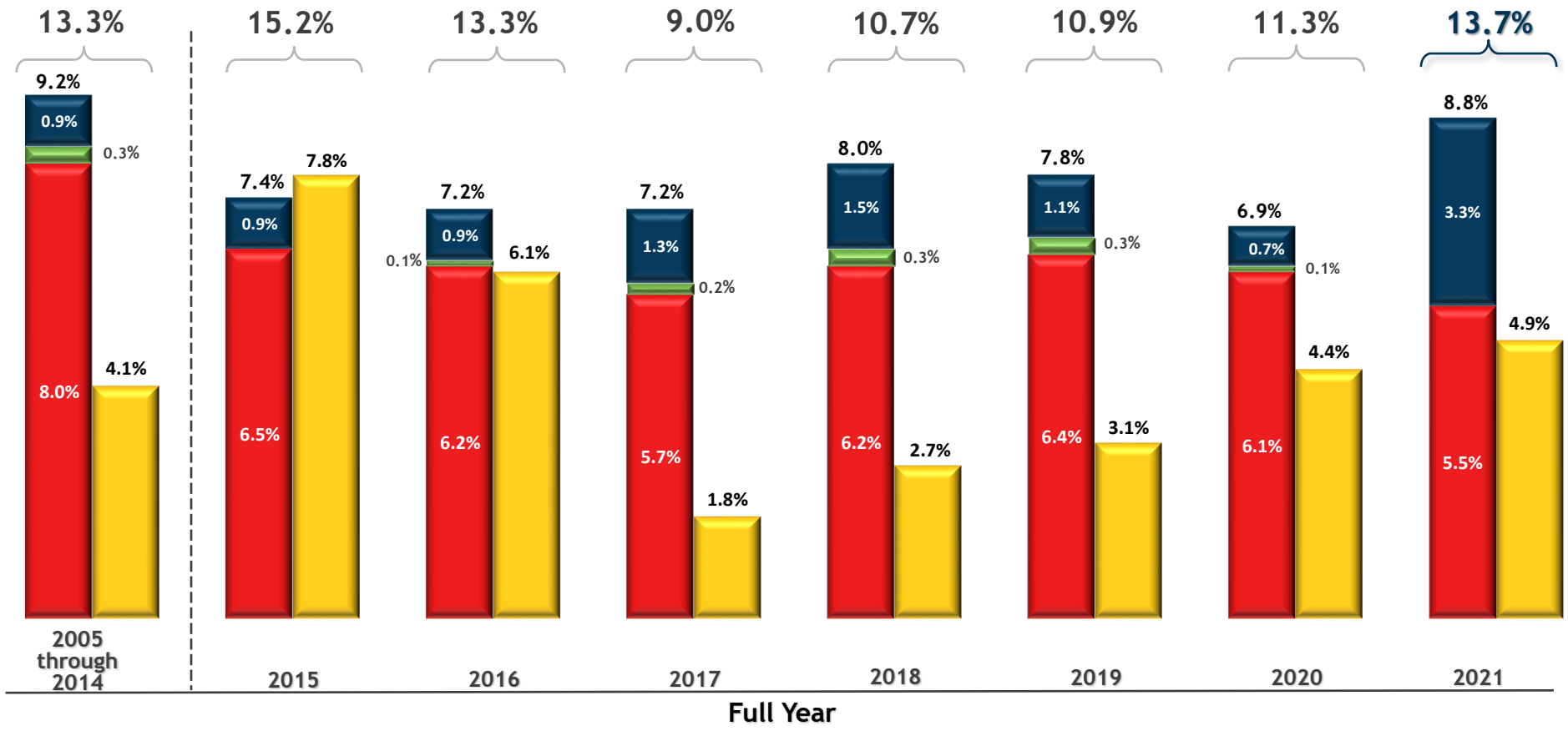
NON-FIXED INCOME[2]



After-tax yield	2020 [1]	2021 [1]	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
	3.5%	15.2%	5.5%	(14.3%)	11.2%	11.3%	13.2%	19.4%	15.3%	12.9%

[1] 2020 and 2021 data represent quarterly average
[2] Excludes investment expenses

