UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission file number: 001-10898

The Travelers Companies, Inc.

(Exact name of registrant as specified in its charter)

Minnesota	**41-0518860**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

485 Lexington Avenue
New York, NY 10017
(Address of principal executive offices) (Zip Code)
(917) 778-6000
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, without par value	TRV	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý		Accelerated filer	☐
Non-accelerated filer ☐		Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ý

The number of shares of the Registrant’s Common Stock, without par value, outstanding at April 11, 2024 was 228,993,392.

The Travelers Companies, Inc.

Quarterly Report on Form 10-Q

For Quarterly Period Ended March 31, 2024

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PART 1 — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31,	
	2024	**2023**
Revenues		
Premiums	**$ 10,126**	$ 8,854
Net investment income	**846**	663
Fee income	**109**	106
Net realized investment gains	**35**	6
Other revenues	**112**	75
Total revenues	**11,228**	9,704
Claims and expenses		
Claims and claim adjustment expenses	**6,656**	5,959
Amortization of deferred acquisition costs	**1,698**	1,462
General and administrative expenses	**1,406**	1,267
Interest expense	**98**	88
Total claims and expenses	**9,858**	8,776
Income before income taxes	**1,370**	928
Income tax expense (benefit)	**247**	(47)
Net income	**$ 1,123**	$ 975
Net income per share		
Basic	**$ 4.87**	$ 4.18
Diluted	**$ 4.80**	$ 4.13
Weighted average number of common shares outstanding		
Basic	**229.0**	231.7
Diluted	**232.0**	234.4
Cash dividends declared per common share	**$ 1.00**	$ 0.93

The accompanying notes are an integral part of the consolidated financial statements.

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Net income	**$ 1,123**	$ 975
Other comprehensive income (loss):		
Changes in net unrealized gains (losses) on investment securities:		
Having no credit losses recognized in the consolidated statement of income	**(752)**	1,308
Having credit losses recognized in the consolidated statement of income	**2**	—
Net changes in benefit plan assets and obligations	**(1)**	(3)
Net changes in unrealized foreign currency translation	**(71)**	37
Other comprehensive income (loss) before income taxes	**(822)**	1,342
Income tax expense (benefit)	**(162)**	283
Other comprehensive income (loss), net of taxes	**(660)**	1,059
Comprehensive income	**$ 463**	$ 2,034

The accompanying notes are an integral part of the consolidated financial statements.

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions)

	March 31, 2024	December 31, 2023
	(Unaudited)	
Assets		
Fixed maturities, available for sale, at fair value (amortized cost $82,712 and $81,781; allowance for expected credit losses of $3 and $5)	**$ 77,991**	$ 77,807
Equity securities, at fair value (cost $557 and $553)	**689**	608
Real estate investments	**958**	959
Short-term securities	**4,682**	5,137
Other investments	**4,337**	4,299
Total investments	**88,657**	88,810
Cash	**667**	650
Investment income accrued	**648**	688
Premiums receivable (net of allowance for expected credit losses of $68 and $69)	**10,829**	10,282
Reinsurance recoverables (net of allowance for estimated uncollectible reinsurance of $117 and $118)	**8,100**	8,143
Ceded unearned premiums	**1,535**	1,150
Deferred acquisition costs	**3,380**	3,306
Deferred taxes	**1,639**	1,504
Contractholder receivables (net of allowance for expected credit losses of $19 and $20)	**3,266**	3,249
Goodwill	**4,251**	3,976
Other intangible assets	**376**	277
Other assets	**4,062**	3,943
Total assets	**$127,410**	$ 125,978
Liabilities		
Claims and claim adjustment expense reserves	**$ 62,487**	$ 61,627
Unearned premium reserves	**21,307**	20,872
Contractholder payables	**3,285**	3,269
Payables for reinsurance premiums	**887**	518
Debt	**8,032**	8,031
Other liabilities	**6,390**	6,740
Total liabilities	**102,388**	101,057
Shareholders’ equity		
Common stock (1,750.0 shares authorized; 229.0 and 228.2 shares issued and outstanding)	**25,163**	24,906
Retained earnings	**46,483**	45,591
Accumulated other comprehensive loss	**(5,131)**	(4,471)
Treasury stock, at cost (561.0 and 559.2 shares)	**(41,493)**	(41,105)
Total shareholders’ equity	**25,022**	24,921
Total liabilities and shareholders’ equity	**$127,410**	$ 125,978

The accompanying notes are an integral part of the consolidated financial statements.

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Common stock		
Balance, beginning of period	**$ 24,906**	$ 24,565
Employee share-based compensation	**179**	68
Compensation amortization under share-based plans and other changes	**78**	70
Balance, end of period	**25,163**	24,703
Retained earnings		
Balance, beginning of period	**45,591**	43,516
Net income	**1,123**	975
Dividends	**(232)**	(218)
Other	**1**	—
Balance, end of period	**46,483**	44,273
Accumulated other comprehensive loss, net of tax		
Balance, beginning of period	**(4,471)**	(6,445)
Other comprehensive income (loss)	**(660)**	1,059
Balance, end of period	**(5,131)**	(5,386)
Treasury stock, at cost		
Balance, beginning of period	**(41,105)**	(40,076)
Treasury stock acquired — share repurchase authorizations	**(250)**	(400)
Net shares acquired related to employee share-based compensation plans	**(138)**	(62)
Balance, end of period	**(41,493)**	(40,538)
Total shareholders' equity	**$ 25,022**	$ 23,052
Common shares outstanding		
Balance, beginning of period	**228.2**	232.1
Treasury stock acquired — share repurchase authorizations	**(1.2)**	(2.2)
Net shares issued under employee share-based compensation plans	**2.0**	1.1
Balance, end of period	**229.0**	231.0

The accompanying notes are an integral part of the consolidated financial statements.

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(in millions)

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities		
Net income	**$ 1,123**	$ 975
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized investment gains	**(35)**	(6)
Depreciation and amortization	**196**	204
Deferred federal income tax expense	**42**	32
Amortization of deferred acquisition costs	**1,698**	1,462
Equity in income from other investments	**(68)**	(30)
Premiums receivable	**(557)**	(557)
Reinsurance recoverables	**33**	(24)
Deferred acquisition costs	**(1,776)**	(1,629)
Claims and claim adjustment expense reserves	**928**	381
Unearned premium reserves	**457**	893
Other	**(583)**	(689)
Net cash provided by operating activities	**1,458**	1,012
Cash flows from investing activities		
Proceeds from maturities of fixed maturities	**1,709**	1,538
Proceeds from sales of investments:		
Fixed maturities	**942**	2,364
Equity securities	**21**	28
Other investments	**55**	64
Purchases of investments:		
Fixed maturities	**(3,738)**	(4,335)
Equity securities	**(26)**	(34)
Real estate investments	**(13)**	(14)
Other investments	**(90)**	(139)
Net sales of short-term securities	**454**	228
Securities transactions in the course of settlement	**111**	(35)
Acquisition, net of cash acquired	**(381)**	—
Other	**(81)**	(120)
Net cash used in investing activities	**(1,037)**	(455)
Cash flows from financing activities		
Treasury stock acquired — share repurchase authorizations	**(250)**	(398)
Treasury stock acquired — net employee share-based compensation	**(110)**	(62)
Dividends paid to shareholders	**(229)**	(215)
Issuance of common stock — employee share options	**190**	82
Net cash used in financing activities	**(399)**	(593)
Effect of exchange rate changes on cash	**(5)**	4
Net increase (decrease) in cash	**17**	(32)
Cash at beginning of year	**650**	799
Cash at end of period	**$ 667**	$ 767

The accompanying notes are an integral part of the consolidated financial statements.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Basis of Presentation

The interim consolidated financial statements include the accounts of The Travelers Companies, Inc. (together with its subsidiaries, the Company). These financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP) and are unaudited. In the opinion of the Company's management, all adjustments necessary for a fair presentation have been reflected. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been omitted. All material intercompany transactions and balances have been eliminated. The accompanying interim consolidated financial statements and related notes should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the Company's 2023 Annual Report).

The preparation of the interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and claims and expenses during the reporting period. Actual results could differ from those estimates. To the extent that the Company changes its accounting for, or presentation of, items in the financial statements, the presentation of such amounts in prior periods is changed to conform to the current period presentation, if appropriate, and disclosed, if material.

On January 2, 2024, the Company completed its previously announced acquisition of all issued and outstanding shares of Corvus Insurance Holdings, Inc. (Corvus), a cyber insurance managing general underwriter, for consideration transferred of approximately $427 million. The acquisition provides the Company the opportunity to renew Corvus's book of business and to leverage Corvus's capabilities to enhance the return profile of Travelers' existing cyber portfolio. At the acquisition date, the Company recorded at fair value $478 million of assets acquired and $51 million of liabilities assumed as part of purchase accounting, including $390 million of identifiable intangible assets and goodwill. The assets acquired from Corvus were included in the Company's Bond & Specialty Insurance segment, effective at the acquisition date. The Company funded this transaction from internal resources. A provisional amount of $19 million has been recorded as a deferred tax asset and included on the consolidated balance sheet. As the tax return for Corvus for the 2023 fiscal year will not be finalized until the third quarter of 2024, a measurement period adjustment is expected to be recorded in the third quarter of 2024.

Income Taxes

The Company recognized a one-time tax benefit of $211 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item impacted by the repeal of Internal Revenue Code Section 847, which related to the discounting of property-casualty loss reserves.

2. SEGMENT INFORMATION

Nature of Operations

The Company’s results are reported in the following three business segments — Business Insurance, Bond & Specialty Insurance and Personal Insurance. These segments reflect the manner in which the Company’s businesses are currently managed and represent an aggregation of products and services based on the type of customer, how the business is marketed and the manner in which risks are underwritten. For more information regarding the Company’s nature of operations, see the “Nature of Operations” section of note 1 of the notes to the consolidated financial statements in the Company’s 2023 Annual Report.

2. SEGMENT INFORMATION, Continued

The following tables summarize the components of the Company's revenues, income and total assets by reportable business segments:

(For the three months ended March 31, in millions)	Business Insurance	Bond & Specialty Insurance	Personal Insurance	Total Reportable Segments
2024				
Premiums	**$ 5,160**	**$ 956**	**$ 4,010**	**$ 10,126**
Net investment income	**609**	**90**	**147**	**846**
Fee income	**101**	**—**	**8**	**109**
Other revenues	**77**	**9**	**26**	**112**
Total segment revenues [(1)]	**$ 5,947**	**$ 1,055**	**$ 4,191**	**$ 11,193**
Segment income [(1)]	**$ 764**	**$ 195**	**$ 220**	**$ 1,179**
2023				
Premiums	$ 4,477	$ 875	$ 3,502	$ 8,854
Net investment income	473	73	117	663
Fee income	99	—	7	106
Other revenues	47	5	23	75
Total segment revenues [(1)]	$ 5,096	$ 953	$ 3,649	$ 9,698
Segment income [(1)]	$ 756	$ 207	$ 83	$ 1,046

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(1) Segment revenues for reportable business segments exclude net realized investment gains (losses) and revenues included in "interest expense and other." Segment income for reportable business segments excludes the after-tax impact of net realized investment gains (losses) and income (loss) from "interest expense and other."

2. SEGMENT INFORMATION, Continued

Business Segment Reconciliations

(in millions)	Three Months Ended March 31, 2024	2023
Revenue reconciliation		
Earned premiums		
Business Insurance:		
Domestic:		
Workers' compensation	**$ 880**	$ 850
Commercial automobile	**860**	761
Commercial property	**873**	709
General liability	**847**	760
Commercial multi-peril	**1,270**	1,100
Other	**17**	18
Total Domestic	**4,747**	4,198
International	**413**	279
Total Business Insurance	**5,160**	4,477
Bond & Specialty Insurance:		
Domestic:		
Fidelity and surety	**340**	306
General liability	**426**	398
Other	**56**	54
Total Domestic	**822**	758
International	**134**	117
Total Bond & Specialty Insurance	**956**	875
Personal Insurance:		
Domestic:		
Automobile	**1,874**	1,624
Homeowners and Other	**1,972**	1,724
Total Domestic	**3,846**	3,348
International	**164**	154
Total Personal Insurance	**4,010**	3,502
Total earned premiums	**10,126**	8,854
Net investment income	**846**	663
Fee income	**109**	106
Other revenues	**112**	75
Total segment revenues	**11,193**	9,698
Net realized investment gains	**35**	6
Total revenues	**$ 11,228**	$ 9,704
Income reconciliation, net of tax		
Total segment income	**$ 1,179**	$ 1,046
Interest Expense and Other [(1)]	**(83)**	(76)
Core income	**1,096**	970
Net realized investment gains	**27**	5
Net income	**$ 1,123**	$ 975

(1) The primary component of Interest Expense and Other was after-tax interest expense of $77 million and $70 million for the three months ended March 31, 2024 and 2023, respectively.

2. SEGMENT INFORMATION, Continued

(in millions)	March 31, 2024	December 31, 2023
Asset reconciliation		
Business Insurance	**$ 94,393**	$ 93,565
Bond & Specialty Insurance	**12,136**	11,478
Personal Insurance	**20,003**	20,072
Total assets by reportable segment	**126,532**	125,115
Other assets (1)	**878**	863
Total consolidated assets	**$ 127,410**	$ 125,978

(1) The primary components of other assets at both March 31, 2024 and December 31, 2023 were the over-funded benefit plan assets related to the Company’s qualified domestic pension plan and other intangible assets.

3. INVESTMENTS

Fixed Maturities

The amortized cost and fair value of investments in fixed maturities classified as available for sale were as follows:

(at March 31, 2024, in millions)	Amortized Cost	Allowance for Expected Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	**$ 6,489**	**$ —**	**$ 1**	**$ 250**	**$ 6,240**
Obligations of U.S. states, municipalities and political subdivisions:					
Local general obligation	**18,138**	**—**	**41**	**1,455**	**16,724**
Revenue	**9,419**	**—**	**27**	**700**	**8,746**
State general obligation	**1,156**	**—**	**3**	**67**	**1,092**
Pre-refunded	**952**	**—**	**2**	**4**	**950**
Total obligations of U.S. states, municipalities and political subdivisions	**29,665**	**—**	**73**	**2,226**	**27,512**
Debt securities issued by foreign governments	**970**	**—**	**1**	**32**	**939**
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	**9,076**	**—**	**68**	**224**	**8,920**
Corporate and all other bonds	**36,512**	**3**	**103**	**2,232**	**34,380**
Total	**$82,712**	**$ 3**	**$ 246**	**$4,964**	**$77,991**

3. INVESTMENTS, Continued

(at December 31, 2023, in millions)	Amortized Cost	Allowance for Expected Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ 6,591	$ —	$ 8	$ 231	$ 6,368
Obligations of U.S. states, municipalities and political subdivisions:					
Local general obligation	18,374	—	90	1,265	17,199
Revenue	9,748	—	52	616	9,184
State general obligation	1,209	—	7	59	1,157
Pre-refunded	963	—	5	2	966
Total obligations of U.S. states, municipalities and political subdivisions	30,294	—	154	1,942	28,506
Debt securities issued by foreign governments	1,035	—	2	31	1,006
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	7,874	—	120	176	7,818
Corporate and all other bonds	35,987	5	187	2,060	34,109
Total	$ 81,781	$ 5	$ 471	$ 4,440	$ 77,807

Pre-refunded bonds of $950 million and $966 million at March 31, 2024 and December 31, 2023, respectively, were bonds for which U.S. states or municipalities have established irrevocable trusts that are almost exclusively comprised of U.S. Treasury securities and obligations of U.S. government and government agencies and authorities. These trusts were created to fund the payment of principal and interest due under the bonds.

Proceeds from the sales of fixed maturities classified as available for sale were $942 million and $2.36 billion during the three months ended March 31, 2024 and 2023, respectively. Gross gains of $2 million and $17 million and gross losses of $39 million and $27 million were realized on those sales during the three months ended March 31, 2024 and 2023, respectively.

Equity Securities

The cost and fair value of investments in equity securities were as follows:

(at March 31, 2024, in millions)	Cost	Gross Gains	Gross Losses	Fair Value
Common stock	**$ 512**	**$ 142**	**$ 13**	**$ 641**
Non-redeemable preferred stock	**45**	**3**	**—**	**48**
Total	**$ 557**	**$ 145**	**$ 13**	**$ 689**

(at December 31, 2023, in millions)	Cost	Gross Gains	Gross Losses	Fair Value
Common stock	$ 508	$ 93	$ 41	$ 560
Non-redeemable preferred stock	45	3	—	48
Total	$ 553	$ 96	$ 41	$ 608

For the three months ended March 31, 2024 and 2023, the Company recognized $79 million and $17 million of net gains on equity securities still held as of March 31, 2024 and 2023, respectively.

