

The Travelers Companies, Inc. is a leading provider of property and casualty insurance, offering diverse coverage options for auto, home, and business through independent agents and brokers. As of December 31, 2019, the company reported a net income of \$2.62 billion, a return on equity of 10.5%, and record net written premiums of \$29.15 billion. The company has consistently returned capital to shareholders, marking 14 consecutive years of dividend increases, with a total of \$2.4 billion returned in 2019. Travelers operates across three segments: Business Insurance, Bond & Specialty Insurance, and Personal Insurance, with a focus on maintaining a balanced and diversified portfolio. The Business Insurance segment achieved a solid combined ratio of 96.2%, while the Bond & Specialty Insurance segment reported an impressive underlying combined ratio of 81.8%. The company emphasizes excellent claims handling, resolving nearly 95% of property claims from catastrophes within 30 days, which enhances customer loyalty.

Travelers aims to deliver superior returns on equity, targeting a mid-teens core return over time, and has maintained a robust financial position with a debt-to-capital ratio of 20.2%. The company has invested significantly in technology to improve productivity and efficiency, reflected in an improved expense ratio of 29.6% in 2019. The document highlights the company's commitment to innovation, including partnerships with startups to enhance technological capabilities, and initiatives like the Wildfire Loss Detector to leverage technology for customer benefit. Travelers also emphasizes community engagement through programs supporting underrepresented students and disaster preparedness training.

The insurance policy outlines the company's financial performance, strategic initiatives, and operational metrics, including a focus on risk management and underwriting excellence. The company has a disciplined approach to pricing, based on expected losses and associated expenses, while adhering to state regulations regarding rate approvals. The document details the company's exposure to natural catastrophes and the use of reinsurance to manage risk, including specific treaties for earthquake and hurricane losses. The Terrorism Risk Insurance Program is also

mentioned, providing shared compensation for insured losses from certified acts of terrorism.

Travelers maintains a strong commitment to employee welfare, offering comprehensive health benefits and retirement plans, including a fully funded pension plan. The company promotes diversity and inclusion, expanding its Diversity Networks and partnering with nonprofits to provide employment opportunities for people with disabilities. The document emphasizes the importance of clear communication regarding coverage and claims processes, ensuring customers understand their policies.

The company faces various risks, including those related to asbestos and environmental claims, which are managed separately within the Strategic Resolution Group. The document outlines the complexities of estimating reserves for these claims, highlighting the uncertainties involved. Additionally, the company is exposed to market risks related to its investment portfolio, particularly interest rate and credit risks, which are actively managed to optimize returns.

Overall, the insurance policy document provides a comprehensive overview of The Travelers Companies, Inc., detailing its financial health, operational strategies, and commitment to customer care, community support, and employee welfare, while navigating the complexities of the insurance landscape.