Components of Core Return on Equity



Business Insurance Performance

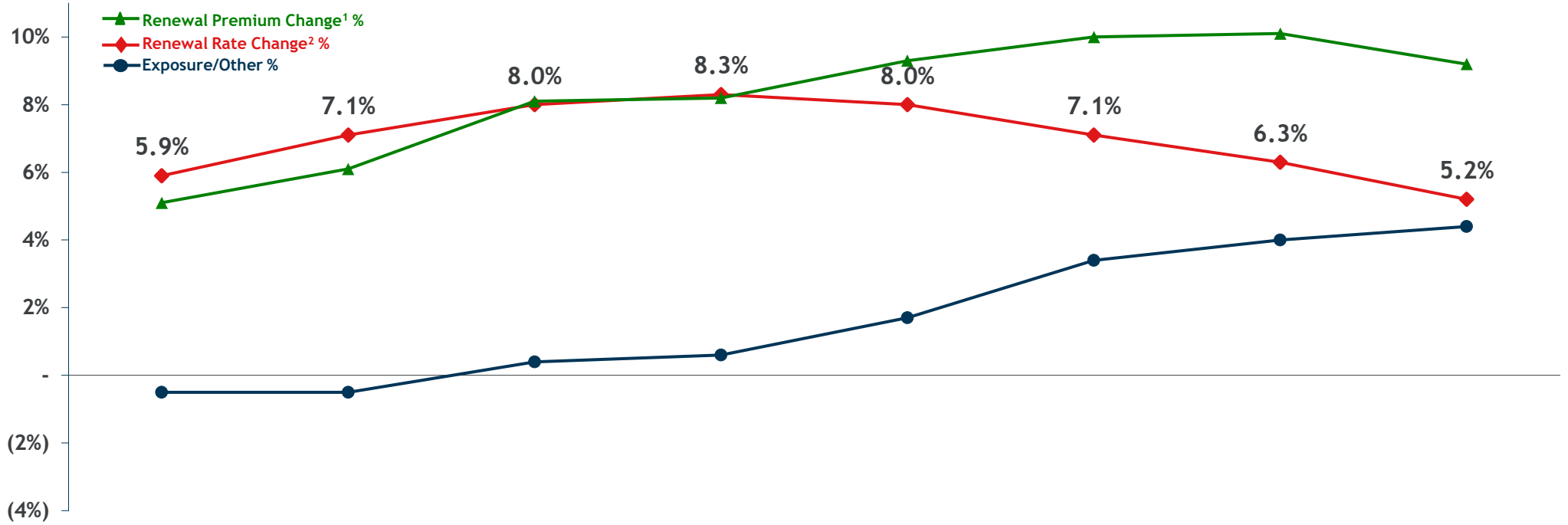
($ in millions)

	FOURTH QUARTER			FULL YEAR		
	2021	2020	Change	2021	2020	Change
Segment income	**$ 867**	**$ 713**	**22 %**	**$ 2,385**	**$ 1,309**	**82 %**
Loss and loss adjustment ratio	56.9 %	59.2 %		65.0 %	69.4 %	
Underwriting expense ratio	30.1	30.6		30.7	30.9	
Combined ratio [1]	**87.0 %**	**89.8 %**	**2.8 pts**	**95.7 %**	**100.3 %**	**4.6 pts**
Net favorable (unfavorable) prior year reserve development	1.8	3.2		1.1	(0.6)	
Catastrophes, net of reinsurance	1.0	0.6		(5.1)	(4.2)	
Underlying combined ratio	**89.8 %**	**93.6 %**	**3.8 pts**	**91.7 %**	**95.5 %**	**3.8 pts**
Net written premiums						
Domestic						
Select Accounts	$ 693	$ 630	10 %	$ 2,833	$ 2,821	– %
Middle Market	2,210	2,012	10	8,933	8,511	5
National Accounts	256	241	6	987	996	(1)
National Property and Other	535	471	14	2,265	2,086	9
Total Domestic	3,694	3,354	10	15,018	14,414	4
International	272	277	(2)	1,074	1,017	6
Total Business Insurance	**$ 3,966**	**$ 3,631**	**9 %**	**$ 16,092**	**$ 15,431**	**4 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

Domestic Business Insurance (Ex. National Accounts)