3. INVESTMENTS, Continued

Unrealized Investment Losses

The following tables summarize, for all fixed maturities classified as available for sale in an unrealized loss position at March 31, 2024 and December 31, 2023, the aggregate fair value and gross unrealized loss by the length of time those securities have been continuously in an unrealized loss position. The fair value amounts reported in the tables are estimates that are prepared using the process described in note 4 herein and in note 4 of the notes to the consolidated financial statements in the Company's 2023 Annual Report. The Company also relies upon estimates of several factors in its review and evaluation of individual investments, using the process described in note 1 of the notes to the consolidated financial statements in the Company's 2023 Annual Report to determine whether a credit loss impairment exists.

(at March 31, 2024, in millions)	Less than 12 months		12 months or longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturities						
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ 2,866	$ 17	$ 2,869	$ 233	$ 5,735	$ 250
Obligations of U.S. states, municipalities and political subdivisions	6,958	67	15,198	2,159	22,156	2,226
Debt securities issued by foreign governments	134	1	696	31	830	32
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	3,106	29	1,689	195	4,795	224
Corporate and all other bonds	2,957	28	25,668	2,204	28,625	2,232
Total	$ 16,021	$ 142	$46,120	$ 4,822	$62,141	$ 4,964

(at December 31, 2023, in millions)	Less than 12 months		12 months or longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturities						
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ 1,864	$ 7	$ 2,985	$ 224	$ 4,849	$ 231
Obligations of U.S. states, municipalities and political subdivisions	3,868	31	14,351	1,911	18,219	1,942
Debt securities issued by foreign governments	30	—	763	31	793	31
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	1,215	9	1,433	167	2,648	176
Corporate and all other bonds	1,016	9	26,444	2,051	27,460	2,060
Total	$ 7,993	$ 56	$ 45,976	$ 4,384	$ 53,969	$ 4,440

3. INVESTMENTS, Continued

The following tables summarize, for all fixed maturities reported at fair value for which fair value was less than 80% of amortized cost at March 31, 2024 and December 31, 2023, the gross unrealized investment loss by length of time those securities have continuously been in an unrealized loss position of greater than 20% of amortized cost:

	Period For Which Fair Value is Less Than 80% of Amortized Cost				
(at March 31, 2024, in millions)	3 months or less	Greater than 3 months, 6 months or less	Greater than 6 months, 12 months or less	Greater than 12 months	Total
Fixed maturities					
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ —	$ —	$ —	$ —	$ —
Obligations of U.S. states, municipalities and political subdivisions	224	—	8	708	940
Debt securities issued by foreign governments	—	—	—	—	—
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	44	—	—	—	44
Corporate and all other bonds	41	2	1	23	67
Total	$ 309	$ 2	$ 9	$ 731	$ 1,051

(at December 31, 2023, in millions)	Period For Which Fair Value is Less Than 80% of Amortized Cost: 3 months or less	Greater than 3 months, 6 months or less	Greater than 6 months, 12 months or less	Greater than 12 months	Total
Fixed maturities					
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ —	$ —	$ —	$ —	$ —
Obligations of U.S. states, municipalities and political subdivisions	—	2	31	642	675
Debt securities issued by foreign governments	—	—	—	—	—
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	—	—	—	—	—
Corporate and all other bonds	1	3	22	25	51
Total	$ 1	$ 5	$ 53	$ 667	$ 726

Increases in interest rates resulted in the gross unrealized investment losses disclosed in the tables above; however, the net unrealized loss is considered temporary in nature as the decrease in value is not due to credit impairments and there is no impact on expected contractual cash flows from fixed maturities.

3. INVESTMENTS, Continued

Impairment Charges

The following table presents changes in the allowance for expected credit losses on fixed maturities classified as available for sale for the category of Corporate and All Other Bonds (no other categories of fixed maturities currently have an allowance for expected credit losses):

	Fixed Maturities Corporate and All Other Bonds	
	At and For the Three Months Ended	
(in millions)	March 31, 2024	March 31, 2023
Balance, beginning of period	**$ 5**	$ 3
Additions for expected credit losses on securities where no credit losses were previously recognized	**3**	—
Additions for expected credit losses on securities where credit losses were previously recognized	**—**	1
Reductions due to sales/defaults of credit-impaired securities	**(5)**	—
Reductions for impairments of securities which the Company intends to sell or more likely than not will be required to sell	**—**	—
Balance, end of period	**$ 3**	$ 4

Total net impairment charges, including credit impairments, reported in net realized investment gains in the consolidated statement of income, were $3 million and $1 million for the three months ended March 31, 2024 and 2023, respectively. Credit losses related to the fixed maturity portfolio for both the three months ended March 31, 2024 and 2023 represented less than 1% of the fixed maturity portfolio on a pre-tax basis and less than 1% of shareholders’ equity on an after-tax basis.

Other Investments

Included in other investments are private equity, hedge fund and real estate partnerships that are accounted for under the equity method of accounting and typically report their financial statement information to the Company one month to three months following the end of the reporting period. Accordingly, net investment income from these other investments is generally reflected in the Company’s financial statements on a quarter lag basis.

4. FAIR VALUE MEASUREMENTS

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the fair value accounting guidance hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Company's significant market assumptions. The level in the fair value hierarchy within which the fair value measurement is reported is based on the lowest level input that is significant to the measurement in its entirety. The three levels of the hierarchy are as follows:

- Level 1 **-** Unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 **-** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.
- Level 3 **-** Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use.

4. FAIR VALUE MEASUREMENTS, Continued

Valuation of Investments Reported at Fair Value in Financial Statements

The Company utilized a pricing service to estimate fair value measurements for approximately 99% of its fixed maturities at both March 31, 2024 and December 31, 2023.

While the vast majority of the Company's fixed maturities are included in Level 2, the Company holds a number of corporate bonds which are not valued by the pricing service and estimates the fair value of these bonds using either another internal pricing matrix, a present value income approach, or a broker quote (collectively, the other methodologies). The other methodologies include some unobservable inputs that are significant to the valuation. Due to the limited amount of observable market information available in the estimation of fair value, the Company includes the fair value estimates for bonds that are valued using the other methodologies in Level 3.

For certain investments in non-public common and preferred equity securities, the fair value estimate is determined either internally or by an external fund manager based on the impact of recent observable transactions on the investment, recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals. Due to the significant unobservable inputs in these valuations, the Company included the fair value estimate of $37 million for these investments at both March 31, 2024 and December 31, 2023 in the amounts disclosed in Level 3.

For more information regarding the valuation of the Company's fixed maturities, equity securities and other investments, see note 4 of the notes to the consolidated financial statements in the Company's 2023 Annual Report.

Fair Value Hierarchy

The following tables present the level within the fair value hierarchy at which the Company's financial assets and financial liabilities are measured on a recurring basis.

(at March 31, 2024, in millions)	Total	Level 1	Level 2	Level 3
Invested assets:				
Fixed maturities				
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ 6,240	$ 6,240	$ —	$ —
Obligations of U.S. states, municipalities and political subdivisions	27,512	—	27,512	—
Debt securities issued by foreign governments	939	—	939	—
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	8,920	—	8,899	21
Corporate and all other bonds	34,380	—	34,125	255
Total fixed maturities	77,991	6,240	71,475	276
Equity securities				
Common stock	641	634	—	7
Non-redeemable preferred stock	48	15	3	30
Total equity securities	689	649	3	37
Other investments	18	18	—	—
Total	$ 78,698	$ 6,907	$ 71,478	$ 313

4. FAIR VALUE MEASUREMENTS, Continued

(at December 31, 2023, in millions)	Total	Level 1	Level 2	Level 3
Invested assets:				
Fixed maturities				
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	$ 6,368	$ 6,368	$ —	$ —
Obligations of U.S. states, municipalities and political subdivisions	28,506	—	28,506	—
Debt securities issued by foreign governments	1,006	—	1,006	—
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	7,818	—	7,818	—
Corporate and all other bonds	34,109	—	33,851	258
Total fixed maturities	77,807	6,368	71,181	258
Equity securities				
Common stock	560	553	—	7
Non-redeemable preferred stock	48	16	2	30
Total equity securities	608	569	2	37
Other investments	18	18	—	—
Total	$ 78,433	$ 6,955	$ 71,183	$ 295

There was no significant activity in Level 3 of the hierarchy during the three months ended March 31, 2024.

Financial Instruments Disclosed, But Not Carried, At Fair Value

The following tables present the carrying value and fair value of the Company's financial assets and financial liabilities disclosed, but not carried, at fair value, and the level within the fair value hierarchy at which such assets and liabilities are categorized.

(at March 31, 2024, in millions)	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets					
Short-term securities	**$ 4,682**	**$ 4,682**	**$ 999**	**$ 3,634**	**$ 49**
Financial liabilities					
Debt	**$ 7,932**	**$ 7,406**	**$ —**	**$ 7,406**	**$ —**
Commercial paper	**100**	**100**	**—**	**100**	**—**

(at December 31, 2023, in millions)	Carrying Value		Fair Value		Level 1		Level 2		Level 3	
Financial assets										
Short-term securities	$	5,137	$	5,137	$	1,171	$	3,912	$	54
Financial liabilities										
Debt	$	7,931	$	7,645	$	—	$	7,645	$	—
Commercial paper		100		100		—		100		—

The Company had no material assets or liabilities that were measured at fair value on a non-recurring basis during the three months ended March 31, 2024 or the year ended December 31, 2023.

5. ALLOWANCE FOR EXPECTED CREDIT LOSSES

Premiums Receivable

The following table presents the balances of premiums receivable, net of the allowance for expected credit losses, at March 31, 2024 and 2023, and the changes in the allowance for expected credit losses for the three months ended March 31, 2024 and 2023.

	At and For the Three Months Ended March 31, 2024		At and For the Three Months Ended March 31, 2023	
(in millions)	**Premiums Receivable, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**	**Premiums Receivable, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**
Balance, beginning of period	**$ 10,282**	**$ 69**	$ 8,922	$ 77
Current period change for expected credit losses		**12**		10
Write-offs of uncollectible premiums receivable		**13**		10
Balance, end of period	**$ 10,829**	**$ 68**	$ 9,483	$ 77

Reinsurance Recoverables

The following table presents the balances of reinsurance recoverables, net of the allowance for estimated uncollectible reinsurance, at March 31, 2024 and 2023, and the changes in the allowance for estimated uncollectible reinsurance for the three months ended March 31, 2024 and 2023.

(in millions)	At and For the Three Months Ended March 31, 2024		At and For the Three Months Ended March 31, 2023	
	Reinsurance Recoverables, Net of Allowance for Estimated Uncollectible Reinsurance	Allowance for Estimated Uncollectible Reinsurance	Reinsurance Recoverables, Net of Allowance for Estimated Uncollectible Reinsurance	Allowance for Estimated Uncollectible Reinsurance
Balance, beginning of period	**$ 8,143**	**$ 118**	$ 8,063	$ 132
Current period change for estimated uncollectible reinsurance		**(1)**		(1)
Write-offs of uncollectible reinsurance recoverables		**—**		—
Balance, end of period	**$ 8,100**	**$ 117**	$ 8,091	$ 131

Of the total reinsurance recoverables at March 31, 2024, $5.70 billion, or 87%, were rated by A.M. Best Company, after deducting mandatory pools and associations and before allowances for estimated uncollectible reinsurance. The Company utilizes updated A.M. Best credit ratings on a quarterly basis when determining the allowance. Of the total rated by A.M. Best Company, 94% were rated A- or better. The remaining 13% of reinsurance recoverables comprised the following: 6% related to captive insurance companies, 1% related to the Company’s participation in voluntary pools and 6% were balances from other companies not rated by A.M. Best Company. Certain of the Company’s reinsurance recoverables are collateralized by letters of credit, funds held or trust agreements.

5. ALLOWANCE FOR EXPECTED CREDIT LOSSES, Continued

Contractholder Receivables

The following table presents the balances of contractholder receivables, net of the allowance for expected credit losses, at March 31, 2024 and 2023, and the changes in the allowance for expected credit losses for the three months ended March 31, 2024 and 2023.

	At and For the Three Months Ended March 31, 2024		At and For the Three Months Ended March 31, 2023	
(in millions)	**Contractholder Receivables, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**	**Contractholder Receivables, Net of Allowance for Expected Credit Losses**	**Allowance for Expected Credit Losses**
Balance, beginning of period	**$ 3,249**	**$ 20**	$ 3,579	$ 17
Current period change for expected credit losses		**(1)**		2
Write-offs of uncollectible contractholder receivables		**—**		—
Balance, end of period	**$ 3,266**	**$ 19**	$ 3,598	$ 19

6. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The following table presents the carrying amount of the Company’s goodwill by segment. Each reportable segment includes goodwill associated with the Company’s international business which is subject to the impact of changes in foreign currency exchange rates.

(in millions)	**March 31, 2024**	**December 31, 2023**
Business Insurance	**$ 2,579**	$ 2,585
Bond & Specialty Insurance [(1)]	**835**	550
Personal Insurance	**811**	815
Other	**26**	26
Total	**$ 4,251**	$ 3,976

(1) Goodwill at March 31, 2024 included $285 million associated with the acquisition of Corvus in the first quarter of 2024, which is primarily attributable to Corvus's cyber underwriting and support capabilities and workforce, and it is not deductible for tax purposes.

6. GOODWILL AND OTHER INTANGIBLE ASSETS, Continued

Other Intangible Assets

The following tables present a summary of the Company's other intangible assets by major asset class.

(at March 31, 2024, in millions)	Gross Carrying Amount	Accumulated Amortization	Net
Subject to amortization			
Customer-related [1]	**$ 186**	**$ 63**	**$ 123**
Contract-based [2]	**204**	**194**	**10**
Marketing-related [3]	**18**	**1**	**17**
Total subject to amortization	**408**	**258**	**150**
Not subject to amortization	**226**	**—**	**226**
Total	**$ 634**	**$ 258**	**$ 376**

(at December 31, 2023, in millions)	Gross Carrying Amount	Accumulated Amortization	Net
Subject to amortization			
Customer-related	$ 100	$ 59	$ 41
Contract-based [2]	204	194	10
Total subject to amortization	304	253	51
Not subject to amortization	226	—	226
Total	$ 530	$ 253	$ 277

(1) Customer-related intangibles of $87 million were recorded in connection with the acquisition of Corvus in the first quarter of 2024. The customer-related intangible assets include Corvus's broker and policyholder relationships and were valued using the excess earnings method income approach, a valuation technique that provides an estimate of fair value based on the cash flows that the asset can be expected to generate over its remaining useful life. Broker relationships represent the relationships Corvus has with its existing brokers through which new business is placed with policyholders. Policyholder relationships represent the renewal of existing policies. Significant inputs to the fair valuation include estimates of revenue growth, broker retention rates, policyholder attrition rates and weighted average cost of capital.

(2) Contract-based intangible assets subject to amortization are comprised of fair value adjustments on claims and claim adjustment expense reserves, reinsurance recoverables and other contract-related intangible assets. Fair value adjustments recorded in connection with insurance acquisitions were based on management's estimate of nominal claims and claim adjustment expense reserves and reinsurance recoverables. The method used calculated a risk adjustment to a risk-free

discounted reserve that would, if reserves ran off as expected, produce results that yielded the assumed cost-of-capital on the capital supporting the loss reserves. The fair value adjustments are reported as other intangible assets on the consolidated balance sheet, and the amounts measured in accordance with the acquirer's accounting policies for insurance contracts have been reported as part of the claims and claim adjustment expense reserves and reinsurance recoverables. The intangible assets are being recognized into income over the expected payment pattern. Because the time value of money and the risk adjustment (cost of capital) components of the intangible assets run off at different rates, the amount recognized in income may be a net benefit in some periods and a net expense in other periods.

(3) Marketing-related intangibles of $18 million were recorded in connection with the acquisition of Corvus in the first quarter of 2024. The marketing-related intangible assets include trade names and a non-compete agreement. The trade names were valued using a relief from royalty method, a valuation technique which estimates the fair value of an asset based on the present value of the royalties saved because the company owns the asset. Significant inputs to the fair valuation include estimates of future revenue, appropriate rates of return associated with certain assets and weighted average cost of capital. The fair value of the non-compete agreement is based on an estimate of the income that would be lost if the agreement were not in place and the individual chose to compete. Significant inputs to the fair valuation include estimates of projected cash flows and weighted average cost of capital.

6. GOODWILL AND OTHER INTANGIBLE ASSETS, Continued

The following table presents a summary of the other intangible assets recorded in connection with the acquisition of Corvus by major asset class as of the acquisition date.

