Second Quarter 2020 Results

July 23, 2020

TRAVELERS

Long-Term Financial Strategy

Meaningful and sustainable competitive advantages

Generation of top tier earnings and capital substantially in excess of growth needs

Balanced approach to rightsizing capital and growing book value per share over time

CREATE SHAREHOLDER VALUE

Objective: Mid-Teens Core ROE ***Over Time***

Second Quarter 2020 Overview

Travelers Reports Second Quarter 2020
Net and Core Loss per Diluted Share of $0.16 and $0.20, Respectively

Provides Estimate of PG&E Subrogation Recoveries
of Approximately $400 Million Pre-Tax to be Recognized in Third Quarter of 2020

- Second quarter net loss of $40 million and core loss of $50 million.
- Catastrophe losses of $854 million pre-tax, compared to $367 million pre-tax in the prior year quarter.
- Net investment income of $268 million pre-tax, compared to $648 million pre-tax in the prior year quarter.
- Consolidated combined ratio of 103.7%; underlying combined ratio improved 3.5 points to a strong 91.4%.
- Net impact of COVID-19 and related economic conditions on underwriting results in the quarter was modest.
- Net written premiums of $7.346 billion, down 1% compared to the prior year quarter; excluding personal automobile premium refunds, net written premiums increased 2%.
- Strong renewal rate change in all three segments, including 7.4% in Business Insurance and a record level in Bond & Specialty Insurance.
- Total capital returned to shareholders of $218 million; no share repurchases in the current quarter. Year-to-date total capital returned to shareholders of $899 million, including $471 million of share repurchases.
- Book value per share of $106.42; adjusted book value per share of $92.01.
- Board of Directors declares regular quarterly cash dividend of $0.85 per share.

Consolidated Performance

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

	SECOND QUARTER			YEAR-TO-DATE		
	2020	2019	Change	2020	2019	Change
Core income (loss)	$ (50)	$ 537	NM	$ 626	$ 1,292	(52) %
per diluted share	*$ (0.20)*	*$ 2.02*	*NM*	*$ 2.44*	*$ 4.85*	*(50) %*
Included the following items:						
Net favorable prior year reserve development	$ 1	$ 99		$ 22	$ 140	
Catastrophes, net of reinsurance	(673)	(290)		(936)	(442)	
Total items	$ (672)	$ (191)		$ (914)	$ (302)	
Loss and loss adjustment ratio	72.7 %	68.2 %		69.0 %	66.2 %	
Underwriting expense ratio	31.0	30.2		30.5	29.9	
Combined ratio [1]	103.7 %	98.4 %	(5.3) pts	99.5 %	96.1 %	(3.4) pts
Net favorable prior year reserve development	–	1.8		0.2	1.3	
Catastrophes, net of reinsurance	(12.3)	(5.3)		(8.4)	(4.1)	
Underlying combined ratio	91.4 %	94.9 %	3.5 pts	91.3 %	93.3 %	2.0 pts
Net Written Premiums	$ 7,346	$ 7,450	(1) %	$ 14,692	$ 14,507	1 %
Change in total net written premiums excluding the impact of premium refunds provided to personal automobile customers in response to COVID-19 and related economic conditions			2 %			3 %

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.
Note: NM = Not Meaningful.

Very Strong Financial Position

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

	June 30, 2020	December 31, 2019
Debt	$ 7,049	$ 6,558
Common equity [1]	23,297	23,697
Total capital [1]	$ 30,346	$ 30,255
Debt-to-capital [1]	23.2%	21.7%
Common shares outstanding	253.2	255.5
Book value per common share	$ 106.42	$ 101.55
Adjusted book value per common share [1]	$ 92.01	$ 92.76
Tangible book value per common share [1, 2]	$ 75.45	$ 76.17
Statutory capital and surplus	$ 20,607	$ 21,330
Holding company liquidity	$ 2,023	$ 1,433

Capital

- At or above target levels for all rating agencies.
- No share repurchases in 2Q 2020.
- Dividends in the second quarter were $218 million.

Leverage

- Debt-to-capital ratio[1] of 23.2% comfortably within target range.
- Low level of maturing debt over the next six years.
  - 2020 - $500 million (pre-funded in 2Q 2020)
  - 2021 through 2025 - None

Very high quality investment portfolio

- Fixed maturities average weighted quality Aa2, AA.
- Fixed maturities at or above investment grade 97.9%.

Strong independent ratings

	A.M 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)

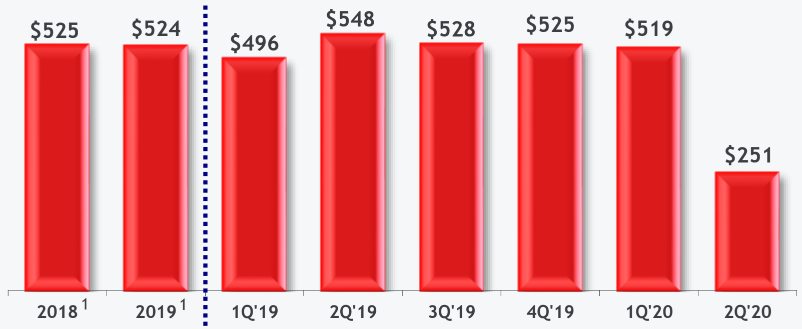
[1] Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity

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

Combined Net Investment Income - After-tax

($ in millions)

TOTAL



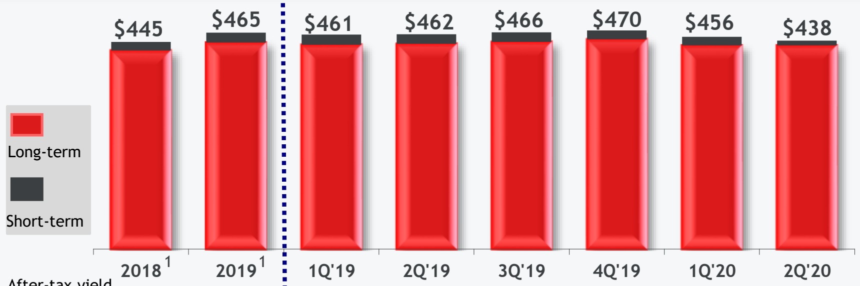
After-tax yield

2018[1]	2019[1]	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
2.9%	2.8%	2.7%	2.9%	2.8%	2.8%	2.7%	1.3%