ILLUSTRATIVE BUSINESS STATISTICS

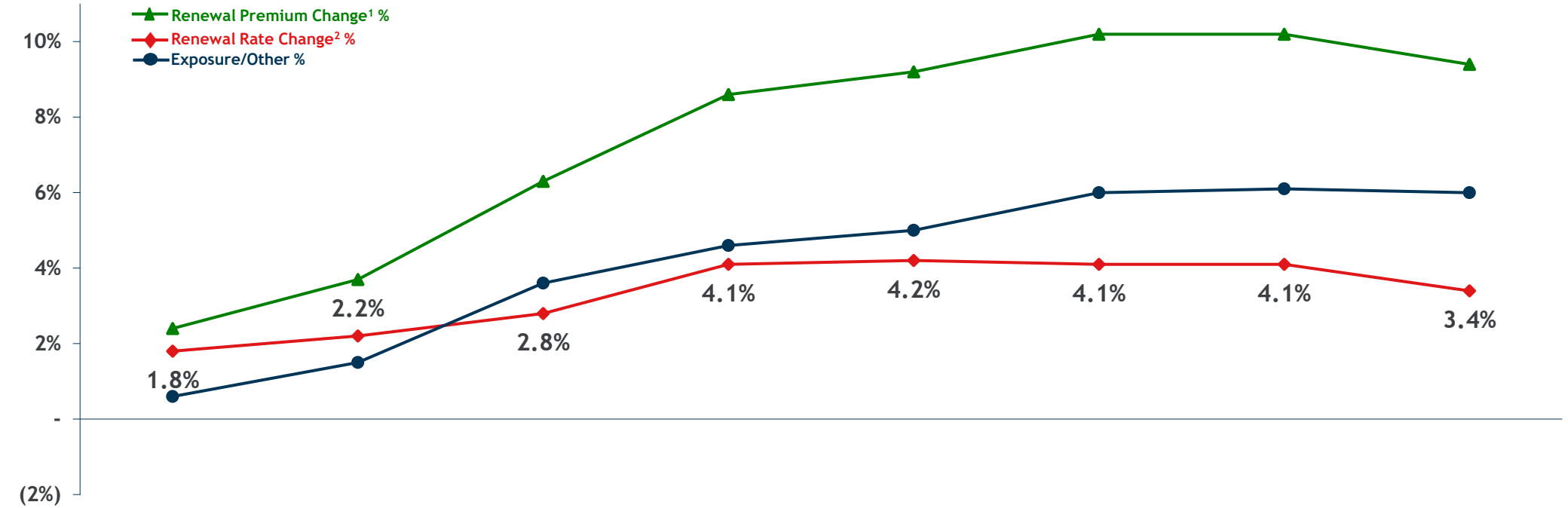


($ in millions)	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
Retention	84%	83%	83%	83%	83%	84%	85%	85%
Renewal premium change[1]	5.1%	6.1%	8.1%	8.2%	9.3%	10.0%	10.1%	9.2%
New business	$509	$480	$509	$434	$462	$522	$462	$505

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Domestic Business Insurance: Select Accounts

ILLUSTRATIVE BUSINESS STATISTICS

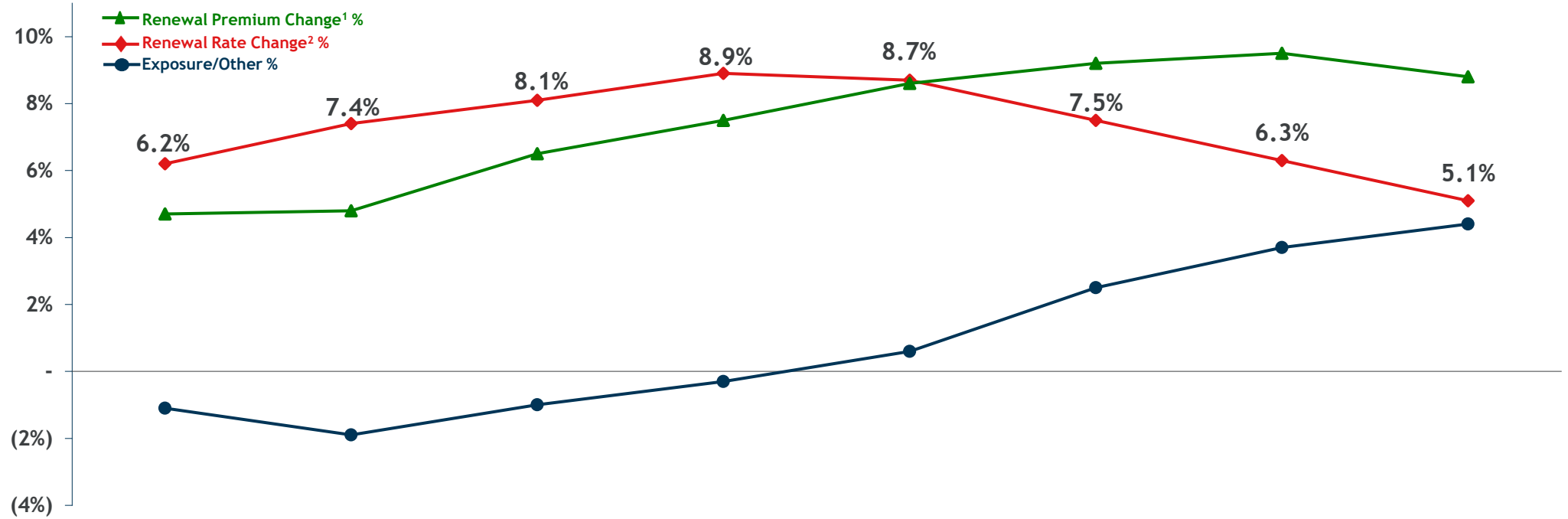


($ in millions)	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
Retention	82%	84%	81%	79%	80%	80%	82%	82%
Renewal premium change[1]	2.4%	3.7%	6.3%	8.6%	9.2%	10.2%	10.2%	9.4%
New business	$119	$94	$86	$82	$94	$98	$87	$92

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Domestic Business Insurance: Middle Market

ILLUSTRATIVE BUSINESS STATISTICS



($ in millions)	1Q'20	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21	3Q'21	4Q'21
Retention	86%	85%	85%	85%	86%	87%	87%	87%
Renewal premium change[1]	4.7%	4.8%	6.5%	7.5%	8.6%	9.2%	9.5%	8.8%
New business	$278	$257	$281	$237	$264	$297	$259	$297

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Bond & Specialty Insurance Performance

($ in millions)