(in millions)	Amount	Weighted Average Amortization Period
Subject to amortization		
Customer-related	$ 87	14 years
Marketing-related	18	7 years
Total	$ 105	13 years

7. INSURANCE CLAIM RESERVES

Claims and claim adjustment expense reserves were as follows:

(in millions)	March 31, 2024	December 31, 2023
Property-casualty	**$ 62,482**	$ 61,621
Accident and health	**5**	6
Total	**$ 62,487**	$ 61,627

The following table presents a reconciliation of beginning and ending property casualty reserve balances for claims and claim adjustment expenses:

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Claims and claim adjustment expense reserves at beginning of year	**$ 61,621**	$ 58,643
Less reinsurance recoverables on unpaid losses	**7,817**	7,790
Net reserves at beginning of year	**53,804**	50,853
Estimated claims and claim adjustment expenses for claims arising in the current year	**6,679**	6,025
Estimated decrease in claims and claim adjustment expenses for claims arising in prior years	**(49)**	(90)
Total increases	**6,630**	5,935
Claims and claim adjustment expense payments for claims arising in:		
Current year	**1,275**	1,177
Prior years	**4,435**	4,382
Total payments	**5,710**	5,559
Unrealized foreign exchange (gain) loss	**(61)**	28
Net reserves at end of period	**54,663**	51,257
Plus reinsurance recoverables on unpaid losses	**7,819**	7,801
Claims and claim adjustment expense reserves at end of period	**$ 62,482**	$ 59,058

Gross claims and claim adjustment expense reserves at March 31, 2024 increased by $861 million from December 31, 2023, primarily reflecting the impacts of (i) catastrophe losses in the first three months of 2024, (ii) higher volumes of insured exposures and (iii) loss cost trends for the current accident year, partially offset by (iv) claim payments made during the first three months of 2024 and (v) net favorable prior year reserve development.

Reinsurance recoverables on unpaid losses at March 31, 2024 increased by $2 million from December 31, 2023.

7. INSURANCE CLAIM RESERVES, Continued

Prior Year Reserve Development

The following disclosures regarding reserve development are on a "net of reinsurance" basis.

For the three months ended March 31, 2024 and 2023, estimated claims and claim adjustment expenses incurred included $49 million and $90 million, respectively, of net favorable development for claims arising in prior years, including $91 million and $105 million, respectively, of net favorable prior year reserve development, and $11 million of accretion of discount in each period.

Business Insurance. There was no net prior year reserve development in the first quarter of 2024, as better than expected loss experience in the domestic operations' workers' compensation product line for multiple accident years was offset primarily by higher than expected loss experience in the general liability product line for recent accident years, as well as an addition to reserves related to run-off operations. Net favorable prior year reserve development in the first quarter of 2023 totaled $19 million, primarily driven by better than expected loss experience in the domestic operations' workers' compensation product line for multiple accident years, partially offset by higher than expected loss experience in the general liability product line for excess coverages for multiple accident years.

Bond & Specialty Insurance. Net favorable prior year reserve development in the first quarter of 2024 totaled $24 million, primarily driven by better than expected loss experience in multiple product lines within domestic operations. Net favorable prior year reserve development in the first quarter of 2023 totaled $58 million, primarily driven by better than expected loss experience in the domestic operations' fidelity and surety product lines and in the general liability product line for management liability coverages for recent accident years.

Personal Insurance. Net favorable prior year reserve development in the first quarter of 2024 totaled $67 million, primarily driven by better than expected loss experience in the domestic operations' automobile product line for recent accident years. Net favorable prior year reserve development in the first quarter of 2023 totaled $28 million, primarily driven by better than expected loss experience in the domestic operations' homeowners and other product line for recent accident years.

8. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table presents the changes in the Company's accumulated other comprehensive income (loss) (AOCI) for the three months ended March 31, 2024.

(in millions)	Changes in Net Unrealized Gains (Losses) on Investment Securities: Having No Credit Losses Recognized in the Consolidated Statement of Income	Changes in Net Unrealized Gains (Losses) on Investment Securities: Having Credit Losses Recognized in the Consolidated Statement of Income	Net Benefit Plan Assets and Obligations Recognized in Shareholders' Equity	Net Unrealized Foreign Currency Translation	Total Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2023	**$ (3,309)**	**$ 180**	**$ (458)**	**$ (884)**	**$ (4,471)**
Other comprehensive income (loss) (OCI) before reclassifications, net of tax	**(626)**	**2**	**—**	**(67)**	**(691)**
Amounts reclassified from AOCI, net of tax	**32**	**—**	**(1)**	**—**	**31**
Net OCI, current period	**(594)**	**2**	**(1)**	**(67)**	**(660)**
Balance, March 31, 2024	**$ (3,903)**	**$ 182**	**$ (459)**	**$ (951)**	**$ (5,131)**

8. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), Continued

The following table presents the pre-tax components of the Company's other comprehensive income (loss) and the related income tax expense (benefit).

	Three Months Ended March 31,	
(in millions)	**2024**	**2023**
Changes in net unrealized losses on investment securities:		
Having no credit losses recognized in the consolidated statement of income	**$ (752)**	$ 1,308
Income tax expense (benefit)	**(158)**	278
Net of taxes	**(594)**	1,030
Having credit losses recognized in the consolidated statement of income	**2**	—
Income tax expense	**—**	—
Net of taxes	**2**	—
Net changes in benefit plan assets and obligations	**(1)**	(3)
Income tax expense (benefit)	**—**	(1)
Net of taxes	**(1)**	(2)
Net changes in unrealized foreign currency translation	**(71)**	37
Income tax expense (benefit)	**(4)**	6
Net of taxes	**(67)**	31
Total other comprehensive income (loss)	**(822)**	1,342
Total income tax expense (benefit)	**(162)**	283
Total other comprehensive income (loss), net of taxes	**$ (660)**	$ 1,059

8. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), Continued

The following table presents the pre-tax and related income tax (expense) benefit components of the amounts reclassified from the Company's AOCI to the Company's consolidated statement of income.

	Three Months Ended March 31,	
(in millions)	**2024**	**2023**
Reclassification adjustments related to unrealized gains (losses) on investment securities:		
Having no credit losses recognized in the consolidated statement of income [(1)]	**$ 40**	$ 11
Income tax benefit [(2)]	**8**	2
Net of taxes	**32**	9
Having credit losses recognized in the consolidated statement of income [(1)]	**—**	—
Income tax benefit [(2)]	**—**	—
Net of taxes	**—**	—
Reclassification adjustment related to benefit plan assets and obligations:		
Claims and claim adjustment expenses (benefit) [(3)]	**—**	(1)
General and administrative expenses (benefit) [(3)]	**(1)**	(2)
Total	**(1)**	(3)
Income tax (expense) benefit [(2)]	**—**	—
Net of taxes	**(1)**	(3)
Reclassification adjustment related to foreign currency translation [(1)]	**—**	—
Income tax benefit [(2)]	**—**	—
Net of taxes	**—**	—
Total reclassifications	**39**	8
Total income tax benefit	**8**	2
Total reclassifications, net of taxes	**$ 31**	$ 6

(1) (Increases) decreases net realized investment gains on the consolidated statement of income.
(2) (Increases) decreases income tax expense (benefit) on the consolidated statement of income.
(3) Increases (decreases) expenses on the consolidated statement of income.

9. COMMON SHARE REPURCHASES

During the three months ended March 31, 2024, the Company repurchased 1.2 million common shares under its share repurchase authorizations for a total cost of $250 million. The average cost per share repurchased was $217.31. In addition, the Company acquired 0.6 million common shares for a total cost of $138 million during the three months ended March 31, 2024 that were not part of its publicly announced share repurchase authorizations. These shares consisted of shares retained to cover payroll withholding taxes in connection with the vesting of restricted stock unit awards and performance share awards, and shares used by employees to cover the exercise price, as well as the related payroll withholding taxes, with respect to certain stock options that were exercised. Included in the cost of treasury stock acquired pursuant to common share repurchases is the 1% excise tax imposed on common share repurchase activity, net of common share issuances, as part of the Inflation Reduction Act of 2022. During the three months ended March 31, 2024, there was no net excise tax included in the cost of treasury stock acquired, as common share issuances exceeded common share repurchase activity. At March 31, 2024, the Company had $5.79 billion of capacity remaining under its share repurchase authorizations.

10. EARNINGS PER SHARE

The following is a reconciliation of the income and share data used in the basic and diluted earnings per share computations for the periods presented:

(in millions, except per share amounts)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Basic and Diluted		
Net income, as reported	**$ 1,123**	$ 975
Participating share-based awards — allocated income	**(8)**	(7)
Net income available to common shareholders — basic and diluted	**$ 1,115**	$ 968
Common Shares		
Basic		
Weighted average shares outstanding	**229.0**	231.7
Diluted		
Weighted average shares outstanding	**229.0**	231.7
Weighted average effects of dilutive securities — stock options and performance shares	**3.0**	2.7
Total	**232.0**	234.4
Net Income per Common Share		
Basic	**$ 4.87**	$ 4.18
Diluted	**$ 4.80**	$ 4.13

11. SHARE-BASED INCENTIVE COMPENSATION

The following information relates to fully vested stock option awards at March 31, 2024:

Stock Options	Number	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining	Aggregate Intrinsic Value ($ in millions)
Vested at end of period [(1)]	**6,832,710**	**$ 146.39**	**6.0 years**	**$ 572**
Exercisable at end of period	**5,162,950**	**$ 132.57**	**5.1 years**	**$ 504**

(1) Represents awards for which the requisite service has been rendered, including those that are retirement eligible.

The total compensation cost for all share-based incentive compensation awards recognized in earnings was $79 million and $69 million for the three months ended March 31, 2024 and 2023, respectively. The related tax benefits recognized in earnings were $12 million and $11 million for the three months ended March 31, 2024 and 2023, respectively.

The total unrecognized compensation cost related to all nonvested share-based incentive compensation awards at March 31, 2024 was $380 million, which is expected to be recognized over a weighted-average period of 2.2 years.

12. PENSION PLANS, RETIREMENT BENEFITS AND SAVINGS PLANS

The following table summarizes the components of net periodic benefit cost (benefit) for the Company's pension and postretirement benefit plans recognized in the consolidated statement of income for the three months ended March 31, 2024 and 2023.

	Pension Plans		Postretirement Benefit Plans	
(for the three months ended March 31, in millions)	**2024**	**2023**	**2024**	**2023**
Net Periodic Benefit Cost (Benefit):				
Service cost	**$ 29**	$ 27	**$ —**	$ —
Non-service cost (benefit):				
Interest cost on benefit obligation	**43**	44	**1**	1
Expected return on plan assets	**(75)**	(78)	**—**	—
Amortization of unrecognized:				
Prior service benefit	**—**	—	**(1)**	(1)
Net actuarial (gain) loss	**2**	—	**(2)**	(2)
Total non-service cost (benefit)	**(30)**	(34)	**(2)**	(2)
Net periodic benefit cost (benefit)	**$ (1)**	$ (7)	**$ (2)**	$ (2)

The following table indicates the line items in which the respective service cost and non-service cost (benefit) are presented in the consolidated statement of income for the three months ended March 31, 2024 and 2023.

	Pension Plans		Postretirement Benefit Plans	
(for the three months ended March 31, in millions)	**2024**	**2023**	**2024**	**2023**
Service Cost:				
Claims and claim adjustment expenses	**$ 11**	$ 11	**$ —**	$ —
General and administrative expenses	**18**	16	**—**	—
Total service cost	**29**	27	**—**	—
Non-Service Cost (Benefit):				
Claims and claim adjustment expenses	**(12)**	(14)	**(1)**	(1)
General and administrative expenses	**(18)**	(20)	**(1)**	(1)
Total non-service cost (benefit)	**(30)**	(34)	**(2)**	(2)
Net periodic benefit cost (benefit)	**$ (1)**	$ (7)	**$ (2)**	$ (2)

13. LEASES

The Company enters into lease agreements for real estate that is primarily used for office space in the ordinary course of business. These leases are accounted for as operating leases, whereby lease expense is recognized on a straight-line basis over the term of the lease, and a right-of-use asset and lease liability is recognized as part of other assets and other liabilities, respectively, in the consolidated balance sheet.

Most leases include an option to extend or renew the lease term. The exercise of the renewal option is at the Company’s discretion. The operating lease liability includes lease payments related to options to extend or renew the lease term if the Company is reasonably certain of exercising those options. The Company, in determining the present value of lease payments, utilizes either the rate implicit in the lease, if that rate is readily determinable, or the Company’s incremental secured borrowing rate commensurate with the term of the underlying lease.

13. LEASES, Continued

Lease expense is included in general and administrative expenses in the consolidated statement of income. Additional information regarding the Company's real estate operating leases is as follows:

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Lease cost		
Operating leases	**$ 19**	$ 19
Short-term leases [1]	**1**	1
Lease expense	**20**	20
Less: sublease income [2]	**—**	—
Net lease cost	**$ 20**	$ 20
Other information on operating leases		
Cash payments to settle a lease liability reported in cash flows	**$ 22**	$ 21
Right-of-use assets obtained in exchange for new lease liabilities	**$ 10**	$ 10
Weighted average discount rate	**2.91 %**	2.44 %
Weighted average remaining lease term	**4.1 years**	4.4 years

(1) Leases with a term of twelve months or less are not recorded on the consolidated balance sheet.

(2) Sublease income consists of rent from third parties of office space and is recognized as part of other revenues in the consolidated statement of income.

14. CONTINGENCIES, COMMITMENTS AND GUARANTEES

Contingencies

The major pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or to which any of the Company's properties is subject are described below.

Asbestos and Environmental Claims and Litigation

In the ordinary course of its insurance business, the Company has received and continues to receive claims for insurance arising under policies issued by the Company asserting alleged injuries and damages from asbestos- and environmental-related exposures that are the subject of related coverage litigation. The Company is defending asbestos- and environmental-related litigation vigorously and believes that it has meritorious defenses; however, the outcomes of these disputes are uncertain. In this regard, the Company employs dedicated specialists and comprehensive resolution strategies to manage asbestos and environmental loss exposure, including settling litigation under appropriate circumstances. Currently, it is not possible to predict legal outcomes and their impact on future loss development for claims and litigation relating to asbestos and environmental claims. Any such development could be affected by future court decisions and interpretations, as well as future changes, if any, in applicable legislation. Because of these uncertainties, additional liabilities may arise for amounts in excess of the Company’s current insurance reserves. In addition, the Company’s estimate of ultimate claims and claim adjustment expenses may change. These additional liabilities or changes in estimates, or a range of either, cannot now be reasonably estimated and could result in income statement charges that could be material to the Company’s results of operations in future periods.

Other Proceedings Not Arising Under Insurance Contracts or Reinsurance Agreements

The Company is involved in other lawsuits, including lawsuits alleging extra-contractual damages relating to insurance contracts or reinsurance agreements, that do not arise under insurance contracts or reinsurance agreements. The legal costs associated with such lawsuits are expensed in the period in which the costs are incurred. Based upon currently available information, the Company does not believe it is reasonably possible that any such lawsuit or related lawsuits would be material to the Company’s results of operations or would have a material adverse effect on the Company’s financial position or liquidity.

14. CONTINGENCIES, COMMITMENTS AND GUARANTEES, Continued

Other Commitments and Guarantees

Commitments

Investment Commitments — The Company has unfunded commitments to private equity limited partnerships, real estate partnerships and other investments. These commitments totaled $1.59 billion and $2.05 billion at March 31, 2024 and December 31, 2023, respectively.

Guarantees

The maximum amount of the Company's contingent obligation for indemnifications related to the sale of businesses that are quantifiable was $351 million at March 31, 2024.

The maximum amount of the Company's obligation related to the guarantee of certain insurance policy obligations of a former insurance subsidiary was $480 million at March 31, 2024, all of which is indemnified by a third party. For more information regarding the Company's guarantees, see note 17 of the notes to the consolidated financial statements in the Company's 2023 Annual Report.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Company’s financial condition and results of operations.