Second Quarter 2020 vs 2019 Commentary

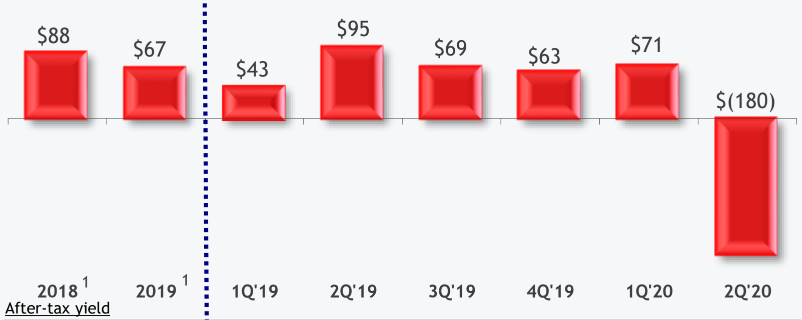
- Net investment income (NII) from the long-term fixed income portfolio decreased due to lower interest rates, partially offset by an increase in average investments
- NII from the short-term fixed income portfolio decreased due to lower interest rates
- The loss in the non-fixed income portfolio was related to the disruption in global financial markets during 1Q 2020 associated with COVID-19 (non-fixed income returns are generally reported on a one-quarter lagged basis)

FIXED INCOME[2]



After-tax yield	2018[1]	2019[1]	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
Total	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.4%
Short-term	1.8%	2.0%	2.3%	2.3%	2.1%	1.7%	1.5%	0.8%
Long-term	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%

NON-FIXED INCOME[2]

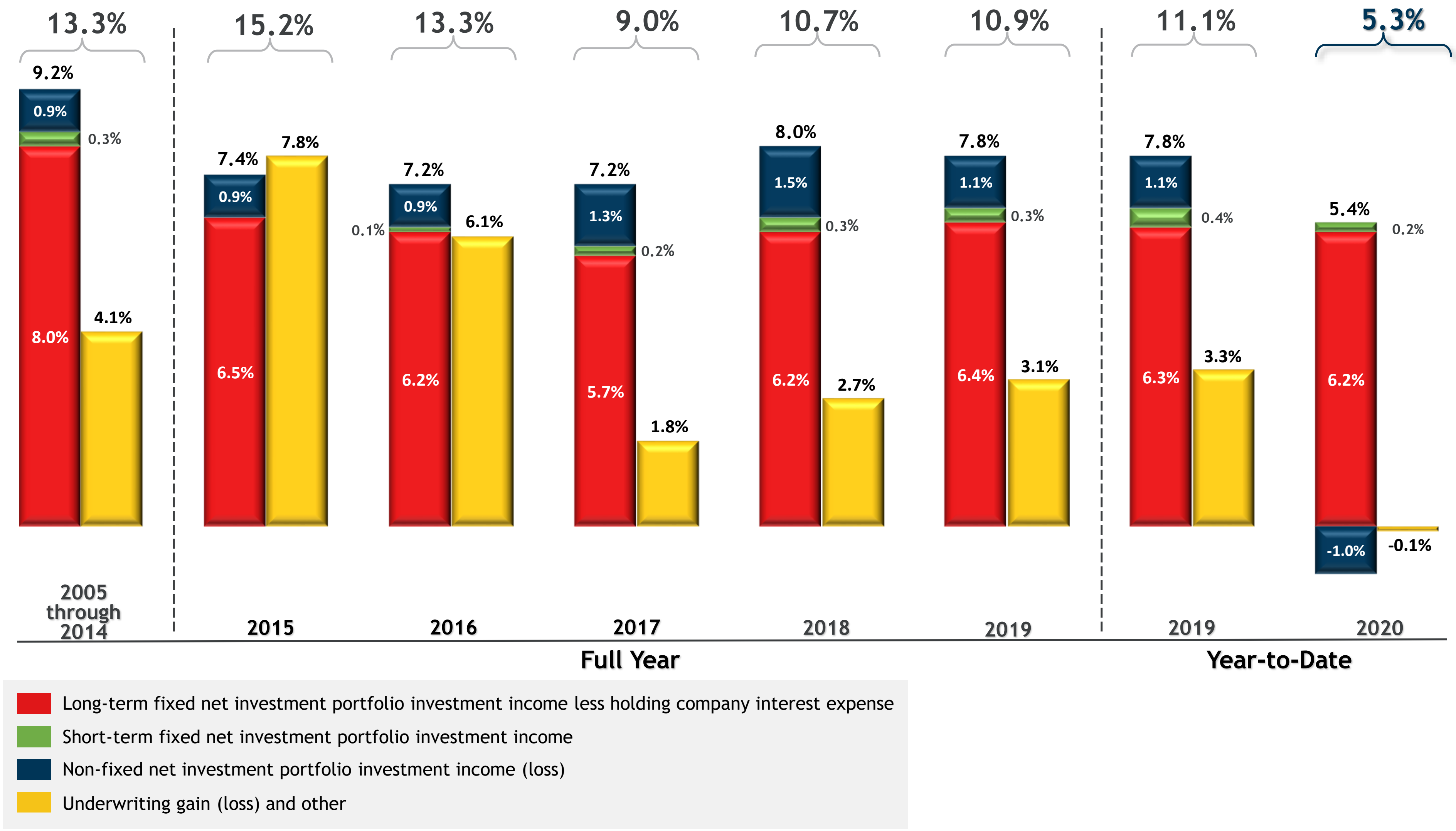


After-tax yield

2018[1]	2019[1]	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
6.7%	5.2%	3.3%	7.3%	5.4%	4.9%	5.5%	(14.3%)

[1] 2018 and 2019 data represent quarterly average
[2] Excludes investment expenses

Components of Core Return on Equity



From Jan. 1, 2005 through June 30, 2020, TRV's average annual core ROE was approximately 12.6%