	FOURTH QUARTER			FULL YEAR		
	2021	2020	Change	2021	2020	Change
Segment income	**$ 170**	**$ 164**	**4 %**	**$ 668**	**$ 473**	**41 %**
Loss and loss adjustment ratio	47.4 %	45.7 %		46.6 %	51.5 %	
Underwriting expense ratio	34.1	35.2		34.9	35.9	
Combined ratio [1]	**81.5 %**	**80.9 %**	**(0.6) pts**	**81.5 %**	**87.4 %**	**5.9 pts**
Net favorable (unfavorable) prior year reserve development	3.0	4.2		3.3	-	
Catastrophes, net of reinsurance	(1.2)	(0.1)		(1.3)	(0.4)	
Underlying combined ratio	**83.3 %**	**85.0 %**	**1.7 pts**	**83.5 %**	**87.0 %**	**3.5 pts**
Net written premiums						
Domestic						
Management Liability	$ 510	$ 463	10 %	$ 1,983	$ 1,769	12 %
Surety	215	202	6	888	845	5
Total Domestic	725	665	9	2,871	2,614	10
International	180	135	33	505	337	50
Total Bond & Specialty Insurance	**$ 905**	**$ 800**	**13 %**	**$ 3,376**	**$ 2,951**	**14 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

Domestic Bond & Specialty Insurance

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Management Liability [1]								
Retention	89%	89%	91%	89%	87%	86%	86%	**87%**
Renewal premium change [2]	8.7%	9.7%	9.4%	12.2%	10.7%	12.5%	13.3%	**10.9%**
New business	$58	$51	$54	$50	$50	$54	$49	**$47**

[1] Domestic only, excludes surety and other products that are generally sold on a non-recurring, project specific basis.
[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Personal Insurance Performance

($ in millions)

	FOURTH QUARTER			FULL YEAR		
	2021	2020	Change	2021	2020	Change
Segment income	**$ 327**	**$ 457**	**(28) %**	**$ 760**	**$ 1,195**	**(36) %**
Loss and loss adjustment ratio	66.0 %	57.9 %		70.3 %	62.8 %	
Underwriting expense ratio	25.1	26.2		26.2	26.9	
Combined ratio [1]	**91.1 %**	**84.1 %**	**(7.0) pts**	**96.5 %**	**89.7 %**	**(6.8) pts**
Net favorable (unfavorable) prior year reserve development	(0.1)	0.8		2.2	4.1	
Catastrophes, net of reinsurance	(2.3)	(1.8)		(8.5)	(8.8)	
Underlying combined ratio	**88.7 %**	**83.1 %**	**(5.6) pts**	**90.2 %**	**85.0 %**	**(5.2) pts**
Net written premiums						
Domestic						
Automobile	$ 1,456	$ 1,348	8 %	$ 5,827	$ 5,369	9 %
Homeowners and Other	1,504	1,330	13	5,980	5,329	12
Total Domestic	2,960	2,678	11	11,807	10,698	10
International	164	160	3	684	652	5
Total Personal Insurance	**$ 3,124**	**$ 2,838**	**10 %**	**$ 12,491**	**$ 11,350**	**10 %**
Change in total net written premiums adjusting for the impact of premium refunds provided to personal automobile customers in response to COVID-19 and related economic conditions primarily in 2020			**9 %**			**8 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

Personal Insurance Performance

	FOURTH QUARTER			FULL YEAR		
	2021	2020	Change	2021	2020	Change
Automobile						
Loss and loss adjustment ratio	80.9 %	61.5 %		70.5 %	60.9 %	
Underwriting expense ratio	23.2	24.5		24.1	25.4	
Combined ratio [1]	**104.1 %**	**86.0 %**	**(18.1) pts**	**94.6 %**	**86.3 %**	**(8.3) pts**
Net favorable (unfavorable) prior year reserve development	(0.6)	1.4		1.7	1.0	
Catastrophes, net of reinsurance	0.3	-		(1.3)	(0.8)	
Underlying combined ratio	**103.8 %**	**87.4 %**	**(16.4) pts**	**95.0 %**	**86.5 %**	**(8.5) pts**
Homeowners and Other						
Loss and loss adjustment ratio	50.7 %	53.9 %		70.1 %	64.7 %	
Underwriting expense ratio	27.1	28.1		28.3	28.7	
Combined ratio [1]	**77.8 %**	**82.0 %**	**4.2 pts**	**98.4 %**	**93.4 %**	**(5.0) pts**
Net favorable prior year reserve development	0.4	0.3		2.6	7.4	
Catastrophes, net of reinsurance	(4.8)	(3.8)		(16.0)	(17.5)	
Underlying combined ratio	**73.4 %**	**78.5 %**	**5.1 pts**	**85.0 %**	**83.3 %**	**(1.7) pts**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