FINANCIAL HIGHLIGHTS

2024 First Quarter Consolidated Results of Operations

- Net income of $1.12 billion, or $4.87 per share basic and $4.80 per share diluted
- Net earned premiums of $10.13 billion
- Catastrophe losses of $712 million ($563 million after-tax)
- Net favorable prior year reserve development of $91 million ($71 million after-tax)
- Combined ratio of 93.9%
- Net investment income of $846 million ($698 million after-tax)
- Net realized investment gains of $35 million ($27 million after-tax)
- Operating cash flows of $1.46 billion

2024 First Quarter Consolidated Financial Condition

- Total investments of $88.66 billion; fixed maturities and short-term securities comprised 93% of total investments
- Total assets of $127.41 billion
- Total debt of $8.03 billion, resulting in a debt-to-total capital ratio of 24.3% (21.8% excluding net unrealized investment losses, net of tax)
- Total capital returned to shareholders of $620 million, comprising $388 million of share repurchases and $232 million of dividends
- Shareholders’ equity of $25.02 billion
- Net unrealized investment losses of $4.72 billion ($3.72 billion after-tax)
- Book value per common share of $109.28
- Holding company liquidity of $1.62 billion

CONSOLIDATED OVERVIEW

Consolidated Results of Operations

(in millions, except ratio and per share amounts)	Three Months Ended March 31, 2024	2023
Revenues		
Premiums	**$ 10,126**	$ 8,854
Net investment income	**846**	663
Fee income	**109**	106
Net realized investment gains	**35**	6
Other revenues	**112**	75
Total revenues	**11,228**	9,704
Claims and expenses		
Claims and claim adjustment expenses	**6,656**	5,959
Amortization of deferred acquisition costs	**1,698**	1,462
General and administrative expenses	**1,406**	1,267
Interest expense	**98**	88
Total claims and expenses	**9,858**	8,776
Income before income taxes	**1,370**	928
Income tax expense (benefit)	**247**	(47)
Net income	**$ 1,123**	$ 975
Net income per share		
Basic	**$ 4.87**	$ 4.18
Diluted	**$ 4.80**	$ 4.13
Combined ratio		
Loss and loss adjustment expense ratio	**65.2 %**	66.7 %
Underwriting expense ratio	**28.7**	28.7
Combined ratio	**93.9 %**	95.4 %

The following discussions of the Company’s net income and segment income are presented on an after-tax basis. Discussions of the components of net income and segment income are presented on a pre-tax basis, unless otherwise noted. Discussions of net income per common share are presented on a diluted basis.

Overview

Diluted net income per share of $4.80 in the first quarter of 2024 increased by 16% over diluted net income per share of $4.13 in the same period of 2023. Net income of $1.12 billion in the first quarter of 2024 increased by 15% over net income of $975 million in the same period of 2023. The higher rate of increase in diluted net income per share reflected the impact of share repurchases in recent periods. The increase in income before income taxes in the first quarter of 2024 primarily reflected the pre-tax impacts of (i) higher underwriting margins excluding catastrophe losses and prior year reserve development ("underlying underwriting margins") and (ii) higher net investment income, partially offset by (iii) higher catastrophe losses. Catastrophe losses in the first quarters of 2024 and 2023 were $712 million and $535 million, respectively. Net favorable prior year reserve development in the first quarters of 2024 and 2023 was $91 million and $105 million, respectively. The higher underlying underwriting margins in the first quarter of 2024 were driven by Personal Insurance, Business Insurance and Bond & Specialty Insurance. The Company recorded income tax expense in the first quarter of 2024 compared with an income tax benefit in the same period of 2023. The change in income taxes primarily reflected a one-time tax benefit of $211 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item and impact of the increase in income before income taxes.

The Company has insurance operations in Canada, the United Kingdom, the Republic of Ireland and throughout other parts of the world as a corporate member of Lloyd's, as well as in Brazil and Colombia through joint ventures. Because these operations are conducted in local currencies other than the U.S. dollar, the Company is subject to changes in foreign currency exchange rates. For the three months ended March 31, 2024 and 2023, changes in foreign currency exchange rates impacted reported line items in the statement of income by insignificant amounts. The impact of these changes was not material to the Company's net income or segment income for the periods reported.

Revenues

Earned Premiums

Earned premiums in the first quarter of 2024 were $10.13 billion, $1.27 billion or 14% higher than in the same period of 2023. In Business Insurance, earned premiums in the first quarter of 2024 increased by 15% over the same period of 2023. In Bond & Specialty Insurance, earned premiums in the first quarter of 2024 increased by 9% over the same period of 2023. In Personal Insurance, earned premiums in the first quarter of 2024 increased by 15% over the same period of 2023. Factors contributing to the changes in earned premiums in each segment are discussed in more detail in the segment discussions that follow.

Net Investment Income

The following table sets forth information regarding the Company's investments.

	Three Months Ended March 31,	
(dollars in millions)	**2024**	**2023**
Average investments [1]	**$ 94,677**	$ 88,740
Pre-tax net investment income	**846**	663
After-tax net investment income	**698**	557
Average pre-tax yield [2]	**3.6 %**	3.0 %
Average after-tax yield [2]	**2.9 %**	2.5 %

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

(2) Excludes net realized and net unrealized investment gains and losses.

Net investment income in the first quarter of 2024 was $846 million, $183 million or 28% higher than in the same period of 2023. Net investment income from fixed maturity investments in the first quarter of 2024 was $692 million, $117 million higher than in the same period of 2023. The increase primarily resulted from higher long-term average yields and a higher average level of fixed maturity investments. Net investment income from short-term securities in the first quarter of 2024 was $70 million, $23 million higher than in the same period of 2023. The increase primarily resulted from higher short-term average yields. The Company's remaining investment portfolios had net investment income of $98 million in the first quarter of 2024, $45 million higher than in the same period of 2023, primarily reflecting higher private equity partnership returns. Included in other investments are private equity, hedge fund and real estate partnerships that are accounted for under the equity method of accounting and typically report their financial statement information to the Company one month to three months following the end of the reporting period. Accordingly, net investment income from these other investments is generally reflected in the Company’s financial statements on a quarter lag basis.

Fee Income

Fee income in the first quarter of 2024 was $109 million, $3 million higher than in the same period of 2023. The National Accounts market in Business Insurance is the primary source of the Company’s fee-based business and is discussed in the Business Insurance segment discussion that follows.

Net Realized Investment Gains (Losses)

The following table sets forth information regarding the Company's net realized investment gains (losses).

(in millions)	Three Months Ended March 31, 2024	2023
Impairment losses:		
Fixed maturities	**$ (3)**	$ (1)
Net realized investment gains on equity securities still held	**79**	17
Other net realized investment gains (losses), including from sales	**(41)**	(10)
Total	**$ 35**	$ 6

Net realized investment gains on equity securities still held of $79 million and $17 million in the first quarters of 2024 and 2023, respectively, were both driven by the impact of changes in fair value attributable to favorable equity markets.

Other Revenues

Other revenues in the first quarter of 2024 were $112 million, $37 million higher than in the same period of 2023. Other revenues include revenues from Simply Business, installment premium charges and other policyholder service charges.

Claims and Expenses

Claims and Claim Adjustment Expenses

Claims and claim adjustment expenses in the first quarter of 2024 were $6.66 billion, $697 million or 12% higher than in the same period of 2023, primarily reflecting the impacts of (i) higher business volumes, (ii) higher catastrophe losses and (iii) other loss activity in Business Insurance, partially offset by (iv) loss activity related to the disruption in the banking sector in the prior year quarter in Bond & Specialty Insurance. Catastrophe losses in the first quarter of 2024 primarily resulted from severe wind and hail storms in the central and eastern regions of the United States. Catastrophe losses in the first quarter of 2023 primarily resulted from severe wind and hail storms in multiple states.

Factors contributing to net prior year reserve development during the first quarters of 2024 and 2023 are discussed in more detail in note 7 of the notes to the unaudited consolidated financial statements.

Significant Catastrophe Losses

The following table presents the amount of losses recorded by the Company for significant catastrophes that occurred in the three months ended March 31, 2024 and 2023, the amount of net unfavorable (favorable) prior year reserve development recognized in the three months ended March 31, 2024 and 2023 for significant catastrophes that occurred in 2023 and 2022, and the estimate of ultimate losses for those catastrophes at March 31, 2024 and December 31, 2023. For purposes of the table, a significant catastrophe is an event for which the Company estimates its ultimate losses will be $100 million or more after reinsurance and before taxes. The Company’s threshold for disclosing catastrophes is primarily determined at the reportable segment level and for 2024 ranged from $20 million to $30 million of losses before reinsurance and taxes. For the Company’s definition of a catastrophe, refer to “Part II—Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations— Consolidated Overview” in the Company’s 2023 Annual Report.

(in millions, pre-tax and net of reinsurance) [1]	Losses Incurred/ Unfavorable (Favorable) Prior Year Reserve Development — Three Months Ended March 31, 2024	2023	Estimated Ultimate Losses — March 31, 2024	December 31, 2023
2022				
PCS Serial Number:				
33 — Severe wind and hail storms	1	(7)	139	138
35 — Severe wind and hail storms	2	(2)	186	184
43 — Severe wind and hail storms	1	(10)	117	116
61 — Hurricane Ian	(2)	(53)	149	151
73 — Winter storm	5	143	675	670
2023				
PCS Serial Number:				
25 — Severe wind and hail storms	(2)	148	151	153
32 — Severe wind and hail storms	1	119	141	140
33 — Severe wind and hail storms	—	n/a	199	199
35 — Severe wind and hail storms	(2)	n/a	138	140
38 — Severe wind and hail storms	—	n/a	110	110
42 — Severe wind and hail storms	9	n/a	142	133
48 — Severe wind and hail storms	—	n/a	150	150
49 — Severe wind and hail storms	(1)	n/a	132	133
51 — Severe wind and hail storms	—	n/a	265	265
63 — Severe wind and hail storms	—	n/a	125	125
75 — Severe wind and hail storms	1	n/a	191	190
2024				
PCS Serial Number:				
26 — Severe wind and hail storms	259	n/a	259	n/a

n/a: not applicable.

(1) Amounts are reported pre-tax and net of recoveries under all applicable reinsurance treaties, except for the Company’s 2022 Underlying Property Aggregate Catastrophe Excess-of-Loss Treaty, the terms of which are described in “Part I—Item 1—Business” in the Company’s 2022 Annual Report. The treaty covered the accumulation of certain property losses arising from one or multiple occurrences (both catastrophe and non-catastrophe events) for the period January 1, 2022 through and including December 31, 2022. As a result, the benefits from those treaties are not included in

the table above as the allocation of the treaty’s benefit to each identified catastrophe changes each time there are additional events or changes in estimated losses from any covered event.

Amortization of Deferred Acquisition Costs

Amortization of deferred acquisition costs in the first quarter of 2024 was $1.70 billion, $236 million or 16% higher than in the same period of 2023, generally consistent with the increase in earned premiums. Amortization of deferred acquisition costs is discussed in more detail in the segment discussions that follow.

General and Administrative Expenses

General and administrative expenses in the first quarter of 2024 were $1.41 billion, $139 million or 11% higher than in the same period of 2023, primarily reflecting the impact of costs associated with higher business volumes. General and administrative expenses are discussed in more detail in the segment discussions that follow.

Interest Expense

Interest expense in the first quarter of 2024 was $98 million, compared with $88 million in the same period of 2023.

Income Tax Expense (Benefit)

Income tax expense in the first quarter of 2024 was $247 million, compared with an income tax benefit of $47 million in the same period of 2023. The change in income taxes primarily reflected the one-time tax benefit of $211 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item and the impact of the $442 million increase in income before income taxes in the first quarter of 2024.

The Company’s effective tax rate was 18% and (5)% in the first quarters of 2024 and 2023, respectively. The effective tax rate in the first quarter of 2023 was reduced by the impact of the one-time tax benefit discussed above. The effective tax rate for all periods reflected the impact of tax-exempt investment income on the calculation of the Company’s income tax provision.

Combined Ratio

The combined ratio of 93.9% in the first quarter of 2024 was 1.5 points lower than the combined ratio of 95.4% in the same period of 2023. The loss and loss adjustment expense ratio of 65.2% in the first quarter of 2024 was 1.5 points lower than the loss and loss adjustment expense ratio of 66.7% in the same period of 2023. The underwriting expense ratio of 28.7% in the first quarter of 2024 was comparable with the underwriting expense ratio in the same period of 2023.

Catastrophe losses in the first quarters of 2024 and 2023 accounted for 7.1 points and 6.0 points, respectively, of the combined ratio. Net favorable prior year reserve development in the first quarters of 2024 and 2023 provided 0.9 points and 1.2 points of benefit, respectively, to the combined ratio. The combined ratio excluding prior year reserve development and catastrophe losses (“underlying combined ratio”) in the first quarter of 2024 was 2.9 points lower than the 2023 ratio on the same basis, primarily reflecting the impact of the benefit of earned pricing.

The combined ratio continues to be impacted by the tort environment, including more aggressive attorney involvement in insurance claims.

Written Premiums

Consolidated gross and net written premiums were as follows:

	Gross Written Premiums Three Months Ended March 31,	
(in millions)	**2024**	**2023**
Business Insurance	**$ 6,383**	$ 5,828
Bond & Specialty Insurance	**1,076**	1,010
Personal Insurance	**3,851**	3,509
Total	**$ 11,310**	$ 10,347

(in millions)	Net Written Premiums Three Months Ended March 31, 2024	2023
Business Insurance	**$ 5,596**	$ 5,157
Bond & Specialty Insurance	**943**	886
Personal Insurance	**3,643**	3,353
Total	**$ 10,182**	$ 9,396

Gross and net written premiums in the first quarter of 2024 increased by 9% and 8%, respectively, over the same period of 2023. Factors contributing to the changes in gross and net written premiums in each segment are discussed in more detail in the segment discussions that follow.

RESULTS OF OPERATIONS BY SEGMENT

Business Insurance

Results of Business Insurance were as follows:

(dollars in millions)	Three Months Ended March 31, 2024	2023
Revenues		
Earned premiums	**$ 5,160**	$ 4,477
Net investment income	**609**	473
Fee income	**101**	99
Other revenues	**77**	47
Total revenues	**5,947**	5,096
Total claims and expenses	**5,013**	4,383
Segment income before income taxes	**934**	713
Income tax expense (benefit)	**170**	(43)
Segment income	**$ 764**	$ 756
Loss and loss adjustment expense ratio	**63.6 %**	63.8 %
Underwriting expense ratio	**29.7**	29.8
Combined ratio	**93.3 %**	93.6 %

Overview

Segment income in the first quarter of 2024 was $764 million, $8 million or 1% higher than segment income of $756 million in the same period of 2023. The increase in segment income before income taxes primarily reflected the pre-tax impacts of (i) higher net investment income and (ii) higher underlying underwriting margins, partially offset by (iii) no net prior year reserve development in the first quarter of 2024, compared with net favorable prior year reserve development of $19 million in the same period of 2023. Catastrophe losses in the first quarters of 2024 and 2023 were $209 million and $199 million, respectively. The higher underlying underwriting margins primarily reflected the impacts of (i) higher business volumes and (ii) the benefit of earned pricing, partially offset by (iii) other loss activity. The segment recorded income tax expense in the first quarter of 2024, compared with an income tax benefit in the first quarter of 2023. The change in income taxes primarily reflected a one-time tax benefit of $171 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item and the impact of the increase in segment income before income taxes.

Revenues

Earned Premiums

Earned premiums in the first quarter of 2024 were $5.16 billion, $683 million or 15% higher than in the same period of 2023, primarily reflecting the increase in net written premiums over the preceding twelve months.

Net Investment Income

Net investment income in the first quarter of 2024 was $609 million, $136 million or 29% higher than in the same period of 2023. Refer to the "Revenues—Net Investment Income" section of the "Consolidated Results of Operations" discussion herein for a description of the factors contributing to the increase in the Company's consolidated net investment income in the first quarter of 2024 compared with the same period of 2023. In addition, refer to note 2 of the notes to the consolidated financial statements in the Company's 2023 Annual Report for a discussion of the Company's net investment income allocation methodology.

Fee Income

National Accounts is the primary source of fee income due to revenue from its large deductible policies and service businesses, which include risk management, claims administration, loss control and risk management information services provided to third parties, as well as policy issuance and claims management services to workers' compensation residual market pools. Fee income in the first quarter of 2024 was $101 million, $2 million or 2% higher than in the same period of 2023.

Other Revenues

Other revenues in the first quarter of 2024 were $77 million, $30 million higher than in the same period of 2023. Other revenues include revenues from Simply Business, installment premium charges and other policyholder service charges.

Claims and Expenses

Claims and Claim Adjustment Expenses

Claims and claim adjustment expenses in the first quarter of 2024 were $3.33 billion, $424 million or 15% higher than in the same period of 2023, primarily reflecting the impacts of (i) higher business volumes, (ii) loss cost trends and (iii) other loss activity.

Factors contributing to net prior year reserve development during the first quarters of 2024 and 2023 are discussed in more detail in note 7 of the notes to the unaudited consolidated financial statements.

Amortization of Deferred Acquisition Costs

Amortization of deferred acquisition costs in the first quarter of 2024 was $864 million, $122 million or 16% higher than the same period of 2023, generally consistent with the increase in earned premiums.

General and Administrative Expenses

General and administrative expenses in the first quarter of 2024 were $818 million, $84 million or 11% higher than in the same period of 2023, primarily in support of business growth.

Income Tax Expense (Benefit)

Income tax expense in the first quarter of 2024 was $170 million, compared with an income tax benefit of $43 million in the same period of 2023. The change in income taxes primarily reflected the one-time tax benefit of $171 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item and the impact of the $221 million increase in income before income taxes.