Business Insurance Performance

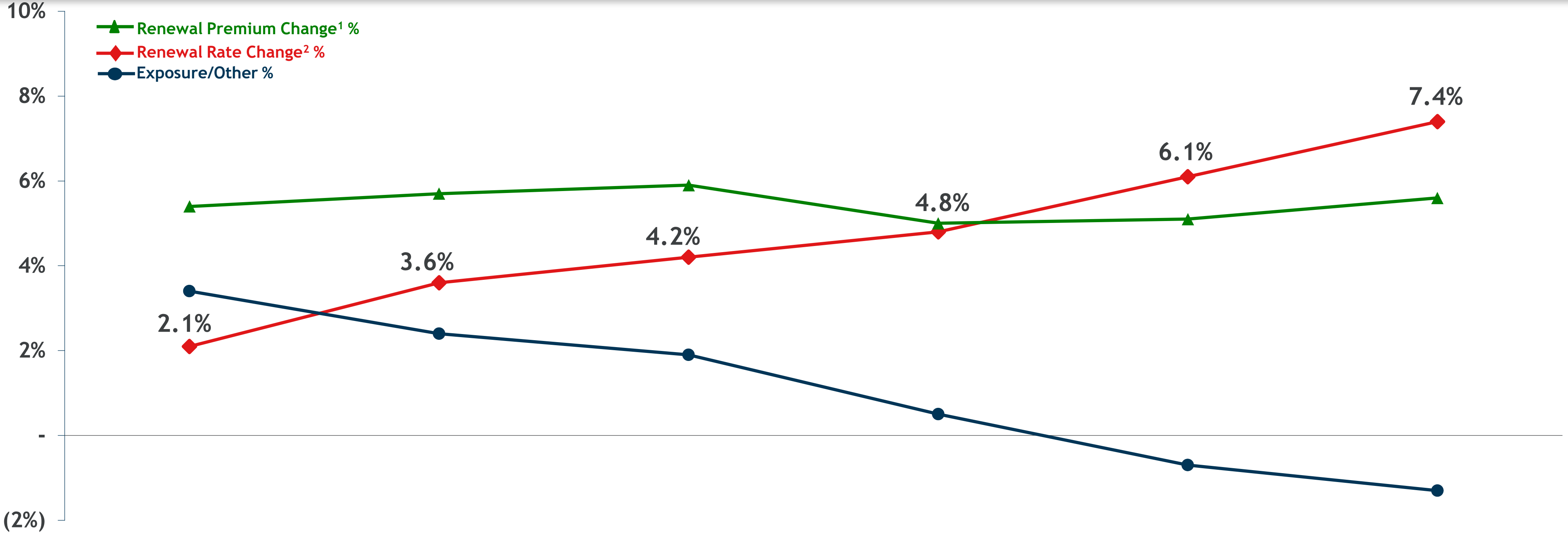
($ in millions)

	SECOND QUARTER			YEAR-TO-DATE		
	2020	2019	Change	2020	2019	Change
Segment income (loss)	$ (58)	$ 351	NM	$ 231	$ 765	(70) %
Loss and loss adjustment ratio	75.8 %	69.6 %		73.3 %	68.6 %	
Underwriting expense ratio	31.3	31.5		31.3	31.0	
Combined ratio [1]	107.1 %	101.1 %	(6.0) pts	104.6 %	99.6 %	(5.0) pts
Net favorable prior year reserve development	–	1.9		–	0.7	
Catastrophes, net of reinsurance	(10.1)	(5.6)		(7.5)	(4.1)	
Underlying combined ratio	97.0 %	97.4 %	0.4 pts	97.1 %	96.2 %	(0.9) pts
Net written premiums						
Domestic						
Select Accounts	$ 734	$ 756	(3) %	$ 1,533	$ 1,541	(1) %
Middle Market	1,960	2,009	(2)	4,368	4,419	(1)
National Accounts	215	223	(4)	516	527	(2)
National Property and Other	585	588	(1)	1,013	975	4
Total Domestic	3,494	3,576	(2)	7,430	7,462	–
International	283	298	(5)	537	575	(7)
Total Business Insurance	$ 3,777	$ 3,874	(3) %	$ 7,967	$ 8,037	(1) %

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.
Note: NM = Not Meaningful.

Domestic Business Insurance (Ex. National Accounts)

ILLUSTRATIVE BUSINESS STATISTICS

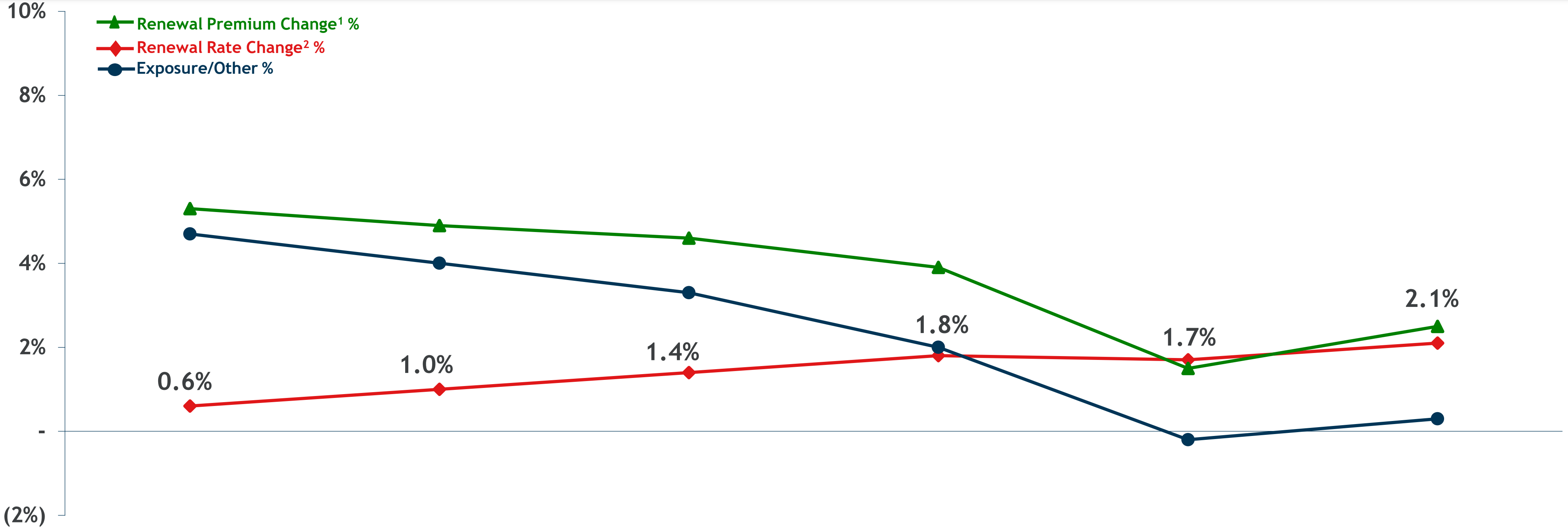


($ in millions)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
Retention	86%	85%	84%	84%	84%	83%
Renewal premium change[1]	5.4%	5.7%	5.9%	5.0%	5.1%	5.6%
New business	$569	$524	$553	$472	$504	$473