Domestic Personal Insurance

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automobile								
Retention [1]	84%	84%	84%	84%	85%	86%	86%	**85%**
Renewal premium change [2]	2.3%	1.6%	1.5%	0.8%	0.6%	0.5%	-%	**1.2%**
Policies in force (in thousands)	2,700	2,732	2,761	2,779	2,807	2,852	2,898	**2,937**
• Sequential quarter growth	-%	1%	1%	1%	1%	2%	2%	**1%**
• Year over year growth	1%	2%	3%	3%	4%	4%	5%	**6%**
New business	$244	$251	$276	$269	$278	$299	$297	**$279**
Homeowners and Other								
Retention [1]	85%	85%	84%	84%	84%	85%	85%	**85%**
Renewal premium change [2]	7.4%	7.5%	8.0%	8.1%	7.5%	8.1%	8.8%	**8.7%**
Policies in force (in thousands)	5,286	5,435	5,549	5,617	5,703	5,836	5,931	**5,995**
• Sequential quarter growth	2%	3%	2%	1%	2%	2%	2%	**1%**
• Year over year growth	8%	9%	9%	8%	8%	7%	7%	**7%**
New business	$218	$261	$298	$272	$263	$335	$312	**$273**

[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] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

Total International Insurance

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

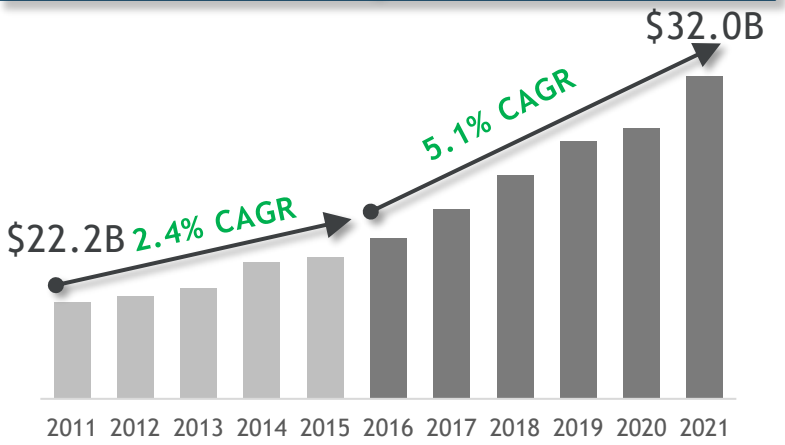
	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
International [1]								
Retention	71%	80%	79%	81%	80%	80%	80%	**82%**
Renewal premium change [2]	9.1%	8.1%	7.8%	11.3%	7.2%	7.7%	4.7%	**8.3%**
New business	$75	$84	$76	$82	$69	$95	$72	**$81**

[1] Excludes surety and other products that are generally sold on a non-recurring, project specific basis.
[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

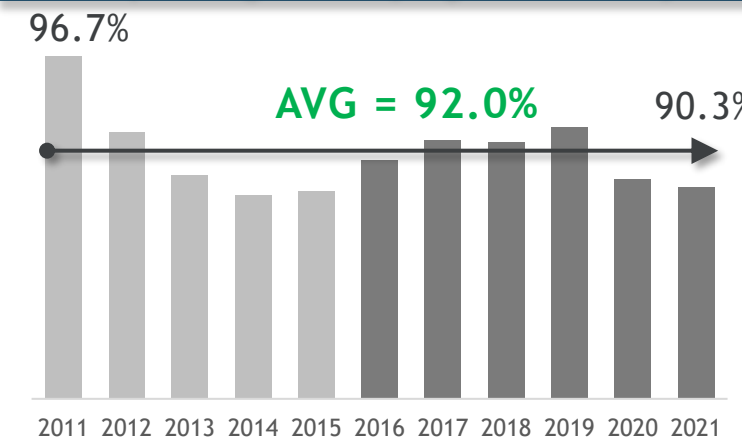
Appendix

Deliberate and Disciplined Execution

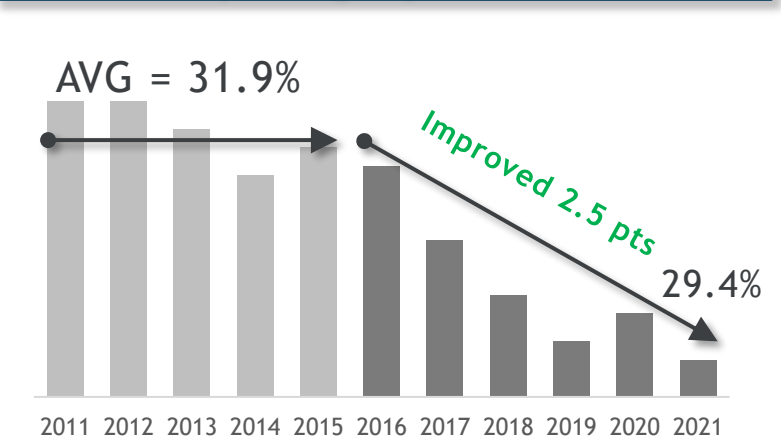
Accelerating NWP Growth



Improving Underlying Profitability[1]