Combined Ratio

The combined ratio of 93.3% in the first quarter of 2024 was 0.3 points lower than the combined ratio of 93.6% in the same period of 2023. The loss and loss adjustment expense ratio of 63.6% in the first quarter of 2024 was 0.2 points lower than the loss and loss adjustment expense ratio of 63.8% in the same period of 2023. The underwriting expense ratio of 29.7% in the first quarter of 2024 was 0.1 points lower than the underwriting expense ratio of 29.8% in the same period of 2023.

Catastrophe losses in the first quarters of 2024 and 2023 accounted for 4.1 points and 4.4 points, respectively, of the combined ratio. There was no net prior year reserve development in the first quarter of 2024. Net favorable prior year reserve development in the first quarter 2023 provided 0.4 points of benefit to the combined ratio. The underlying combined ratio in the first quarter of 2024 was 0.4 points lower than the 2023 ratio on the same basis.

Written Premiums

Business Insurance’s gross and net written premiums by market were as follows:

	Gross Written Premiums	
	Three Months Ended March 31,	
(in millions)	2024	2023
Domestic:		
Select Accounts	**$ 1,004**	$ 924
Middle Market	**3,452**	3,129
National Accounts	**527**	493
National Property and Other	**851**	747
Total Domestic	**5,834**	5,293
International	**549**	535
Total Business Insurance	**$ 6,383**	$ 5,828

	Net Written Premiums	
	Three Months Ended March 31,	
(in millions)	**2024**	**2023**
Domestic:		
Select Accounts	**$ 974**	$ 908
Middle Market	**3,213**	2,926
National Accounts	**327**	294
National Property and Other	**642**	590
Total Domestic	**5,156**	4,718
International	**440**	439
Total Business Insurance	**$ 5,596**	$ 5,157

Gross and net written premiums in the first quarter of 2024 increased by 10% and 9%, respectively, over the same period of 2023.

Select Accounts. Net written premiums of $974 million in the first quarter of 2024 increased by 7% over the same period of 2023. Retention rates remained strong in the first quarter of 2024 but decreased slightly from the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive and were higher than the same period of 2023. New business premiums in the first quarter of 2024 increased over the same period of 2023.

Middle Market. Net written premiums of $3.21 billion in the first quarter of 2024 increased by 10% over the same period of 2023. Retention rates remained strong in the first quarter of 2024 but decreased from the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive and were higher than the same period of 2023. New business premiums in the first quarter of 2024 decreased from the same period of 2023.

National Accounts. Net written premiums of $327 million in the first quarter of 2024 increased by 11% over the same period of 2023. Retention rates remained strong in the first quarter of 2024 and increased over the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive but were slightly lower than the same period of 2023. New business premiums in the first quarter of 2024 increased over the same period of 2023.

National Property and Other. Net written premiums of $642 million in the first quarter of 2024 increased by 9% over the same period of 2023. Retention rates remained strong in the first quarter of 2024 but decreased slightly from the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive but were lower than in the same period of 2023. New business premiums in the first quarter of 2024 increased over the same period of 2023.

International. Net written premiums of $440 million in the first quarter of 2024 were comparable with the same period of 2023.

Bond & Specialty Insurance

Results of Bond & Specialty Insurance were as follows:

(dollars in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues		
Earned premiums	**$ 956**	$ 875
Net investment income	**90**	73
Other revenues	**9**	5
Total revenues	**1,055**	953
Total claims and expenses	**815**	705
Segment income before income taxes	**240**	248
Income tax expense	**45**	41
Segment income	**$ 195**	$ 207
Loss and loss adjustment expense ratio	**44.4 %**	43.0 %
Underwriting expense ratio	**40.1**	37.0
Combined ratio	**84.5 %**	80.0 %

Overview

Segment income in the first quarter of 2024 was $195 million, $12 million or 6% lower than segment income of $207 million in the same period of 2023. The decrease in segment income before income taxes primarily reflected the pre-tax impacts of (i) lower net favorable prior year reserve development, partially offset by (ii) higher net investment income and (iii) higher underlying underwriting margins. Net favorable prior year reserve development in the first quarters of 2024 and 2023 was $24 million and $58 million, respectively. Catastrophe losses in the first quarters of both 2024 and 2023 were $5 million. The higher underlying underwriting margins primarily reflected the impacts of (i) higher business volumes and (ii) loss activity related to the disruption in the banking sector in the prior year quarter, partially offset by (iii) higher general and administrative expenses. Income tax expense in the first quarter of 2024 was higher than in the same period of 2023, primarily reflecting a one-time tax benefit of $9 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item, partially offset by the impact of the decrease in segment income before income taxes.

Revenues

Earned Premiums

Earned premiums in the first quarter of 2024 were $956 million, $81 million or 9% higher than in the same period of 2023, primarily reflecting increases in net written premiums in prior quarters, including the impact of longer duration surety bonds and multi-year management liability policies.

Net Investment Income

Net investment income in the first quarter of 2024 was $90 million, $17 million or 23% higher than in the same period of 2023. Included in Bond & Specialty Insurance are certain legal entities whose invested assets and related net investment income are reported exclusively in this segment and not allocated among all business segments. Refer to the "Revenues—Net Investment Income" section of "Consolidated Results of Operations" herein for a discussion of the factors contributing to the increase in the Company's consolidated net investment income in the first quarter of 2024 compared with the same period of 2023. In addition, refer to note 2 of the notes to the consolidated financial statements in the Company's 2023 Annual Report for a discussion of the Company's net investment income allocation methodology.

Claims and Expenses

Claims and Claim Adjustment Expenses

Claims and claim adjustment expenses in the first quarter of 2024 were $428 million, $48 million or 13% higher than in the same period of 2023, primarily reflecting the impacts of (i) higher business volumes and (ii) lower net favorable prior year reserve development, partially offset by (iii) loss activity related to the disruption in the banking sector in the prior year quarter.

Factors contributing to net favorable prior year reserve development during the first quarters of 2024 and 2023 are discussed in more detail in note 7 of the notes to the unaudited consolidated financial statements.

Amortization of Deferred Acquisition Costs

Amortization of deferred acquisition costs in the first quarter of 2024 was $182 million, $22 million or 14% higher than in the same period of 2023, generally consistent with the increase in earned premiums.

General and Administrative Expenses

General and administrative expenses in the first quarter of 2024 were $205 million, $40 million or 24% higher than in the same period of 2023, primarily reflecting the acquisition of Corvus, as well as higher employee and technology related expenses.

Income Tax Expense

Income tax expense in the first quarter of 2024 was $45 million, $4 million or 10% higher than in the same period of 2023, primarily reflecting the one-time tax benefit of $9 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item, partially offset by the impact of the $8 million decrease in segment income before income taxes.

Combined Ratio

The combined ratio of 84.5% in the first quarter of 2024 was 4.5 points higher than the combined ratio of 80.0% in the same period of 2023. The loss and loss adjustment expense ratio of 44.4% in the first quarter of 2024 was 1.4 points higher than the loss and loss adjustment expense ratio of 43.0% in the same period of 2023. The underwriting expense ratio of 40.1% in the first quarter of 2024 was 3.1 points higher than the underwriting expense ratio of 37.0% in the same period of 2023.

Net favorable prior year reserve development in the first quarters of 2024 and 2023 provided 2.5 points and 6.7 points of benefit, respectively, to the combined ratio. Catastrophe losses in the first quarters of 2024 and 2023 accounted for 0.5 points and 0.6 points, respectively, of the combined ratio. The underlying combined ratio in the first quarter of 2024 was 0.4 points higher than the 2023 ratio on the same basis.

Written Premiums

The Bond & Specialty Insurance segment’s gross and net written premiums were as follows:

	Gross Written Premiums	
	Three Months Ended March 31,	
(in millions)	2024	2023
Domestic:		
Management Liability	**$ 611**	$ 564
Surety	**349**	303
Total Domestic	**960**	867
International	**116**	143
Total Bond & Specialty Insurance	**$ 1,076**	$ 1,010

	Net Written Premiums	
	Three Months Ended March 31,	
(in millions)	2024	2023
Domestic:		
Management Liability	**$ 543**	$ 511
Surety	**296**	257
Total Domestic	**839**	768
International	**104**	118
Total Bond & Specialty Insurance	**$ 943**	$ 886

Gross and net written premiums in the first quarter of 2024 increased by 7% and 6%, respectively, over the same period of 2023.

Domestic. Net written premiums of $839 million in the first quarter of 2024 increased by 9% over the same period of 2023. Excluding the surety line of business, for which the following are not relevant measures, retention rates remained strong in the first quarter of 2024 and increased slightly over the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive but were lower than in the same period of 2023. New business premiums in the first quarter of 2024 increased over the same period of 2023.

International. Net written premiums of $104 million in the first quarter of 2024 decreased by 12% from the same period of 2023, primarily driven by decreases in the United Kingdom and broader Europe.

Personal Insurance

Results of Personal Insurance were as follows:

	Three Months Ended March 31,	
(dollars in millions)	**2024**	**2023**
Revenues		
Earned premiums	**$ 4,010**	$ 3,502
Net investment income	**147**	117
Fee income	**8**	7
Other revenues	**26**	23
Total revenues	**4,191**	3,649
Total claims and expenses	**3,924**	3,591
Segment income before income taxes	**267**	58
Income tax expense (benefit)	**47**	(25)
Segment income	**$ 220**	$ 83
Loss and loss adjustment expense ratio	**72.2 %**	76.3 %
Underwriting expense ratio	**24.7**	25.2
Combined ratio	**96.9 %**	101.5 %

Overview

Segment income in the first quarter of 2024 was $220 million, $137 million or 165% higher than in the same period of 2023. The increase in segment income before income taxes was driven by the pre-tax impacts of (i) higher underlying underwriting margins, (ii) higher net favorable prior year reserve development and (iii) higher net investment income, partially offset by (iv) higher catastrophe losses. Catastrophe losses in the first quarters of 2024 and 2023 were $498 million and $331 million, respectively. Net favorable prior year reserve development in the first quarters of 2024 and 2023 was $67 million and $28 million, respectively. The higher underlying underwriting margins primarily reflected the impacts of (i) the benefit of earned pricing in both the automobile and homeowners and other product lines and (ii) higher business volumes. The segment recorded income tax expense in the first quarter of 2024 compared with an income tax benefit in the same period of 2023. The change in income taxes primarily reflected the impact of the increase in segment income before income taxes and a one-time tax benefit of $31 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item.

Revenues

Earned Premiums

Earned premiums in the first quarter of 2024 were $4.01 billion, $508 million or 15% higher than in the same period of 2023, primarily reflecting the increase in net written premiums over the preceding twelve months.

Net Investment Income

Net investment income in the first quarter of 2024 was $147 million, $30 million or 26% higher than in the same period of 2023. Refer to the “Revenues—Net Investment Income” section of the “Consolidated Results of Operations” discussion herein for a description of the factors contributing to the increase in the Company’s consolidated net investment income in the first quarter of 2024 compared with the same period of 2023. In addition, refer to note 2 of the notes to the consolidated financial statements in the Company’s 2023 Annual Report for a discussion of the Company’s net investment income allocation methodology.

Other Revenues

Other revenues in the first quarters of 2024 and 2023 primarily consisted of installment premium charges.

Claims and Expenses

Claims and Claim Adjustment Expenses

Claims and claim adjustment expenses in the first quarter of 2024 were $2.90 billion, $225 million or 8% higher than in the same period of 2023, primarily reflecting the impacts of (i) higher business volumes, (ii) higher catastrophe losses and (iii) loss cost trends, partially offset by (iv) higher net favorable prior year reserve development.

Factors contributing to net favorable prior year reserve development during the first quarters of 2024 and 2023 are discussed in more detail in note 7 of the notes to the unaudited consolidated financial statements.

Amortization of Deferred Acquisition Costs

Amortization of deferred acquisition costs in the first quarter of 2024 was $652 million, $92 million or 16% higher than in the same period of 2023, generally consistent with the increase in earned premiums.

General and Administrative Expenses

General and administrative expenses in the first quarter of 2024 were $375 million, $16 million or 4% higher than in the same period of 2023, primarily reflecting higher employee and technology related expenses.

Income Tax Expense (Benefit)

The segment recorded income tax expense of $47 million in the first quarter of 2024, compared with an income tax benefit of $25 million in the same period of 2023. The change in income taxes primarily reflected the impact of the $209 million increase in segment income before income taxes and the one-time tax benefit of $31 million in the first quarter of 2023 due to the expiration of the statute of limitations with respect to a tax item.

Combined Ratio

The combined ratio of 96.9% in the first quarter of 2024 was 4.6 points lower than the combined ratio of 101.5% in the same period of 2023. The loss and loss adjustment expense ratio of 72.2% in the first quarter of 2024 was 4.1 points lower than the loss and loss adjustment expense ratio of 76.3% in the same period of 2023. The underwriting expense ratio of 24.7% in the first quarter of 2024 was 0.5 points lower than the underwriting expense ratio of 25.2% in the same period of 2023.

Catastrophe losses in the first quarters of 2024 and 2023 accounted for 12.4 points and 9.4 points, respectively, of the combined ratio. Net favorable prior year reserve development in the first quarters of 2024 and 2023 provided 1.6 points and 0.8 points of benefit, respectively, to the combined ratio. The underlying combined ratio in the first quarter of 2024 was 6.8 points lower than the 2023 ratio on the same basis, primarily reflecting the impact of the benefit of earned pricing in both the automobile and homeowners and other product lines.

Written Premiums

Personal Insurance’s gross and net written premiums were as follows:

	Gross Written Premiums	
	Three Months Ended March 31,	
(in millions)	2024	2023
Domestic:		
Automobile	**$ 1,867**	$ 1,661
Homeowners and Other	**1,831**	1,711
Total Domestic	**3,698**	3,372
International	**153**	137
Total Personal Insurance	**$ 3,851**	$ 3,509

	Net Written Premiums	
	Three Months Ended March 31,	
(in millions)	2024	2023
Domestic:		
Automobile	**$ 1,859**	$ 1,654
Homeowners and Other	**1,635**	1,565
Total Domestic	**3,494**	3,219
International	**149**	134
Total Personal Insurance	**$ 3,643**	$ 3,353

Gross and net written premiums in the first quarter of 2024 increased by 10% and 9%, respectively, over the same period of 2023.

Domestic
Automobile net written premiums of $1.86 billion in the first quarter of 2024 increased by 12% over the same period of 2023. Retention rates remained strong in the first quarter of 2024 and were comparable with the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive and were higher than in the same period of 2023. New business premiums in the first quarter of 2024 increased slightly over the same period of 2023.

Homeowners and Other net written premiums of $1.64 billion in the first quarter of 2024 increased by 4% over the same periods of 2023. Retention rates remained strong in the first quarter of 2024 and were comparable with the same period of 2023. Renewal premium changes in the first quarter of 2024 remained positive but were lower than in the same period of 2023. New business premiums in the first quarter of 2024 decreased from the same period of 2023.

For its Domestic business, Personal Insurance had approximately 9.0 million and 9.2 million active policies at March 31, 2024 and 2023, respectively.

International

International net written premiums of $149 million in the first quarter of 2024 increased by 11% over the same period of 2023, driven by increases in the automobile product line.

For its International business, Personal Insurance had approximately 450,000 and 448,000 active policies at March 31, 2024 and 2023, respectively.

Interest Expense and Other

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Income (loss)	**$ (83)**	$ (76)

The Income (loss) for Interest Expense and Other in the first quarters of 2024 and 2023 was $(83) million and $(76) million, respectively. Pre-tax interest expense for the first quarters of 2024 and 2023 was $98 million and $88 million, respectively. After-tax interest expense for the first quarters of 2024 and 2023 was $77 million and $70 million, respectively.

ASBESTOS CLAIMS AND LITIGATION

The Company believes that the property and casualty insurance industry has suffered from court decisions and other trends that have expanded insurance coverage for asbestos claims far beyond the original intent of insurers and policyholders. The Company has received and continues to receive a significant number of asbestos claims. Factors underlying these claim filings include continued intensive advertising by lawyers seeking asbestos claimants and the focus by plaintiffs on defendants, such as manufacturers of talcum powder, who were not traditionally primary targets of asbestos litigation. The focus on these defendants is primarily the result of the number of traditional asbestos defendants who have sought bankruptcy protection in previous years. The bankruptcy of many traditional defendants has also caused increased settlement demands against those policyholders who are not in bankruptcy but remain in the tort system. Currently, in many jurisdictions, those who allege very serious injury and who can present credible medical evidence of their injuries are receiving priority trial settings in the courts, while those who have not shown any credible disease manifestation are having their hearing dates delayed or placed on an inactive docket. Prioritizing claims involving credible evidence of injuries, along with the focus on defendants who were not traditionally primary targets of asbestos litigation, contributes to the claims and claim adjustment expense payment patterns experienced by the Company. The Company’s asbestos-related claims and claim adjustment expense experience also has been impacted by the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers.