[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'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
Retention	83%	82%	82%	81%	81%	82%
Renewal premium change[1]	5.3%	4.9%	4.6%	3.9%	1.5%	2.5%
New business	$125	$117	$104	$100	$115	$90

[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.
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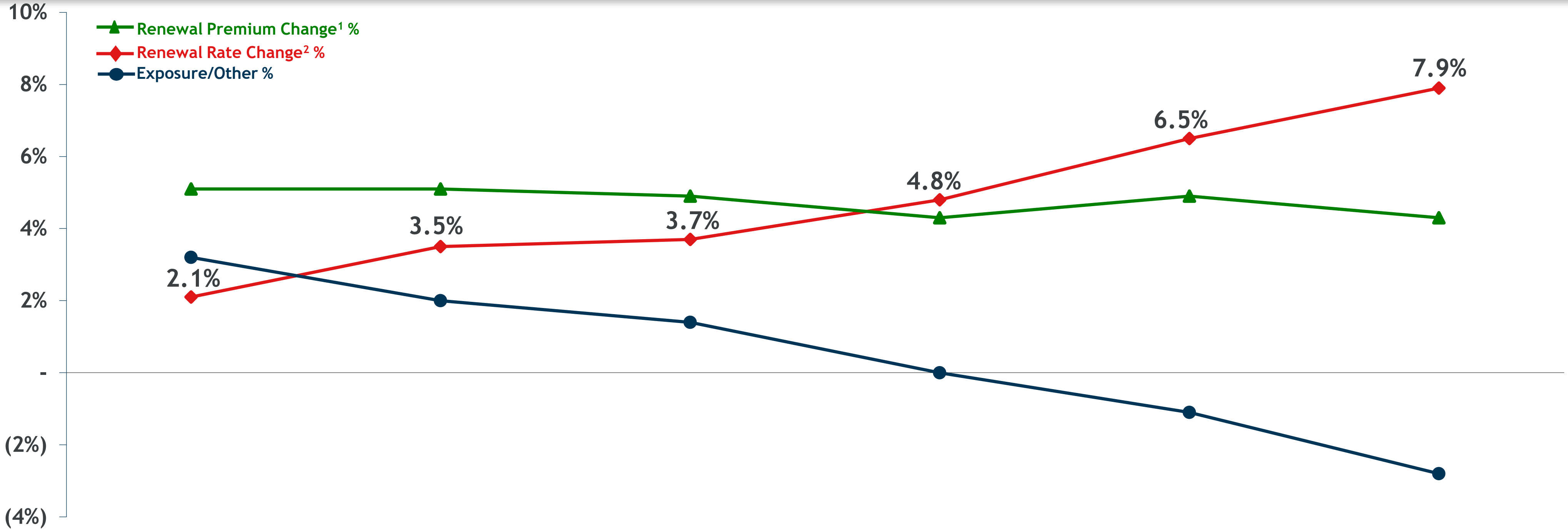
Domestic Business Insurance: Middle Market

ILLUSTRATIVE BUSINESS STATISTICS



($ in millions)	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20	2Q'20
Retention	87%	87%	86%	86%	86%	86%
Renewal premium change[1]	5.1%	5.1%	4.9%	4.3%	4.9%	4.3%
New business	$341	$274	$306	$277	$280	$255

[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.
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Bond & Specialty Insurance Performance

($ in millions)

	SECOND QUARTER			YEAR-TO-DATE		
	2020	2019	Change	2020	2019	Change
Segment income	$ 72	$ 174	(59) %	$ 194	$ 312	(38) %
Loss and loss adjustment ratio	57.8 %	37.4 %		53.4 %	40.3 %	
Underwriting expense ratio	36.0	37.5		36.5	37.6	
Combined ratio [1]	93.8 %	74.9 %	(18.9) pts	89.9 %	77.9 %	(12.0) pts
Net favorable (unfavorable) prior year reserve development	(4.7)	6.2		(2.4)	3.4	
Catastrophes, net of reinsurance	(1.0)	(0.1)		(0.6)	(0.2)	
Underlying combined ratio	88.1 %	81.0 %	(7.1) pts	86.9 %	81.1 %	(5.8) pts
Net written premiums						
Domestic						
Management Liability	$ 438	$ 403	9 %	$ 839	$ 770	9 %
Surety	220	244	(10)	435	428	2
Total Domestic	658	647	2	1,274	1,198	6
International	76	63	21	123	99	24
Total Bond & Specialty Insurance	$ 734	$ 710	3 %	$ 1,397	$ 1,297	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.

Domestic Bond & Specialty Insurance

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Management Liability [1]						
Retention	89%	90%	90%	89%	89%	**89%**
Renewal premium change [2]	4.2%	5.0%	5.4%	6.5%	7.5%	**7.8%**
New business	$55	$65	$68	$61	$57	**$52**

[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)