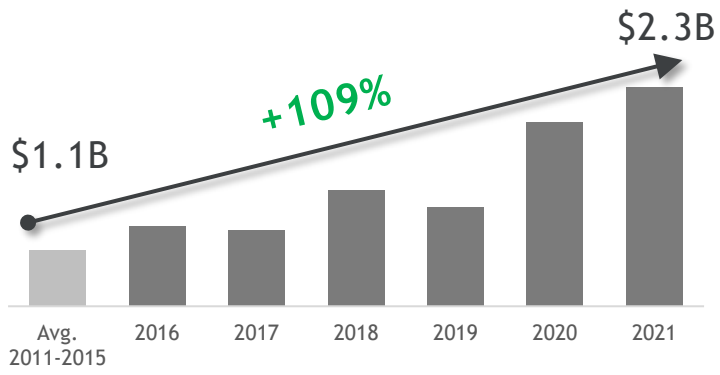


Improving Expense Ratio

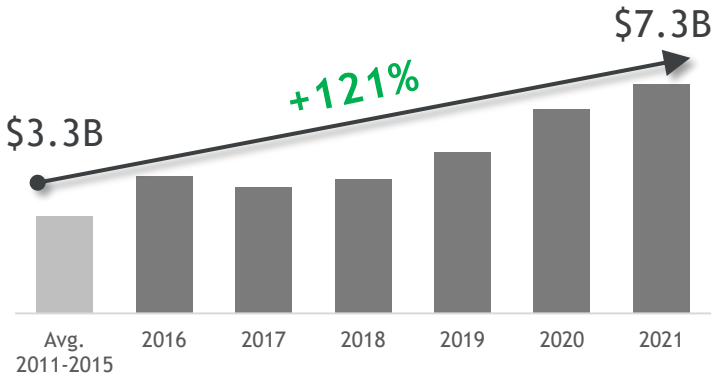


Higher Underlying Underwriting Income[2]

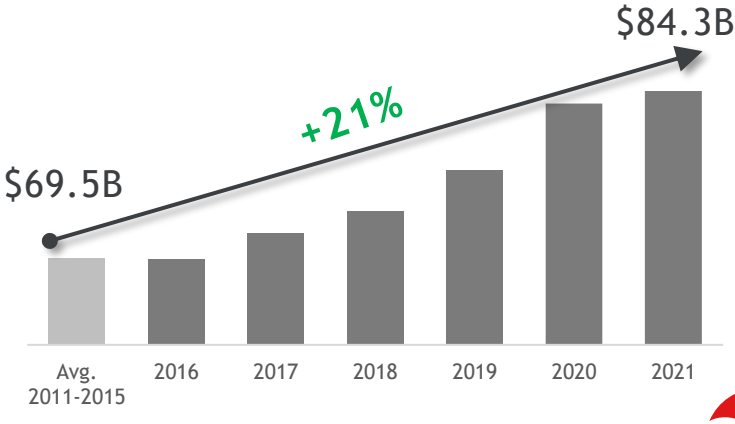
(after-tax)



Higher Cash Flow From Operations



Growing Invested Assets[3]



[1] Underlying combined ratio which excludes the impact of net prior year reserve development and catastrophe losses.
[2] Underlying underwriting income which excludes the impact of net prior year reserve development and catastrophe losses.
[3] Invested assets excluding net unrealized investment gains (losses).

2022 Catastrophe Reinsurance

Effective January 1, 2022

Corporate Catastrophe Excess-of-Loss Reinsurance Treaty (Renewal)

Covers the accumulation of certain property losses arising from one or multiple occurrences: 90% part of $2.0 billion ($1.8 billion of qualifying losses are covered by the treaty and 10% or $200 million of qualifying losses are retained by the Company) in excess of $3.0 billion. Qualifying losses for each occurrence are after a $100 million deductible.

Underlying Property Aggregate Catastrophe Excess-of-Loss Reinsurance Treaty (Renewal)[1]

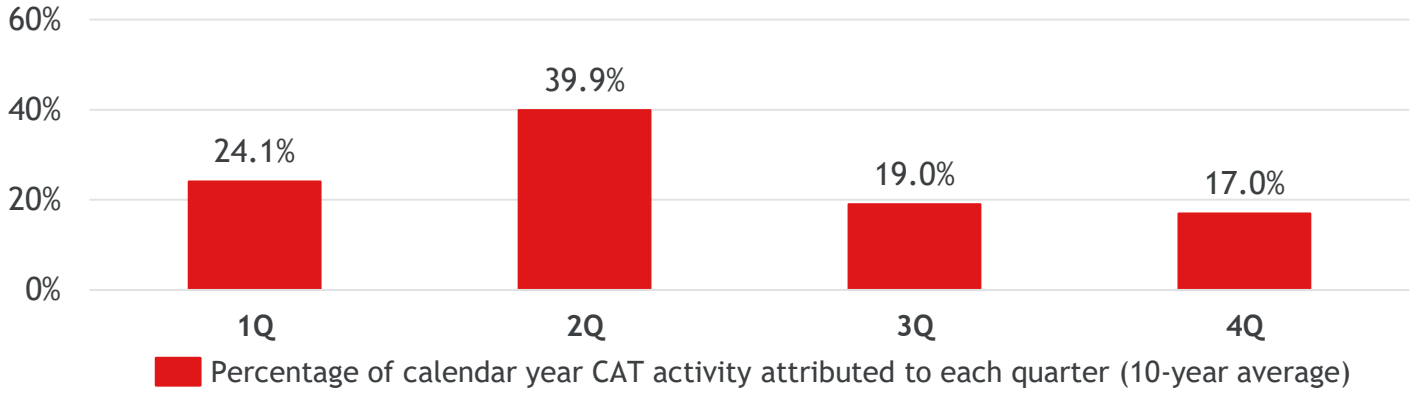
Covers the accumulation of qualifying losses from PCS-designated catastrophe events in North America in excess of $10 million per event: 45% part of $500 million ($225 million of qualifying losses are covered by the treaty and 55% or $275 million of qualifying losses are retained by the Company) in excess of a $2.0 billion retention. Coverage for, and contributions to the $2.0 billion retention from, hurricanes and/or tropical storms, earthquakes and wildfires are limited to $250 million per event.