The Company continues to be involved in disputes, including litigation, with a number of policyholders, some of whom are in bankruptcy, over coverage for asbestos-related claims. Many coverage disputes with policyholders are only resolved through settlement agreements. Because many policyholders make exaggerated demands, it is difficult to predict the outcome of settlement negotiations. Settlements involving bankrupt policyholders may include extensive releases which are favorable to the Company, but which could result in settlements for larger amounts than originally anticipated. Although the Company has seen a reduction in the overall risk associated with these disputes, it remains difficult to predict the ultimate cost of these claims. As in the past, the Company will continue to pursue settlement opportunities.

In addition to claims against policyholders, proceedings have been launched directly against insurers, including the Company, by individuals challenging insurers' conduct with respect to the handling of past asbestos claims and by individuals seeking damages arising from alleged asbestos-related bodily injuries. It is possible that other direct actions against insurers, including the Company, could be filed in the future. It is difficult to predict the outcome of these proceedings, including whether the plaintiffs would be able to sustain these actions against insurers based on novel legal theories of liability. The Company believes it has meritorious defenses to any such claims and has received favorable rulings in certain jurisdictions.

Because each policyholder presents different liability and coverage issues, the Company generally reviews the exposure presented by each policyholder with open claims at least annually. Among the factors the Company may consider in the course of this review are: available insurance coverage, including the role of any umbrella or excess insurance the Company has issued to the policyholder; limits and deductibles; an analysis of the policyholder's potential liability; the jurisdictions involved; past and anticipated future claim activity and loss development on pending claims; past settlement values of similar claims; allocated claim adjustment expense; the potential role of other insurance; the role, if any, of non-asbestos claims or potential non-asbestos claims in any resolution process; and applicable coverage defenses or determinations, if any, including the determination as to whether or not an asbestos claim is a products/completed operation claim subject to an aggregate limit and the available coverage, if any, for that claim.

The Company's quarterly asbestos reserve reviews include an analysis of exposure and claim payment patterns by policyholder, as well as recent settlements, policyholder bankruptcies, judicial rulings and legislative actions. The Company also analyzes developing payment patterns among policyholders and the assumed reinsurance component of reserves, as well as projected reinsurance billings and recoveries. In addition, the Company reviews its historical gross and net loss and expense paid experience, year-by-year, to assess any emerging trends, fluctuations, or characteristics suggested by the aggregate paid activity. Conventional actuarial methods are not utilized to establish asbestos reserves, and the Company’s evaluations have not resulted in a reliable method to determine a meaningful average asbestos defense or indemnity payment.

Over the past decade, the property and casualty insurance industry, including the Company, has experienced net unfavorable prior year reserve development with regard to asbestos reserves, but the Company believes that over that period there has been a reduction in the volatility associated with the Company’s overall asbestos exposure as the overall asbestos environment has evolved from one dominated by exposure to significant litigation risks, particularly coverage disputes relating to policyholders in bankruptcy who were asserting that their claims were not subject to the aggregate limits contained in their policies, to an environment primarily driven by a frequency of litigation related to individuals with mesothelioma. The Company’s overall view of the current underlying asbestos environment is essentially unchanged from recent periods, and there remains a high degree of uncertainty with respect to future exposure to asbestos claims.

Net asbestos paid loss and loss expenses in the first three months of 2024 and 2023 were $74 million and $33 million, respectively. Net asbestos reserves were $1.30 billion and $1.27 billion at March 31, 2024 and 2023, respectively.

The following table displays activity for asbestos losses and loss expenses and reserves:

(at and for the three months ended March 31, in millions)	2024	2023
Beginning reserves:		
Gross	**$ 1,768**	$ 1,674
Ceded	**(390)**	(369)
Net	**1,378**	1,305
Incurred losses and loss expenses:		
Gross	**—**	—
Ceded	**—**	—
Net	**—**	—
Paid loss and loss expenses:		
Gross	**82**	54
Ceded	**(8)**	(21)
Net	**74**	33
Foreign exchange and other:		
Gross	**—**	—
Ceded	**—**	—
Net	**—**	—
Ending reserves:		
Gross	**1,686**	1,620
Ceded	**(382)**	(348)
Net	**$ 1,304**	$ 1,272

See "—Uncertainty Regarding Adequacy of Asbestos and Environmental Reserves."

ENVIRONMENTAL CLAIMS AND LITIGATION

The Company has received and continues to receive claims from policyholders who allege that they are liable for injury or damage arising out of the alleged storage, emissions or disposal of toxic substances, frequently under policies issued prior to the mid-1980s. These claims are mainly brought pursuant to various state or federal statutes that require a liable party to undertake or pay for environmental remediation. For example, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) enables private parties as well as federal and state governments to take action with respect to releases and threatened releases of hazardous substances. This federal statute permits the recovery of response costs from some liable parties and may require liable parties to undertake their own remedial action. Liability under these statutes may be joint and several with other responsible parties. The Company has also been, and continues to be, involved in litigation involving insurance coverage issues pertaining to environmental claims. The Company believes that some court decisions pertaining to environmental claims have interpreted the insurance coverage to be broader than the original intent of the insurers and policyholders.

In establishing environmental reserves, the Company evaluates the exposure presented by each policyholder and the anticipated cost of resolution, if any. In the course of its analysis, the Company generally considers the probable liability, available coverage and relevant judicial interpretations. In addition, the Company considers the many variables presented, such as: the nature of the alleged activities of the policyholder at each site; the number of sites; the total number of potentially responsible parties at each site; the nature of the alleged environmental harm and the corresponding remedy at each site; the nature of government enforcement activities at each site; the ownership and general use of each site; the overall nature of the insurance relationship between the Company and the policyholder, including the role of any umbrella or excess insurance the Company has issued to the policyholder; the involvement of other insurers; the potential for other available coverage, including the number of years of coverage; the role, if any, of non-environmental claims or potential non-environmental claims in any resolution process; and the applicable law in each jurisdiction. The evaluation of the exposure presented by a policyholder can change as information concerning that policyholder and the many variables presented is developed. Conventional actuarial methods are not used to estimate these reserves.

Over the past several years, the Company has experienced generally favorable trends in the number of new policyholders tendering environmental claims for the first time and in the number of pending declaratory judgment actions relating to environmental matters. These policyholders continue to present smaller exposures, are involved in fewer hazardous waste sites and are lower tier defendants than policyholders presenting such claims in the past. Further, in many instances, clean-up costs have been reduced because regulatory agencies are willing to accept risk-based site analyses and more efficient clean-up technologies. However, the degree to which those favorable trends have continued has been less than anticipated. In addition, reserve development on existing environmental claims as well as the costs associated with coverage litigation on environmental matters has been greater than anticipated, driven by claims and legal developments in a limited number of jurisdictions. As a result of these factors, the Company increased its net environmental reserves by $29 million and $31 million in the first three months of 2024 and 2023, respectively. Net environmental paid loss and loss expenses in the first three months of 2024 and 2023 were $15 million and $25 million, respectively. Net environmental reserves were $396 million and $377 million at March 31, 2024 and 2023, respectively.

UNCERTAINTY REGARDING ADEQUACY OF ASBESTOS AND ENVIRONMENTAL RESERVES

As a result of the processes and procedures discussed above, management believes that the reserves carried for asbestos and environmental claims are appropriately established based upon known facts, current law and management’s judgment. However, the uncertainties surrounding the final resolution of these claims continue, and it is difficult to determine the ultimate exposure for asbestos and environmental claims and related litigation. As a result, these reserves are subject to revision as new information becomes available and as claims develop. The continuing uncertainties include, without limitation:

- the risks and lack of predictability inherent in complex litigation;
- a further increase in the cost to resolve, and/or the number of, asbestos and environmental claims beyond that which is anticipated;
- the emergence of a greater number of asbestos claims than anticipated as a result of extended life expectancies resulting from medical advances and lifestyle improvements;
- the role of any umbrella or excess policies we have issued;
- the resolution or adjudication of disputes concerning coverage for asbestos and environmental claims in a manner inconsistent with our previous assessment of these disputes;
- the number and outcome of direct actions against us;
- future developments pertaining to our ability to recover reinsurance for asbestos and environmental claims;

- any impact on asbestos defendants we insure due to the bankruptcy of other asbestos defendants;
- the unavailability of other insurance sources potentially available to policyholders, whether through exhaustion of policy limits or through the insolvency of other participating insurers; and
- uncertainties arising from the insolvency or bankruptcy of policyholders.

Changes in the legal, regulatory and legislative environment may impact the future resolution of asbestos and environmental claims and result in adverse loss reserve development. The emergence of a greater number of asbestos or environmental claims beyond that which is anticipated may result in adverse loss reserve development. Changes in applicable legislation and future court and regulatory decisions and interpretations, including the outcome of legal challenges to legislative and/or judicial reforms establishing medical criteria for the pursuit of asbestos claims, could affect the settlement of asbestos and environmental claims. It is also difficult to predict the ultimate outcome of complex coverage disputes until settlement negotiations near completion and significant legal questions are resolved or, failing settlement, until the dispute is adjudicated. This is particularly the case with policyholders in bankruptcy where negotiations often involve a large number of claimants and other parties and require court approval to be effective. As part of its continuing analysis of asbestos and environmental reserves, the Company continues to study the implications of these and other developments.

Because of the uncertainties set forth above, additional liabilities may arise for amounts in excess of the Company’s current reserves. In addition, the Company’s estimate of claims and claim adjustment expenses may change. These additional liabilities or increases in estimates, or a range of either, cannot now be reasonably estimated and could result in income statement charges that could be material to the Company’s operating results in future periods.

INVESTMENT PORTFOLIO

The Company’s invested assets at March 31, 2024 were $88.66 billion, of which 93% was invested in fixed maturity and short-term investments, 1% in equity securities, 1% in real estate investments and 5% in other investments. Because the primary purpose of the investment portfolio is to fund future claims payments, the Company employs a thoughtful investment philosophy that focuses on appropriate risk-adjusted returns. A significant majority of funds available for investment are deployed in a widely diversified portfolio of high quality, liquid, taxable U.S. government, tax-exempt and taxable U.S. municipal and taxable corporate and U.S. agency mortgage-backed bonds.

The carrying value of the Company’s fixed maturity portfolio at March 31, 2024 was $77.99 billion. The Company closely monitors the duration of its fixed maturity investments, and investment purchases and sales are executed with the objective of having adequate funds available to satisfy the Company’s insurance and debt obligations. The weighted average credit quality of the Company’s fixed maturity portfolio, both including and excluding U.S. Treasury securities, was “Aa2” at both March 31, 2024 and December 31, 2023. Below investment grade securities represented 1.3% of the total fixed maturity investment portfolio at both March 31, 2024 and December 31, 2023. The weighted average effective duration of fixed maturities and short-term securities was 4.1 (4.3 excluding short-term securities) at March 31, 2024 and 4.1 (4.4 excluding short-term securities) at December 31, 2023.

Obligations of U.S. States, Municipalities and Political Subdivisions

The Company’s fixed maturity investment portfolio at March 31, 2024 and December 31, 2023 included $27.51 billion and $28.51 billion, respectively, of securities which are obligations of U.S. states, municipalities and political subdivisions (collectively referred to as the municipal bond portfolio). The municipal bond portfolio is diversified across the United States, the District of Columbia and Puerto Rico and includes general obligation and revenue bonds issued by states, cities, counties, school districts and similar issuers. Included in the municipal bond portfolio at March 31, 2024 and December 31, 2023 were $950 million and $966 million, respectively, of pre-refunded bonds, which are bonds for which U.S. states or municipalities have established irrevocable trusts, almost exclusively comprised of U.S. Treasury securities and obligations of U.S. government and government agencies and authorities. These trusts were created to fund the payment of principal and interest due under the bonds. The irrevocable trusts are verified as to their sufficiency by an independent verification agent of the underwriter, issuer or trustee. All of the Company’s holdings of securities issued by Puerto Rico and related entities have either been pre-refunded and therefore are defeased by U.S. Treasury securities or have FHA guarantees subject to federal appropriation.

The Company bases its investment decision on the underlying credit characteristics of the municipal security. The weighted average credit rating of the municipal bond portfolio was “Aaa/Aa1” at both March 31, 2024 and December 31, 2023.

Mortgage-Backed Securities, Collateralized Mortgage Obligations and Pass-Through Securities

The Company’s fixed maturity investment portfolio at March 31, 2024 and December 31, 2023 included $8.92 billion and $7.82 billion, respectively, of residential mortgage-backed securities, including pass-through securities and collateralized mortgage obligations (CMOs), all of which are subject to prepayment risk (either shortening or lengthening of duration). While prepayment risk for securities and its effect on income cannot be fully controlled, particularly when interest rates move dramatically, the Company’s investment strategy generally favors securities that reduce this risk within expected interest rate ranges. Included in the totals at March 31, 2024 and December 31, 2023 were $7.16 billion and $6.23 billion, respectively, of GNMA, FNMA, FHLMC (excluding FHA project loans) and Canadian government guaranteed residential mortgage-backed pass-through securities classified as available for sale. Also included in those totals were residential CMOs classified as available for sale with a fair value of $1.76 billion and $1.59 billion at March 31, 2024 and December 31, 2023, respectively. Approximately 30% and 33% of the Company’s CMO holdings at March 31, 2024 and December 31, 2023, respectively, were guaranteed by or fully collateralized by securities issued by GNMA, FNMA or FHLMC. The weighted average credit rating of the $1.23 billion and $1.07 billion of non-guaranteed CMO holdings was “Aaa” at both March 31, 2024 and December 31, 2023. The weighted average credit rating of all of the above securities was “Aaa/Aa1” at both March 31, 2024 and December 31, 2023. For further discussion regarding the Company’s investments in residential CMOs, see “Part II—Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Investment Portfolio” in the Company’s 2023 Annual Report.

Equity Securities, Real Estate and Short-Term Investments

See note 1 of the notes to the consolidated financial statements in the Company’s 2023 Annual Report for further information about these invested asset classes.

Other Investments

The Company also invests in private equity, hedge fund and real estate partnerships, and joint ventures. These asset classes have historically provided a higher return than investments in fixed maturities but are subject to more volatility. At March 31, 2024 and December 31, 2023, the carrying value of the Company’s other investments was $4.34 billion and $4.30 billion, respectively.

Investments in private equity, hedge fund and real estate partnerships are accounted for under the equity method of accounting and typically report their financial statement information to the Company one month to three months following the end of the reporting period. Accordingly, net investment income from these other investments is generally reflected in the Company’s financial statements on a quarter lag basis.

REINSURANCE RECOVERABLES

The Company reinsures a portion of the risks it underwrites in order to control its exposure to losses. For a description of the Company’s reinsurance recoverables, refer to “Part II—Item 7

—Management's Discussion and Analysis of Financial Condition and Results of Operations—Reinsurance Recoverables" in the Company's 2023 Annual Report.

The following table summarizes the composition of the Company's reinsurance recoverables:

(in millions)	March 31, 2024	December 31, 2023
Gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses	**$ 3,866**	$ 3,895
Gross structured settlements	**2,691**	2,707
Mandatory pools and associations	**1,660**	1,659
Gross reinsurance recoverables	**8,217**	8,261
Allowance for estimated uncollectible reinsurance	**(117)**	(118)
Net reinsurance recoverables	**$ 8,100**	$ 8,143

Net reinsurance recoverables at March 31, 2024 decreased by $43 million from December 31, 2023.

OUTLOOK

The following discussion provides outlook information for certain key drivers of the Company's results of operations and capital position.

Premiums. The Company's earned premiums are a function of net written premium volume. Net written premiums comprise both renewal business and new business and are recognized as earned premium over the term of the underlying policies. When business renews, the amount of net written premiums associated with that business may increase or decrease (renewal premium change) as a result of increases or decreases in rate and/or insured exposures, which the Company considers as a measure of units of exposure (such as the number and value of vehicles or properties insured). Net written premiums from both renewal and new business, and therefore earned premiums, are impacted by competitive market conditions as well as general economic conditions, which, particularly in the case of Business Insurance, affect audit premium adjustments, policy endorsements and mid-term cancellations. Net written premiums may also be impacted by the structure of reinsurance programs and related costs, as well as changes in foreign currency exchange rates.

Overall, the Company expects that retention levels (the amount of expiring premium that renews, before the impact of renewal premium changes) will remain strong by historical standards during the remainder of 2024.