	SECOND QUARTER			YEAR-TO-DATE		
	2020	2019	Change	2020	2019	Change
Segment income	$ 10	$ 88	(89) %	$ 346	$ 366	(5) %
Loss and loss adjustment ratio	72.2 %	73.7 %		66.9 %	68.8 %	
Underwriting expense ratio	29.1	26.5		27.6	26.4	
Combined ratio [1]	101.3 %	100.2 %	(1.1) pts	94.5 %	95.2 %	0.7 pts
Net favorable prior year reserve development	1.3	0.5		1.1	1.6	
Catastrophes, net of reinsurance	(18.6)	(6.1)		(11.6)	(4.9)	
Underlying combined ratio	84.0 %	94.6 %	10.6 pts	84.0 %	91.9 %	7.9 pts
Net written premiums						
Domestic						
Agency [2]						
Automobile	$ 1,141	$ 1,300	(12) %	$ 2,401	$ 2,524	(5) %
Homeowners and Other	1,419	1,258	13	2,409	2,095	15
Total Agency	2,560	2,558	–	4,810	4,619	4
Direct to Consumer	102	103	(1)	202	198	2
Total Domestic	2,662	2,661	–	5,012	4,817	4
International	173	205	(16)	316	356	(11)
Total Personal Insurance	$ 2,835	$ 2,866	(1) %	$ 5,328	$ 5,173	3 %
Change in total net written premiums excluding the impact of premium refunds provided to personal automobile customers in response to COVID-19 and related economic conditions			6 %			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.
[2] Represents business sold through agents, brokers and other intermediaries and excludes direct to consumer and international.

Domestic Personal Insurance Performance

	SECOND QUARTER			YEAR-TO-DATE		
	2020	2019	Change	2020	2019	Change
Agency Automobile [1]						
Loss and loss adjustment ratio	57.5 %	70.1 %		62.0 %	68.0 %	
Underwriting expense ratio	28.2	23.9		25.7	23.7	
Combined ratio [2]	**85.7 %**	**94.0 %**	**8.3 pts**	**87.7 %**	**91.7 %**	**4.0 pts**
Net favorable prior year reserve development	1.0	1.1		0.7	2.2	
Catastrophes, net of reinsurance	(2.5)	(1.3)		(1.5)	(1.0)	
Underlying combined ratio	**84.2 %**	**93.8 %**	**9.6 pts**	**86.9 %**	**92.9 %**	**6.0 pts**
Agency Homeowners and Other [1]						
Loss and loss adjustment ratio	85.0 %	76.3 %		70.8 %	68.2 %	
Underwriting expense ratio	28.9	28.2		28.5	28.3	
Combined ratio [2]	**113.9 %**	**104.5 %**	**(9.4) pts**	**99.3 %**	**96.5 %**	**(2.8) pts**
Net favorable prior year reserve development	1.7	1.3		1.6	1.9	
Catastrophes, net of reinsurance	(34.2)	(12.9)		(22.7)	(10.5)	
Underlying combined ratio	**81.4 %**	**92.9 %**	**11.5 pts**	**78.2 %**	**87.9 %**	**9.7 pts**

[1] Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer and international.
[2] 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

	2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q
Agency Automobile [1]						
Retention [2]	84%	84%	84%	84%	85%	**85%**
Renewal premium change [3]	5.5%	4.8%	3.8%	3.0%	2.2%	**1.5%**
Policies in force (in thousands)	2,516	2,517	2,524	2,532	2,540	**2,570**
• Sequential quarter growth	-%	-%	-%	-%	-%	**1%**
• Year over year growth	-%	-%	-%	1%	1%	**2%**
New business	$206	$217	$236	$224	$227	**$233**
Agency Homeowners and Other [1]						
Retention [2]	86%	86%	85%	86%	87%	**87%**
Renewal premium change [3]	5.1%	6.5%	6.7%	7.3%	7.6%	**7.7%**
Policies in force (in thousands)	4,726	4,825	4,927	5,016	5,111	**5,255**
• Sequential quarter growth	2%	2%	2%	2%	2%	**3%**
• Year over year growth	6%	7%	7%	8%	8%	**9%**
New business	$163	$215	$237	$219	$212	**$252**

[1] Represents business sold through agents, brokers and other intermediaries, and excludes direct to consumer and international.
[2] 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.
[3] 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

	2019				2020	
	1Q	2Q	3Q	4Q	1Q	2Q
International [1]						
Retention	80%	80%	79%	77%	71%	79%
Renewal premium change [2]	7.3%	4.6%	4.9%	5.9%	8.3%	6.9%
New business	$96	$90	$70	$80	$72	$76

[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

2020 Catastrophe Reinsurance

Catastrophe Bonds – Long Point Re III Ltd.

- $500 million aggregate principal was placed in May 2018 and the attachment point was again reset in May 2020
  - The reinsurance agreement provides coverage to the Company through May 24, 2022 for certain property losses on specified lines of business from tropical cyclones, earthquakes, severe thunderstorms or winter storms from Virginia to Maine. The attachment point and maximum limit will be reset annually to adjust the expected loss of the layer within a predetermined range. For the period from May 25, 2020 through and including May 24, 2021, the Company will be entitled to begin recovering amounts under this reinsurance agreement if the covered losses in the covered area for a single occurrence reach an attachment amount of $1.872 billion. The full $500 million coverage amount is available until such covered losses reach a maximum of $2.372 billion.

Northeast Property Catastrophe Excess-of-Loss Reinsurance Treaty

- $600 million part of $850 million of coverage, subject to a $2.25 billion retention was renewed effective July 1, 2020
  - The reinsurance agreement provides coverage to the Company for losses arising from a single occurrence, subject to one reinstatement. Coverage is provided on an all perils basis, including but not limited to hurricanes, tornadoes, hail storms, earthquakes, winter storms and/or freeze losses (coverage is included for terrorism events in limited circumstances). Coverage for communicable disease and nuclear, biological and radiological terrorism attacks is entirely excluded. The treaty covers territory from Virginia to Maine for the period from July 1, 2020 through and including June 30, 2021. Losses from a covered event anywhere in North America and waters contiguous thereto may be used to satisfy the retention. Recoveries under the catastrophe bond (if any) would be first applied to reduce losses subject to this treaty.

- The following additional catastrophe reinsurance agreements were effective July 1, 2020:
  - Middle Market Earthquake Catastrophe Excess-of-Loss Reinsurance Treaty
  - Canadian Property Catastrophe Excess-of-Loss Reinsurance Treaty

- The following additional catastrophe reinsurance agreements remain in effect:
  - Corporate Catastrophe Excess-of-Loss Reinsurance Treaty
  - Underlying Property Aggregate Catastrophe Excess-of-Loss Reinsurance Treaty
  - Personal Insurance Earthquake 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, 2019 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, 2020, in each case, as updated by our subsequent periodic filings with the SEC.