- In addition to the Corporate Catastrophe Excess-of-Loss Reinsurance Treaty and the Underlying Property Aggregate Catastrophe Excess-of-Loss Reinsurance Treaty, the following additional catastrophe reinsurance agreements remain in effect as of January 1, 2022:
  - Reinsurance agreement related to the Catastrophe Bond (Long Point Re III)
  - Northeast Property Catastrophe Excess-of-Loss Reinsurance Treaty
  - Middle Market Earthquake Catastrophe Excess-of-Loss Reinsurance Treaty
  - Personal Insurance Earthquake Catastrophe Excess-of-Loss Reinsurance Treaty
  - Canadian Property Catastrophe Excess-of-Loss Reinsurance Treaty
  - Other International Reinsurance Treaties

For further information regarding these additional agreements, see the "Catastrophe Reinsurance" section of "Part 1 – Item 1 – Business" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and in the "Catastrophe Reinsurance Coverage" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, in each case, as updated by our subsequent periodic filings with the SEC.

[1] For terms of the 2021, 2020 and 2019 Underlying Property Aggregate Catastrophe XOL Reinsurance Treaties, see the "Catastrophe Reinsurance" section of "Part 1 – Item 1 – Business" in the Company's Annual Reports on Form 10-K for the years ended December 31, 2020, 2019 and 2018, respectively.

Travelers' 10-year History of Catastrophe Losses[1] by Quarter



Over the past 10 years, the second quarter is on average the highest catastrophe loss quarter for Travelers

		2012	2013	2014	2015	2016	2017	2018	2019[2,5]	2020[3,5]	2021[4,5]	Average
First Quarter	Pts of Combined Ratio	3.1	1.8	2.6	2.7	5.3	5.6	5.4	2.8	4.6	11.3	4.5
	% of Annual CATs	9.0%	16.8%	21.0%	31.6%	36.3%	17.8%	20.7%	21.7%	20.6%	45.2%	24.1%
Second Quarter	Pts of Combined Ratio	10.0	6.1	7.3	3.7	5.5	6.4	7.3	5.3	12.3	6.3	7.0
	% of Annual CATs	29.5%	57.6%	61.6%	42.9%	38.0%	20.7%	28.4%	41.5%	53.0%	25.7%	39.9%
Third Quarter	Pts of Combined Ratio	1.6	1.7	1.4	1.4	1.4	10.7	3.8	3.3	5.3	6.4	3.7
	% of Annual CATs	4.9%	16.7%	11.7%	16.5%	10.1%	35.9%	15.4%	27.3%	24.6%	27.1%	19.0%
Fourth Quarter	Pts of Combined Ratio	18.7	0.9	0.7	0.8	2.2	7.5	8.8	1.1	0.4	0.5	4.2
	% of Annual CATs	56.6%	8.9%	5.7%	9.0%	15.6%	25.6%	35.5%	9.5%	1.8%	2.0%	17.0%
Full Year	Pts of Combined Ratio	8.3	2.6	3.0	2.1	3.6	7.6	6.3	3.1	5.5	6.0	4.8

[1] Pre-tax, net of reinsurance.
[2] Includes a benefit of 1.4 pts and 0.4 pts from the Underlying Property Aggregate Catastrophe XOL Reinsurance Treaty in 4Q'19 and full year 2019, respectively.
[3] Includes a benefit of 3.2 pts and 0.8 pts from the Underlying Property Aggregate Catastrophe XOL Reinsurance Treaty in 3Q'20 and full year 2020, respectively.
[4] Includes a benefit of 1.1 pts, 2.8 pts, and 1.0 pts from the Underlying Property Aggregate Catastrophe XOL Reinsurance Treaty in 3Q'21, 4Q'21, and full year 2021, respectively.
[5] For terms of the 2022 Underlying Property Aggregate Catastrophe XOL Reinsurance Treaty, see slide 20 within this presentation. For terms of the 2021, 2020 and 2019 Underlying Property Aggregate Catastrophe XOL Reinsurance Treaties, see the "Catastrophe Reinsurance" section of "Part 1 – Item 1 – Business" in the Company's Annual Reports on Form 10-K for the years ended December 31, 2020, 2019 and 2018, respectively.