Property and casualty insurance market conditions are expected to remain competitive during the remainder of 2024 for new business. In each of the Company's business segments, new business generally has less of an impact on underwriting profitability than renewal business, given the volume of new business relative to renewal business. However, in periods of meaningful increases in new business, despite its positive impact on underwriting gains over time, the impact of higher new business levels may negatively impact the combined ratio for a period of time. In periods of meaningful decreases in new business, despite its negative impact on underwriting gains over time, the impact of lower new business levels may positively impact the combined ratio for a period of time.

Effective January 1, 2024, the Company renewed a quota share reinsurance agreement with subsidiaries of Fidelis Insurance Holdings Limited (Fidelis) pursuant to which the Company assumes 20% of the gross written premiums of Fidelis during 2024, subject to a loss ratio cap. The Company's portion of premiums from Fidelis is reported as part of the International results of Business Insurance. The Company also has a minority investment in Fidelis.

Underwriting Gain/Loss. The Company's underwriting gain/loss can be significantly impacted by catastrophe losses and net favorable or unfavorable prior year reserve development, as well as underlying underwriting margins. Underlying underwriting margins can be impacted by a number of factors, including variability in non-catastrophe weather, large loss and other loss activity; changes in current period loss estimates resulting from prior period loss development; changes in loss cost trends; changes in business mix; changes in reinsurance coverages and/or costs; premium adjustments; and variability in expenses and assessments.

Catastrophe losses and non-catastrophe weather-related losses are inherently unpredictable from period to period. The Company’s results of operations could be adversely impacted if significant catastrophe and non-catastrophe weather-related losses were to occur.

On average for the ten-year period ended December 31, 2023, the Company experienced approximately 40% of its annual catastrophe losses during the second quarter, primarily arising out of severe wind and hail storms, including tornadoes. Hurricanes, wildfires and winter storms tend to happen at other times of the year and can also have a material impact on the Company’s results of operations. Catastrophe losses incurred in a particular quarter in any given year may differ materially from historical experience. In addition, most of the Company’s reinsurance programs renew on January 1 or July 1 of each year, and, therefore, any changes to the availability, cost or coverage terms of such programs will be effective after such dates.

Over much of the past decade, the Company’s results have included significant amounts of net favorable prior year reserve development driven by better than expected loss experience. However, given the inherent uncertainty in estimating claims and claim adjustment expense reserves, loss experience could develop such that the Company recognizes in future periods higher or lower levels of favorable prior year reserve development, no favorable prior year reserve development or unfavorable prior year reserve development. In addition, the ongoing review of prior year claims and claim adjustment expense reserves, or other changes in current period circumstances, may result in the Company revising current year loss estimates upward or downward in future periods of the current year.

It is possible that changes in economic conditions, the supply chain, the labor market and geopolitical tensions, as well as steps taken by federal, state and/or local governments and the Federal Reserve could lead to higher or lower inflation than the

Company anticipated, which could in turn lead to an increase or decrease in the Company’s loss costs and the need to strengthen or reduce claims and claim adjustment expense reserves. These impacts of inflation on loss costs and claims and claim adjustment expense reserves could be more pronounced for those lines of business that require a relatively longer period of time to finalize and settle claims for a given accident year and, accordingly, are relatively more inflation sensitive. Higher costs of labor, parts and raw materials are adversely impacting severity in our personal and commercial businesses and may continue to do so in future quarters. For a further discussion, see “Part I—Item 1A—Risk Factors—If actual claims exceed our 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, our financial results could be materially and adversely affected” in the Company’s 2023 Annual Report.

The Company’s results of operations may be impacted by a number of other factors, including an economic slowdown, a recession, financial market volatility, disruption in the banking sector, supply chain disruptions, monetary and fiscal policy measures, heightened geopolitical tensions, fluctuations in interest rates and foreign currency exchange rates, the political and regulatory environment, changes to the U.S. Federal budget and potential changes in tax laws.

Investment Portfolio. The Company expects to continue to focus its investment strategy on maintaining a high-quality investment portfolio and a relatively short average effective duration. The weighted average effective duration of fixed maturities and short-term securities was 4.1 (4.3 excluding short-term securities) at March 31, 2024. From time to time, the Company enters into short positions in U.S. Treasury futures contracts to manage the duration of its fixed maturity portfolio. At March 31, 2024, the Company had no open U.S. Treasury futures contracts. The Company regularly evaluates its investment alternatives and mix. Currently, the majority of the Company’s investments are comprised of a widely diversified portfolio of high-quality, liquid, taxable U.S. government, tax-exempt and taxable U.S. municipal, taxable corporate and U.S. agency mortgage-backed bonds.

The Company also invests much smaller amounts in equity securities, real estate and private equity, hedge fund and real estate partnerships, and joint ventures. These investment classes have the potential for higher returns but also the potential for greater volatility and higher degrees of risk, including less stable rates of return and less liquidity.

Approximately 33% of the fixed maturity portfolio is expected to mature over the next three years (including the early redemption of bonds, assuming interest rates (including credit spreads) do not rise significantly by applicable call dates). As a result, the overall yield on and composition of its portfolio could be meaningfully impacted by the types of investments available for reinvestment with the proceeds of maturing bonds.

Net investment income is a material contributor to the Company’s results of operations. Based on our current expectations for the impact of expected higher reinvestment yields on fixed income investments and higher levels of fixed income investments, the Company expects that after-tax net investment income from that portfolio will be approximately $640 million in the second quarter of 2024, $665 million in the third quarter of 2024 and $690 million in the fourth quarter of 2024. This expectation could be impacted by the direction of interest rates and disruptions in global financial markets. Included in other investments are private equity, hedge fund and real estate partnerships that are accounted for under the equity method of accounting and typically report their financial statement information to the Company one month to three months following the end of the reporting period. Accordingly, net investment income or loss from these other investments is generally reflected in the Company’s financial statements on a quarter lag basis. The Company’s net investment income in future periods from its non-fixed income investment portfolio will be impacted, positively or negatively, by the performance of global financial markets.

The Company had net pre-tax realized investment gains of $35 million in the first three months of 2024. Changes in global financial markets could result in net realized investment gains or losses in the Company’s investment portfolio.

The Company had a net pre-tax unrealized investment loss of $4.72 billion ($3.72 billion after-tax) in its fixed maturity investment portfolio at March 31, 2024, compared to $3.97 billion ($3.13 billion after-tax) at December 31, 2023. The net unrealized investment loss is primarily due to the impact of movements in interest rates. The increase in the net unrealized investment loss in the first three months of 2024 was due to increases in interest rates. While the Company does not attempt to predict future interest rate movements, a rising interest rate environment reduces the market value of fixed maturity investments and, therefore, reduces shareholders’ equity, and a declining interest rate environment has the opposite effects. The net unrealized loss discussed above is considered temporary in nature as it is not due to credit impairments, there is no impact on expected contractual cash flows from fixed maturities, and the Company generally holds its fixed maturity investments to maturity. In addition, given the temporary nature of net unrealized losses combined with the Company’s strong operating cash flows (which include income received on investments) and the proceeds received upon maturity of the investments, the net unrealized investment loss is not expected to meaningfully impact the Company’s assessment of capital adequacy or liquidity. Equity securities, which include common and non-redeemable preferred stocks, are reported at fair value with changes in fair value recognized in net income.

Additionally, disruptions in global financial markets could also impact the market value of the Company’s investment portfolio. The Company’s investment portfolio has benefited from certain tax exemptions (primarily those related to interest from municipal bonds) and certain other tax laws, including, but not limited to, those governing dividends-received deductions and tax credits (such as foreign tax credits). Changes in these laws could adversely impact the value of the Company’s investment portfolio. See “Our businesses are heavily regulated by the states and countries in which we conduct business, including licensing, market conduct and financial supervision, and changes in regulation, including changes in tax regulation, may reduce our profitability and limit our growth” included in “Part I—Item 1A—Risk Factors” in the Company’s 2023 Annual Report.

For further discussion of the Company’s investment portfolio, see “Investment Portfolio.” For a discussion of the risks to the Company’s business during or following a financial market disruption and risks to the Company’s investment portfolio, see the risk factors entitled “During or following a period of financial market disruption or an economic downturn, our business could be materially and adversely affected” and “Our investment portfolio is subject to credit and interest rate risk, and may suffer reduced or low returns or material realized or unrealized losses” included in “Part I—Item 1A—Risk Factors” in the Company’s 2023 Annual Report. For a discussion of the risks to the Company’s investments from foreign currency exchange rate fluctuations, see the risk factor entitled “We are subject to additional risks associated with our business outside the United States” included in “Part I—Item 1A—Risk Factors” in the Company’s 2023 Annual Report and see “Part II—Item 7A—Quantitative and Qualitative Disclosures About Market Risk-Foreign Currency Exchange Rate Risk” in the Company’s 2023 Annual Report.

Capital Position. The Company believes it has a strong capital position and, as part of its ongoing efforts to create shareholder value, expects to continue to return capital not needed to support its business operations to its shareholders, subject to the considerations described below. The Company expects that, generally over time, the combination of dividends to common shareholders and common share repurchases will likely not exceed net income. The Company also expects that to the extent that it continues to grow premium volumes, the level of capital to support the Company’s financial strength ratings will also increase, and accordingly, the amount of capital returned to shareholders relative to earnings would be somewhat less than it otherwise would have been absent the growth in premium volumes. The timing and actual number of shares to be repurchased in the future will depend on a variety of additional factors, including the Company’s financial position, earnings, share price, catastrophe losses, maintaining capital levels appropriate for the Company’s business operations, 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 (including the

Inflation Reduction Act of 2022) and other factors. For information regarding the Company’s common share repurchases in 2024, see “Liquidity and Capital Resources” herein.

As a result of the Company’s business outside of the United States, primarily in Canada, the United Kingdom (including Lloyd’s), the Republic of Ireland and in Brazil through a joint venture, the Company’s capital is also subject to the effects of changes in foreign currency exchange rates. Strengthening of the U.S. dollar in comparison to other currencies could result in a reduction in shareholders’ equity, while a weakening of the U.S. dollar in comparison to other currencies could result in an increase in shareholders’ equity. For additional discussion of the Company’s foreign exchange market risk exposure, see “Part II—Item 7A—Quantitative and Qualitative Disclosures About Market Risk” in the Company’s 2023 Annual Report.

Many of the statements in this “Outlook” section and in “Liquidity and Capital Resources” are forward-looking statements, which are subject to risks and uncertainties that are often difficult to predict and beyond the Company’s control. Actual results could differ materially from those expressed or implied by such forward-looking statements. Further, such forward-looking statements speak only as of the date of this report and the Company undertakes no obligation to update them. See “Part II—Item 7—Forward-Looking Statements.” For a discussion of potential risks and uncertainties that could impact the Company’s results of operations or financial position, see “Part I—Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein and “Part I—Item 1A—Risk Factors” and “Part II—Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s 2023 Annual Report, in each case as updated by the Company’s periodic filings with the SEC.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is a measure of a company's ability to generate sufficient cash flows to meet the cash requirements of its business operations and to satisfy general corporate purposes when needed.

Operating Company Liquidity. The liquidity requirements of the Company's insurance subsidiaries are met primarily by funds generated from premiums, fees, income received on investments and investment maturities. The Company believes that cash flows from operating activities are sufficient to meet the future liquidity requirements of its insurance subsidiaries. Additionally, investment maturities provide a significant level of available liquidity without requiring the sale of investment securities. For further discussion of operating company liquidity, see "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" in the Company's 2023 Annual Report.

Holding Company Liquidity. TRV's liquidity requirements primarily include shareholder dividends, debt servicing, common share repurchases and, from time to time, contributions to its qualified domestic pension plan. At March 31, 2024, TRV held total cash and short-term invested assets in the United States aggregating $1.62 billion and having a weighted average maturity of 45 days. TRV has established a holding company liquidity target equal to its estimated annual pre-tax interest expense and common shareholder dividends (currently approximately $1.30 billion). TRV's holding company liquidity of $1.62 billion at March 31, 2024 exceeded this target, and it is the opinion of the Company's management that these assets are sufficient to meet TRV's current liquidity requirements.

TRV is not dependent on dividends or other forms of repatriation from its foreign operations to support its liquidity needs. The undistributed earnings of the Company's foreign operations are intended to be permanently reinvested in those operations, and such earnings were not material to the Company's financial position or liquidity at March 31, 2024.

TRV has a shelf registration statement filed with the Securities and Exchange Commission (SEC) that expires on June 8, 2025 which permits it to issue securities from time to time. TRV also has a $1.0 billion credit facility with a syndicate of financial institutions that expires on June 15, 2027. At March 31, 2024, the Company had $100 million of commercial paper outstanding. TRV is not reliant on its commercial paper program to meet its operating cash flow needs. The Company has no senior notes or junior subordinated debentures maturing until April 2026, at which time $200 million of senior notes will mature.

The Company utilized uncollateralized letters of credit issued by major banks with an aggregate limit of $260 million to provide a portion of the capital needed to support its obligations at Lloyd's at March 31, 2024. If uncollateralized letters of credit are not available at a reasonable price or at all in the future, the Company can collateralize these letters of credit or may have to seek alternative means of supporting its obligations at Lloyd's, which could include utilizing holding company funds on hand.

Operating Activities

Net cash provided by operating activities in the first three months of 2024 and 2023 was $1.46 billion and $1.01 billion, respectively. The increase in cash flows in the first three months of 2024 primarily reflected the impacts of higher levels of cash received for premiums, partially offset by higher levels of payments for claims and claim adjustments expenses, commissions and general and administrative expenses.

Investing Activities

Net cash used in investing activities in the first three months of 2024 and 2023 was $1.04 billion and $455 million, respectively. The Company's consolidated total investments at March 31, 2024 decreased by $153 million from year-end 2023, primarily reflecting the impacts of (i) higher net unrealized investment losses due to the impact of higher interest rates during the first three months of 2024, (ii) net cash used in financing activities and (iii) the cost of acquiring Corvus, partially offset by (iv) net cash flows provided by operating activities.

The Company's investment portfolio is managed to support its insurance operations; accordingly, the portfolio is positioned to meet obligations to policyholders. As such, the primary goals of the Company's asset-liability management process are to satisfy the insurance liabilities and maintain sufficient liquidity to cover fluctuations in projected liability cash flows. Generally, the expected principal and interest payments produced by the Company's fixed maturity portfolio adequately fund the estimated runoff of the Company's insurance reserves. Although this is not an exact cash flow match in each period, the substantial amount by which the market value of the fixed maturity portfolio exceeds the value of the net insurance liabilities, as well as the positive cash flow from newly sold policies and the large amount of high quality liquid bonds, contributes to the Company's ability to fund claim payments without having to sell assets at a loss or access credit facilities.

Financing Activities

Net cash used in financing activities in the first three months of 2024 and 2023 was $399 million and $593 million, respectively. The totals in both 2024 and 2023 reflected common share repurchases and dividends paid to shareholders, partially offset by the net proceeds from employee stock option exercises. Common share repurchases in the first three months of 2024 and 2023 were $360 million and $460 million, respectively.

Dividends. Dividends paid to shareholders were $229 million and $215 million in the first three months of 2024 and 2023, respectively. The declaration and payment of future dividends to holders of the Company's common stock will be at the discretion of the Company's Board of Directors and will depend upon many factors, including the Company's financial position, earnings, capital requirements of the Company's operating subsidiaries, legal requirements, regulatory constraints and other factors as the Board of Directors deems relevant. Dividends will be paid by the Company only if declared by its Board of Directors out of funds legally available, subject to any other restrictions that may be applicable to the Company. On April 17, 2024, the Company announced that it would increase its regular quarterly dividend from $1.00 per share to $1.05 per share, a 5% increase. The increased dividend is payable June 28, 2024 to shareholders of record on June 10, 2024.

Share Repurchases. The Company's Board of Directors has approved common share repurchase authorizations under which repurchases may be made from time to time in the open market, pursuant to pre-set trading plans meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, in private transactions or otherwise. The authorizations do not have a stated expiration date. The Company expects that, generally over time, the combination of dividends to common shareholders and common share repurchases will likely not exceed net income. The Company also expects that to the extent that it continues to grow premium volumes, the amount of capital returned to shareholders relative to earnings would be somewhat less than it otherwise would have been absent the growth in premium volumes. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including the Company's financial position, earnings, share price, catastrophe losses, maintaining capital levels appropriate for the Company's business operations, 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 (including the Inflation Reduction Act of 2022) and other factors. During the three months ended March 31, 2024, the Company repurchased 1.2 million common shares under its share repurchase authorizations for a total cost of $250 million. The average cost per share repurchased was $217.31. On April 19, 2023, the Board of Directors approved a share repurchase authorization that added $5.0 billion of repurchase capacity to the $1.60 billion of capacity remaining at that date. At March 31, 2024, the Company had $5.79 billion of capacity remaining under its share repurchase authorizations. Included in the cost of treasury stock acquired pursuant to common share repurchases is the 1% excise tax imposed as part of the Inflation Reduction Act of 2022.