Investment Strategies Designed for Long-Term Success

(as of June 30, 2020)

TOTAL INVESTMENT PORTFOLIO = $80.6 BILLION: 94% OF INVESTMENTS IN FIXED INCOME

Fixed Income by Category

	(in millions)	%
Municipal	$32,068	42
Corporates	31,756	42
Mortgage-Backed Securities	3,084	4
U.S. Government & Agencies	2,095	3
Foreign Governments	1,051	1
Total Fixed Maturities	**70,054**	**92%**
Short-Term Securities	6,087	8%
Total Fixed Income	**$76,141**	**100%**

Fixed Maturities by Investment Rating

Investment Quality Rating[1]:	% of Portfolio
Aaa	43
Aa	23
A	18
Baa	14
Sub-Total Investment Grade	98%
Below Investment Grade	2%
Total Fixed Maturities (in millions)	**$70,054**

[1] Rated using external rating agencies or by Travelers when a public rating does not exist. Ratings shown are the higher of the rating of the underlying issuer or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default. Below investment grade assets refer to securities rated "Ba" or below.

Thoughtful Investment Philosophy Focused on Risk Adjusted Returns

Municipal Bond Portfolio of $32 Billion

(as of June 30, 2020, $ in millions)

State	State General Obligation	Local General Obligation	Revenue	Total Fair Value	Average Rating of Travelers Holdings
Texas	$ 32	$ 3,014	$ 1,316	$ 4,362	AAA
Washington	112	1,447	450	2,009	AAA/AA+
Virginia	8	936	834	1,778	AAA/AA+
California	-	1,165	494	1,659	AAA/AA+
Minnesota	75	1,100	199	1,374	AAA/AA+
North Carolina	99	820	439	1,358	AAA/AA+
Massachusetts	-	170	1,127	1,297	AAA/AA+
Colorado	-	729	322	1,051	AA+
Maryland	33	805	154	992	AAA/AA+
Georgia	155	559	184	898	AA+
Wisconsin	161	566	166	893	AAA/AA+
Tennessee	63	652	88	803	AA+
Florida	47	134	612	793	AA+
All Other (1)	442	5,167	4,731	10,340	AAA/AA+
Excluding Pre-Refunded	**1,227**	**17,264**	**11,116**	**29,607**	**AAA/AA+**
Pre-refunded	92	1,219	1,150	2,461	AAA/AA+
Total Municipals	**$ 1,319**	**$ 18,483**	**$ 12,266**	**$ 32,068**	**AAA/AA+**

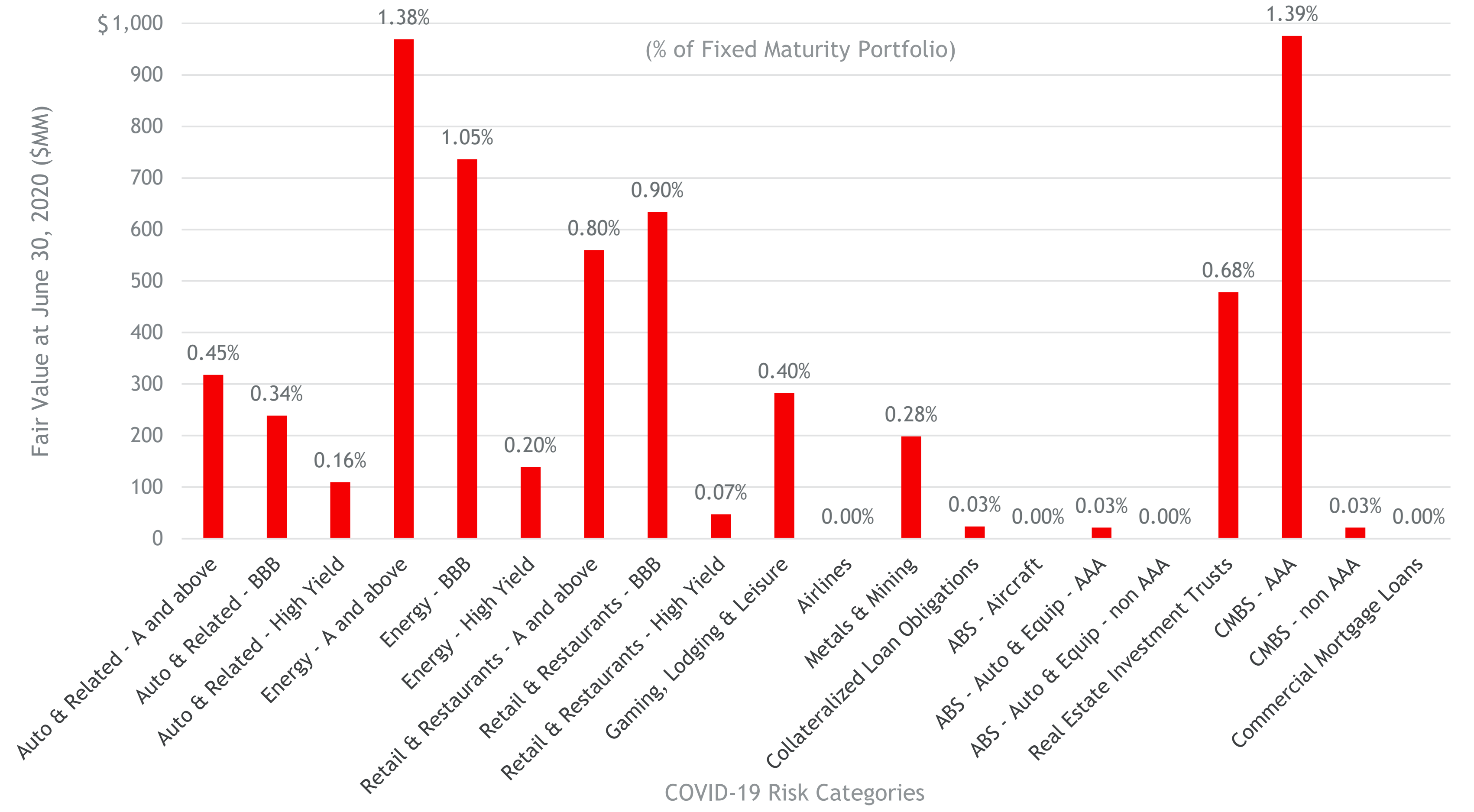
- High quality portfolio actively managed based on risk/reward
- Gross unrealized gains of $2.259 billion
- Gross unrealized losses of $1 million

Rated using external ratings agencies or by the company when a public rating does not exist. Ratings shown are the higher of the rating of the underlying issuer or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default.