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. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "views," "estimates" and similar expressions are used to identify these forward-looking statements. These statements include, among other things, the Company's statements about:

- the Company's outlook, the impact of trends on its business and its future results of operations and financial condition;
- the impact of COVID-19 and related economic conditions;
- the impact of legislative or regulatory actions or court decisions taken in response to COVID-19 or otherwise;
- share repurchase plans;
- the sufficiency of the Company's asbestos and other reserves;
- the impact of emerging claims issues as well as other insurance and non-insurance litigation;
- catastrophe losses;
- the impact of investment, economic and underwriting market conditions, including inflation;
- strategic and operational initiatives to improve profitability and competitiveness;
- the Company's competitive advantages and innovation agenda;
- new product offerings; and
- the impact of developments in the tort environment.

The Company cautions investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the Company's 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:

Insurance-Related Risks

- high levels of catastrophe losses;
- actual claims may exceed the Company's claims and claim adjustment expense reserves, or the estimated level of claims and claim adjustment expense reserves may increase, including as a result of, among other things, changes in the legal/tort, regulatory and economic environments;
- the Company's potential exposure to asbestos and environmental claims and related litigation;
- the Company is exposed to, and may face adverse developments involving, mass tort claims; and
- the effects of emerging claim and coverage issues on the Company's business are uncertain, and court decisions or legislative changes that take place after the Company issues its policies can result in an unexpected increase in the number of claims.

Financial, Economic and Credit Risks

- a period of financial market disruption or an economic downturn;
- the Company's investment portfolio is subject to credit and interest rate risk, and may suffer reduced or low returns or material realized or unrealized losses;
- the Company is exposed to credit risk related to reinsurance and structured settlements, and reinsurance coverage may not be available to the Company;
- the Company is exposed to credit risk in certain of its insurance operations and with respect to certain guarantee or indemnification arrangements that it has with third parties;
- a downgrade in the Company's claims-paying and financial strength ratings; and
- the Company's insurance subsidiaries may be unable to pay dividends to the Company's holding company in sufficient amounts.

Business and Operational Risks

- the impact of COVID-19 and related risks, including with respect to revenues, claims and claim adjustment expenses, general and administrative expenses, investments, inflation, adverse legislative and/or regulatory action, operational disruptions and heightened cyber security risks and foreign currency exchange rate changes;
- the intense competition that the Company faces, and the impact of innovation, technological change and changing customer preferences on the insurance industry and the markets in which it operates;
- disruptions to the Company's relationships with its independent agents and brokers or the Company's inability to manage effectively a changing distribution landscape;
- the Company's efforts to develop new products, expand in targeted markets, improve business processes and workflows or make acquisitions may not be successful and may create enhanced risks;
- the Company's pricing and capital models may provide materially different indications than actual results;
- loss of or significant restrictions on the use of particular types of underwriting criteria, such as credit scoring, or other data or methodologies, in the pricing and underwriting of the Company's products; and
- the Company is subject to additional risks associated with its business outside the United States.

Technology and Intellectual Property Risks

- as a result of cyber attacks or otherwise, the Company may experience difficulties with technology, data and network security or outsourcing relationships;
- the Company's dependence on effective information technology systems and on continuing to develop and implement improvements in technology; and
- the Company may be unable to protect and enforce its own intellectual property or may be subject to claims for infringing the intellectual property of others.

Regulatory and Compliance Risks

- changes in regulation, including higher tax rates; and
- the Company's compliance controls may not be effective.

In addition, the Company's share repurchase plans depend on a variety of factors, including the Company's financial position, earnings, share price, catastrophe losses, maintaining capital levels commensurate with the Company's desired ratings from independent rating agencies, changes in levels of written premiums, funding of the Company's qualified pension plan, capital requirements of the Company's operating subsidiaries, legal requirements, regulatory constraints, other investment opportunities (including mergers and acquisitions and related financings), market conditions, changes in tax laws and other factors, including the ongoing level of uncertainty related to COVID-19.

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. For a more detailed discussion of these factors, see the information under the captions "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Forward Looking Statements" in the quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on October 19, 2021, and in our most recent annual report on Form 10-K filed with the SEC on February 11, 2021, in each case as updated by our periodic filings with the SEC.

Disclosure

In this presentation, we may refer to some non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of financial measures, we refer you to the press release and financial supplement that we have made available in connection with this presentation and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission (SEC) as updated by our subsequent periodic filings with the SEC. See the "Investors" section at Travelers.com.

For further information, please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (www.sec.gov).

Copies of this presentation and the accompanying webcast are publicly available on the Travelers website (www.travelers.com). This presentation should be read with the accompanying webcast and related press release and financial supplement.

Travelers may use its website and/or social media outlets, such as Facebook and Twitter, as distribution channels of material information. Financial and other important information regarding the company is routinely accessible through and posted on our website at http://investor.travelers.com, our Facebook page at https://www.facebook.com/travelers and our Twitter account (@Travelers) at https://twitter.com/Travelers. In addition, you may automatically receive email alerts and other information about Travelers when you enroll your email address by visiting the Email Notification section at http://investor.travelers.com.