Capital Resources. Capital resources reflect the overall financial strength of the Company and its ability to borrow funds at competitive rates and raise new capital to meet its needs.

The following table summarizes the components of the Company's capital structure at March 31, 2024 and December 31, 2023.

(in millions)	March 31, 2024	December 31, 2023
Debt:		
Short-term	**$ 100**	$ 100
Long-term	**8,004**	8,004
Net unamortized fair value adjustments and debt issuance costs	**(72)**	(73)
Total debt	**8,032**	8,031
Shareholders' equity:		
Common stock and retained earnings, less treasury stock	**30,153**	29,392
Accumulated other comprehensive loss	**(5,131)**	(4,471)
Total shareholders' equity	**25,022**	24,921
Total capitalization	**$ 33,054**	$ 32,952

The following table provides a reconciliation of total capitalization presented in the foregoing table to total capitalization excluding net unrealized losses on investments, net of taxes, included in shareholders' equity.

(dollars in millions)	March 31, 2024	December 31, 2023
Total capitalization	**$ 33,054**	$ 32,952
Less: net unrealized losses on investments, net of taxes, included in shareholders' equity	**(3,721)**	(3,129)
Total capitalization excluding net unrealized losses on investments, net of taxes, included in shareholders' equity	**$ 36,775**	$ 36,081
Debt-to-total capital ratio	**24.3 %**	24.4 %
Debt-to-total capital ratio excluding net unrealized losses on investments, net of taxes, included in shareholders' equity	**21.8 %**	22.3 %

The debt-to-total capital ratio excluding net unrealized gains (losses) on investments, net of taxes, included in shareholders' equity, is calculated by dividing (a) debt by (b) total capitalization excluding net unrealized gains and losses on investments, net of taxes, included in shareholders' equity. Net unrealized gains and losses on investments can be significantly impacted by both interest rate movements and other economic factors. Accordingly, in the opinion of the Company's management, the debt-to-total capital ratio calculated on this basis provides another useful metric for investors to understand the Company's financial leverage position. The Company's ratio of debt-to-total capital excluding after-tax net unrealized investment losses included in shareholders' equity of 21.8% at March 31, 2024 was within the Company's target range of 15% to 25%.

RATINGS

Ratings are an important factor in assessing the Company's competitive position in the insurance industry. The Company receives ratings from the following major rating agencies: A.M. Best Company (A.M. Best), Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and S&P Global Ratings (S&P). There have been no rating agency actions taken with respect to the Company since February 15, 2024, the date on which the Company's 2023 Annual Report was filed with the SEC. For additional discussion of ratings, see "Part I—Item 1—Business—Ratings" in the Company's 2023 Annual Report.

CRITICAL ACCOUNTING ESTIMATES

For a description of the Company's critical accounting estimates, refer to "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in the Company's 2023 Annual Report. The Company considers its most significant accounting estimates to be those applied to claims and claim adjustment expense reserves and related reinsurance recoverables, and impairments of investments, goodwill and other intangible assets. Except as shown in the table below, there have been no material changes to the Company's critical accounting estimates since December 31, 2023.

Claims and Claim Adjustment Expense Reserves

The table below displays the Company's gross claims and claim adjustment expense reserves by product line. Because establishment of claims and claim adjustment expense reserves is an inherently uncertain process involving estimates and the application of judgment, currently established claims and claim adjustment expense reserves may change. The Company reflects adjustments to the reserves in the results of operations in the period the estimates are changed. These changes in estimates could result in income statement charges that could be material to the Company's operating results in future periods. In particular, a portion of the Company's gross claims and claim adjustment expense reserves (totaling $2.11 billion at March 31, 2024) are for asbestos and environmental claims and related litigation. Asbestos and environmental reserves are included in the General liability, Commercial multi-peril and International and other lines in the summary table below. While the ongoing review of asbestos and environmental claims and associated liabilities considers the inconsistencies of court decisions as to coverage, plaintiffs' expanded theories of liability and the risks inherent in complex litigation and other uncertainties, in the opinion of the Company's management, it is possible that the outcome of the continued uncertainties regarding these claims could result in liability in future periods that differs from current insurance reserves by an amount that could be material to the Company's future operating results. Asbestos and environmental reserves are discussed separately; see "Asbestos Claims and Litigation", "Environmental Claims and Litigation" and "Uncertainty Regarding Adequacy of Asbestos and Environmental Reserves" in this report.

Gross claims and claim adjustment expense reserves by product line were as follows:

	March 31, 2024			**December 31, 2023**		
(in millions)	**Case**	**IBNR**	**Total**	**Case**	**IBNR**	**Total**
General liability	**$ 5,688**	**$ 10,352**	**$ 16,040**	$ 5,658	$ 10,214	$ 15,872
Commercial property	**1,416**	**353**	**1,769**	1,447	281	1,728
Commercial multi-peril	**2,797**	**3,112**	**5,909**	2,869	2,905	5,774
Commercial automobile	**2,694**	**2,882**	**5,576**	2,661	2,773	5,434
Workers’ compensation	**9,932**	**9,324**	**19,256**	10,004	9,203	19,207
Fidelity and surety	**221**	**559**	**780**	265	466	731
Personal automobile	**2,253**	**2,452**	**4,705**	2,245	2,460	4,705
Personal homeowners and other	**1,258**	**2,152**	**3,410**	1,217	2,004	3,221
International and other	**2,561**	**2,476**	**5,037**	2,620	2,329	4,949
Property-casualty	**28,820**	**33,662**	**62,482**	28,986	32,635	61,621
Accident and health	**5**	**—**	**5**	6	—	6
Claims and claim adjustment expense reserves	**$ 28,825**	**$ 33,662**	**$ 62,487**	$ 28,992	$ 32,635	$ 61,627

The $860 million increase in gross claims and claim adjustment expense reserves since December 31, 2023 primarily reflected the impacts of (i) catastrophe losses in the first three months of 2024, (ii) higher volumes of insured exposures and (iii) loss cost trends for the current accident year, partially offset by (iv) claim payments made during the first three months of 2024 and (v) net favorable prior year reserve development.

FUTURE APPLICATION OF ACCOUNTING STANDARDS

See note 1 of the notes to the unaudited consolidated financial statements contained in this quarterly report and in the Company’s 2023 Annual Report for a discussion of recently issued accounting pronouncements.

FORWARD-LOOKING STATEMENTS

This report 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,” “probably,” “anticipates,” “expects,” “intends,” “plans,” “projects,” “believes,” “views,” “ensures,” “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, such as the impact of elevated industrywide loss costs in Personal Insurance, 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 legislative or regulatory actions or court decisions;
- share repurchase plans;
- future pension plan contributions;
- the sufficiency of the Company’s reserves, including asbestos;
- the impact of emerging claims issues as well as other insurance and non-insurance litigation;
- the cost and availability of reinsurance coverage;
- catastrophe losses and modeling, including statements about probabilities or likelihood of exceedance;
- the impact of investment (including changes in interest rates), economic (including inflation, changes in tax laws, changes in commodity prices and fluctuations in foreign currency exchange rates) and underwriting market conditions;
- the Company’s approach to managing its investment portfolio;
- the impact of changing climate conditions;
- strategic and operational initiatives to improve profitability and competitiveness;
- the Company’s competitive advantages and innovation agenda, including executing on that agenda with respect to artificial intelligence;
- the Company’s cybersecurity policies and practices;
- new product offerings;
- the impact of developments in the tort environment, such as increased attorney involvement in insurance claims;
- the impact of developments in the geopolitical environment; and
- the impact of the Company’s acquisition of Corvus Insurance Holdings, Inc.

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, including as a result of factors such as increased concentrations of insured exposures in catastrophe-prone areas and changing climate conditions, 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, including increased inflation, the Company's financial results could be materially and adversely affected;
- the Company's business could be harmed because of its potential exposure to asbestos and environmental claims and related litigation;
- 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; 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 and have a material adverse impact on the Company's results of operations and/or the Company's financial position.

FORWARD-LOOKING STATEMENTS, Continued

Financial, Economic and Credit Risks

- during or following a period of financial market disruption or an economic downturn, 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;
- 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;
- 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; and
- 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.

Business and Operational Risks

- the intense competition that the Company faces, including with respect to attracting and retaining employees, 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;
- 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’s efforts to develop new products or services, expand in targeted markets, improve business processes and workflows or make acquisitions 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;
- 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;
- the Company is subject to additional risks associated with its business outside the United States; and
- future pandemics (including new variants of COVID-19) could materially affect the Company’s results of operations, financial position and/or liquidity.

Technology and Intellectual Property Risks

- if, as a result of cyber attacks (the risk of which could be exacerbated by geopolitical tensions) or otherwise, the Company experiences difficulties with technology, data and network security, outsourcing relationships or cloud-based technology, the Company’s ability to conduct its business could be negatively impacted;

- 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, including with respect to artificial intelligence, particularly as its business processes become more digital; and
- 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.

Regulatory and Compliance Risks

- the Company’s businesses are heavily regulated by the states and countries in which it conducts business, including licensing, market conduct and financial supervision, and changes in regulation, including changes in tax regulation, may reduce the Company’s profitability and limit its growth; and
- the Company could be adversely affected if its controls designed to ensure compliance with guidelines, policies and legal and regulatory standards are not 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 appropriate for the Company’s business operations, 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

FORWARD-LOOKING STATEMENTS, Continued

acquisitions and related financings), market conditions, changes in tax laws (including the Inflation Reduction Act of 2022) and other factors.

The Company's forward-looking statements speak only as of the date of this report or as of the date they are made, and the Company undertakes no obligation to update forward-looking statements. For a more detailed discussion of these factors, see the information under the captions "Part I—Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and "Part I—Item 1A—Risk Factors" and "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2023 Annual Report, in each case as updated by the Company's periodic filings with the SEC.

WEBSITE AND SOCIAL MEDIA DISCLOSURE

The Company may use its website and/or social media outlets, such as Facebook and X, as distribution channels of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company's website at investor.travelers.com, its Facebook page at facebook.com/travelers and its X account (@Travelers) at twitter.com/Travelers. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the "Email Notifications" section under the "Investor Toolkit" section at investor.travelers.com.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For the Company's disclosures about market risk, please see "Part II—Item 7A—Quantitative and Qualitative Disclosures About Market Risk" in the Company's 2023 Annual Report filed with the SEC. There have been no material changes to the Company's disclosures about market risk in Part II—Item 7A of the Company's 2023 Annual Report.

Item 4. CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2024. Consistent with guidance issued by the SEC that an assessment of internal controls over financial reporting of a recently acquired business may be omitted from management's evaluation of disclosure controls and procedures, management is excluding an assessment of such internal controls for Corvus Insurance Holdings, Inc. (Corvus) from its evaluation of the effectiveness of the Company’s disclosure controls and procedures. The Company acquired all of the issued and outstanding shares of Corvus on January 2, 2024. Corvus represented less than 1% of the Company’s consolidated total assets, consolidated total revenues and net income as of and for the quarter ended March 31, 2024. Based upon that evaluation and subject to the foregoing, the Company’s Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, the design and operation of the Company’s disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

In addition, there was no change in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting. The Company is in the process of reviewing the internal control structure of Corvus and, if necessary, will make appropriate changes as it integrates Corvus into the Company’s overall internal control over financial reporting process.

The Company regularly seeks to identify, develop and implement improvements to its technology systems and business processes, some of which may affect its internal control over financial reporting. These changes may include such activities as implementing new, more efficient systems, updating existing systems or platforms, automating manual processes or utilizing technology developed by third parties. These systems changes are often phased in over multiple periods in order to limit the implementation risk in any one period, and as each change is implemented the Company monitors its effectiveness as part of its internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The information required with respect to this item can be found under “Contingencies” in note 14 of the notes to the unaudited consolidated financial statements contained in this quarterly report and is incorporated by reference into this Item 1.

Item 1A. RISK FACTORS

For a discussion of the Company’s potential risks or uncertainties, please see “Part I—Item 1A—Risk Factors” and “Part II—Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s 2023 Annual Report and “Part I—Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein, in each case as updated by the Company’s periodic filings with the SEC. There have been no material changes to the risk factors disclosed in Part I—Item 1A of the Company’s 2023 Annual Report.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information regarding repurchases by the Company of its common stock during the periods indicated.

ISSUER PURCHASES OF EQUITY SECURITIES

Period Beginning	Period Ending	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions)
January 1, 2024	January 31, 2024	201,899	$ 211.66	201,441	$ 5,997
February 1, 2024	February 29, 2024	1,185,953	$ 216.50	549,741	$ 5,878
March 1, 2024	March 31, 2024	403,089	$ 220.85	399,331	$ 5,790
Total		1,790,941	$ 216.93	1,150,513	$ 5,790

The Company’s Board of Directors has approved common share repurchase authorizations under which repurchases may be made from time to time in the open market, pursuant to pre-set trading plans meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, in private transactions or otherwise. The most recent authorization was approved by the Board of Directors on April 19, 2023 and added $5.0 billion of repurchase capacity to the $1.60 billion of capacity remaining at that date. The authorizations do not have a stated expiration date. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including the Company’s financial position, earnings, share price, catastrophe losses, maintaining capital levels appropriate for the Company’s business operations, 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 (including the Inflation Reduction Act of 2022) and other factors. The cost of treasury stock acquired pursuant to common share repurchases includes the 1% excise tax imposed on common share repurchase activity, net of common share issuances, as part of the Inflation Reduction Act of 2022. During the three months ended March 31, 2024, there was no net excise tax included in the cost of treasury stock acquired, as common share issuances exceeded common share repurchase activity.

The Company acquired 0.6 million shares for a total cost of $138 million during the three months ended March 31, 2024 that were not part of its publicly announced share repurchase authorizations. These shares consisted of shares retained to cover payroll withholding taxes in connection with the vesting of restricted stock unit awards and performance share awards, and shares used by employees to cover the exercise price, as well as the related payroll withholding taxes, with respect to certain stock options that were exercised.

For additional information regarding the Company’s share repurchases, see “Part I—Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Item 5. OTHER INFORMATION

During the three months ended March 31, 2024, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Item 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Articles of Incorporation of The Travelers Companies, Inc., as amended and restated May 23, 2013, were filed as Exhibit 3.1 to the Company's current report on Form 8-K filed on May 24, 2013, and are incorporated herein by reference.
3.2	Bylaws of The Travelers Companies, Inc. as Amended and Restated December 7, 2022, were filed as Exhibit 3.2 to the Company's current report on Form 8-K filed on December 12, 2022, and are incorporated herein by reference.
31.1†	Certification of Alan D. Schnitzer, Chairman and Chief Executive Officer of the Company, as required by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Daniel S. Frey, Executive Vice President and Chief Financial Officer of the Company, as required by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1†	Certification of Alan D. Schnitzer, Chairman and Chief Executive Officer of the Company, as required by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2†	Certification of Daniel S. Frey, Executive Vice President and Chief Financial Officer of the Company, as required by Section 906 of the Sarbanes-Oxley Act of 2002.
101.1†	The following information from The Travelers Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline XBRL: (i) Consolidated Statement of Income for the three months ended March 31, 2024 and 2023; (ii) Consolidated Statement of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023; (iii) Consolidated Balance Sheet at March 31, 2024 and December 31, 2023; (iv) Consolidated Statement of Changes in Shareholders' Equity for the three months ended March 31, 2024 and 2023; (v) Consolidated Statement of Cash Flows for the three months ended March 31, 2024 and 2023; (vi) Notes to Consolidated Financial Statements; and (vii) the cover page.
104.1	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101.1).

† Filed herewith.

The total amount of securities authorized pursuant to any instrument defining rights of holders of long-term debt of the Company does not exceed 10% of the total assets of the Company and its consolidated subsidiaries. Therefore, the Company is not filing any instruments evidencing long-term debt. However, the Company will furnish copies of any such instrument to the Securities and Exchange Commission upon request.

Copies of any of the exhibits referred to above will be furnished to security holders who make written request therefor to The Travelers Companies, Inc., 385 Washington Street, Saint Paul, MN 55102, Attention: Corporate Secretary.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure except for the terms of the agreements or other documents themselves, and you should not rely on them for other than that purpose. In particular, any representations and warranties made by the Company in these agreements or other documents were made solely within the specific context of the relevant agreement or document and do not apply in any other context or at any time other than the date they were made.

THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, The Travelers Companies, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		THE TRAVELERS COMPANIES, INC. **(Registrant)**
Date: April 17, 2024	By	/S/ CHRISTINE K. KALLA
		Christine K. Kalla **Executive Vice President and General Counsel** **(Authorized Signatory)**
Date: April 17, 2024	By	/S/ PAUL E. MUNSON
		Paul E. Munson **Senior Vice President and Corporate Controller (Principal Accounting Officer)**