99% of Municipal Bond Portfolio Rated AA- or Higher

[1] No other single state in the aggregate accounted for 2.5% or more of the $29,607 total (excluding pre-refunded).

Fixed Maturity Portfolio of $70.1 Billion Includes Manageable Exposure to COVID-19 Risk Categories



Auto & Related (A and above): Toyota, Honda, BMW and PACCAR aggregate to $302 million of $318 million.

Energy (A and above): Exxon, Shell, Total, Chevron, BP, ConocoPhillips, Equinor, Schlumberger and EOG aggregate to $924 million of $969 million.

Energy (BBB): Enterprise Products, Kinder Morgan, Williams, ONEOK, TC Energy, Energy Transfer, Magellan Midstream, MPLX, Marathon Oil and Marathon Petroleum aggregate to $480 million of $736 million.

Retail & Restaurants (A and above): Walmart, Home Depot, Target, Costco, TJX and Amazon aggregate to $528 million of $560 million.

Retail & Restaurants (BBB): Lowe's, McDonald's, Starbucks, Sysco, Kroger, Couche-Tard, Walgreens and Dollar General aggregate to $441 million of $634 million.

Real Estate Investment Trusts: Equity Residential, Welltower, Ventas, AvalonBay, Prologis, Duke Realty, Boston Properties and Federal Realty aggregate to $256 million of $478 million.

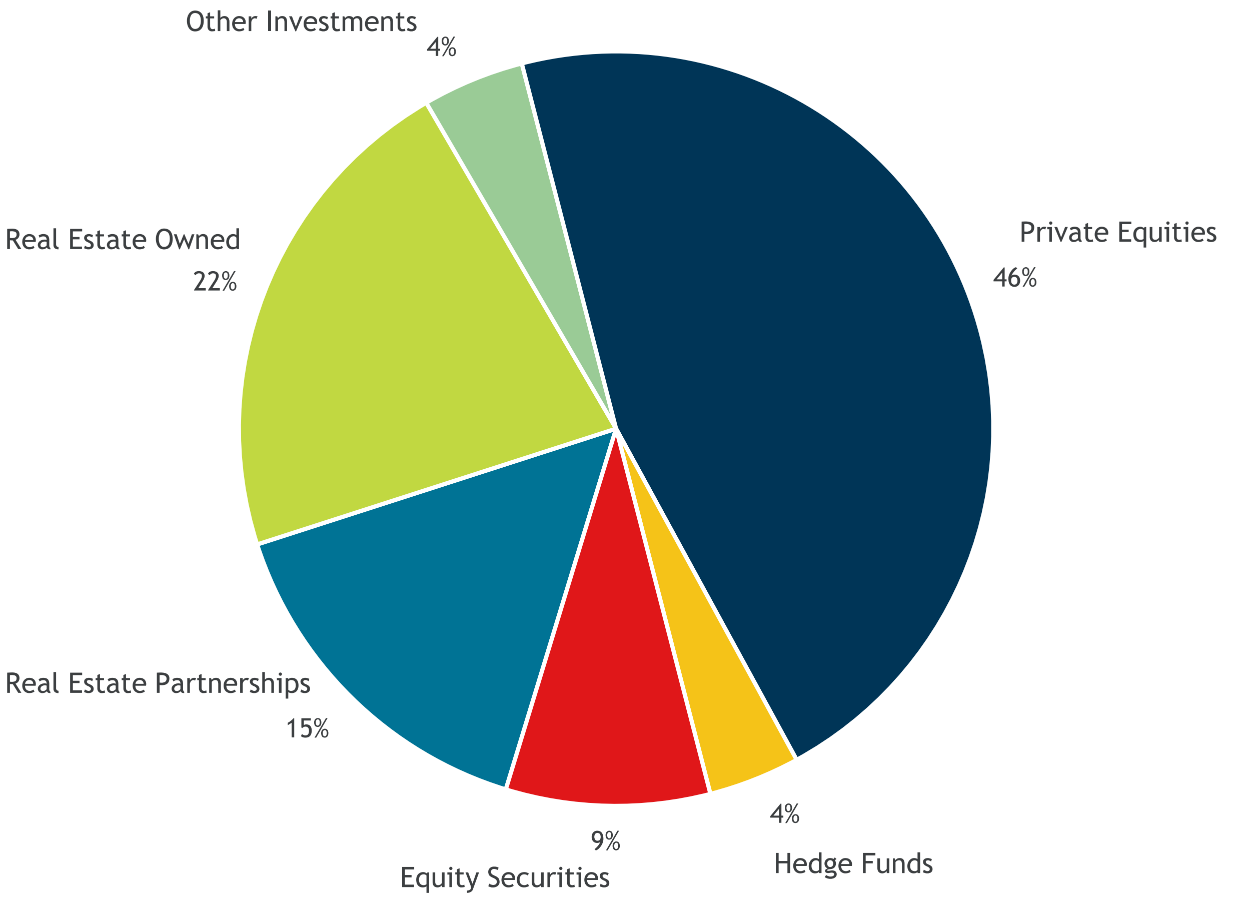
Commercial Mortgage-Backed Securities - CMBS: Average rating of AAA, average LTV of 55% and average subordination of 37%.

Portfolio of investments in COVID-19 Risk Categories is highly diversified across high-quality, highly rated issuers. Substantially less than 1% of Fixed Maturity Portfolio in COVID-19 Risk Categories is high yield.

COVID-19 Risk Categories = Certain categories identified by the Company as most vulnerable to the COVID-19 pandemic

Non-Fixed Income Portfolio of $4.5 Billion Includes Manageable Exposure to COVID-19 Risk Categories

(as of June 30, 2020)



Private Equities: well diversified across 350+ separate funds and 3000+ portfolio companies. $222 million/400+ companies in energy funds. Retail, auto, leisure exposure is minimal. No cruise lines.

Hedge Funds: only 4% of non-fixed income portfolio and focused on distressed investing strategies.

Equity Securities: public common stock and non-redeemable preferred stock.

Real Estate Partnerships: 70+ funds diversified by property type and geography, as well as several JVs primarily invested in well established office buildings located in central business districts.

Real Estate Owned: seasoned, unleveraged portfolio with an industrial and suburban office focus. Hotel and retail exposure is minimal.

Highly Diversified Non-Fixed Income Portfolio Represents Only 6% of Total Investment Portfolio

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,” “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 and its future results of operations and financial condition (including, among other things, anticipated premium volume, premium rates, renewal premium changes, underwriting margins and underlying underwriting margins, net and core income, investment income and performance, loss costs, return on equity, core return on equity and expected current returns, and combined ratios and underlying combined ratios);
- the impact of COVID-19 and related economic conditions, including the potential impact on the Company’s investments;
- the impact of legislative or regulatory actions taken in response to COVID-19;
- share repurchase plans;
- future pension plan contributions;
- 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;
- the potential benefit associated with the Company's ability to recover on its subrogation claims;
- the cost and availability of reinsurance coverage;
- catastrophe losses;
- the impact of investment (including changes in interest rates), economic (including inflation, changes in tax law, changes in commodity prices and fluctuations in foreign currency exchange rates) and underwriting market conditions;
- strategic and operational initiatives to improve profitability and competitiveness;
- the Company’s competitive advantages;
- new product offerings;
- the impact of new or potential regulations imposed or to be imposed by the United States or other nations, including tariffs or other barriers to international trade; and
- the impact of developments in the tort environment, such as increased attorney involvement in insurance claims and legislation allowing victims of sexual abuse to file or proceed with claims that otherwise would have been time-barred.

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:

- high levels of catastrophe losses, including as a result of factors such as increased concentrations of insured exposures in catastrophe-prone areas, could materially and adversely affect the Company’s results of operations, its financial position and/or liquidity, and could adversely impact the Company’s ratings, the Company’s ability to raise capital and the availability and cost of reinsurance;
- if actual claims exceed the Company’s claims and claim adjustment expense reserves, or if changes in the estimated level of claims and claim adjustment expense reserves are necessary, including as a result of, among other things, changes in the legal/tort, regulatory and economic environments in which the Company operates or the impacts of COVID-19, the Company’s financial results could be materially and adversely affected;
- the impact of COVID-19 and related risks, including on the Company’s distribution or other key partners, could materially affect the Company's results of operations, financial position and/or liquidity;
- during or following a period of financial market disruption or an economic downturn, such as the current environment, the Company’s business could be materially and adversely affected;
- 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, particularly in the current environment;
- 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, could harm its ability to maintain or increase its business volumes and its profitability;
- the Company’s business could be harmed because of its potential exposure to asbestos and environmental claims and related litigation;
- disruptions to the Company’s relationships with its independent agents and brokers or the Company's inability to manage effectively a changing distribution landscape could adversely affect the Company;
- the Company is 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 the Company’s business are uncertain, and court decisions or legislative or regulatory changes that take place after the Company issues its policies, including those taken in response to COVID-19 (such as effectively expanding workers’ compensation coverage by instituting presumptions of compensability of claims for certain types of workers or requiring insurers to cover business interruption claims irrespective of terms, exclusions or other conditions included in the policies that would otherwise preclude coverage), can result in an unexpected increase in the number of claims and have a material adverse impact on the Company's results of operations;
- the Company may not be able to collect all amounts due to it from reinsurers, reinsurance coverage may not be available to the Company in the future at commercially reasonable rates or at all and the Company is exposed to credit risk related to its structured settlements;
- 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, which risk is heightened in the current environment;
- within the United States, the Company’s businesses are heavily regulated by the states in which it conducts business, including licensing, market conduct and financial supervision, and changes in regulation may reduce the Company’s profitability and limit its growth;
- a downgrade in the Company’s claims-paying and financial strength ratings could adversely impact the Company’s business volumes, adversely impact the Company’s ability to access the capital markets and increase the Company’s borrowing costs;
- the inability of the Company’s insurance subsidiaries to pay dividends to the Company’s holding company in sufficient amounts would harm the Company’s ability to meet its obligations, pay future shareholder dividends and/or make future share repurchases;
- the Company’s efforts to develop new products, expand in targeted markets or improve business processes and workflows may not be successful and may create enhanced risks;
- the Company may be adversely affected if its pricing and capital models provide materially different indications than actual results;
- the Company’s business success and profitability depend, in part, on effective information technology systems and on continuing to develop and implement improvements in technology, particularly as its business processes become more digital;
- if the Company experiences difficulties with technology, data and network security (including as a result of cyber-attacks), outsourcing relationships or cloud-based technology, the Company’s ability to conduct its business could be negatively impacted. This risk is heightened in the current environment where a majority of the Company's employees have shifted to a work from home arrangement;
- the Company is also subject to a number of additional risks associated with its business outside the United States, such as foreign currency exchange fluctuations (including with respect to the valuation of the Company’s foreign investments and interests in joint ventures) and restrictive regulations as well as the risks and uncertainties associated with the United Kingdom’s withdrawal from the European Union;
- regulatory changes outside of the United States, including in Canada, the United Kingdom, the Republic of Ireland and the European Union, could adversely impact the Company’s results of operations and limit its growth;
- 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 could reduce the Company’s future profitability;
- acquisitions and integration of acquired businesses may result in operating difficulties and other unintended consequences;
- the Company could be adversely affected if its controls designed to ensure compliance with guidelines, policies and legal and regulatory standards are not effective;
- the Company’s businesses may be adversely affected if it is unable to hire and retain qualified employees;
- intellectual property is important to the Company’s business, and the Company may be unable to protect and enforce its own intellectual property or the Company may be subject to claims for infringing the intellectual property of others;
- changes in federal regulation could impose significant burdens on the Company, and otherwise adversely impact the Company’s results;
- changes in U.S. tax laws or in the tax laws of other jurisdictions where the Company operates could adversely impact the Company; and
- 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 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” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on July 23, 2020 and in our most recent annual report on Form 10-K filed with the SEC on February 13, 2020, 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, financial supplement and Form 10-Q.

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.

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