

THE TRAVELERS CO NYSE-TRV

RECENT PRICE **93.41**

P/E RATIO **10.0** (Trailing: 9.2 Median: 9.0)

RELATIVE P/E RATIO **0.55**

DIV'D YLD **2.4%**

VALUE LINE

TIMELINESS 2 Raised 5/2/14
SAFETY 1 Raised 9/16/11
TECHNICAL 3 Lowered 4/4/14
BETA .80 (1.00 = Market)

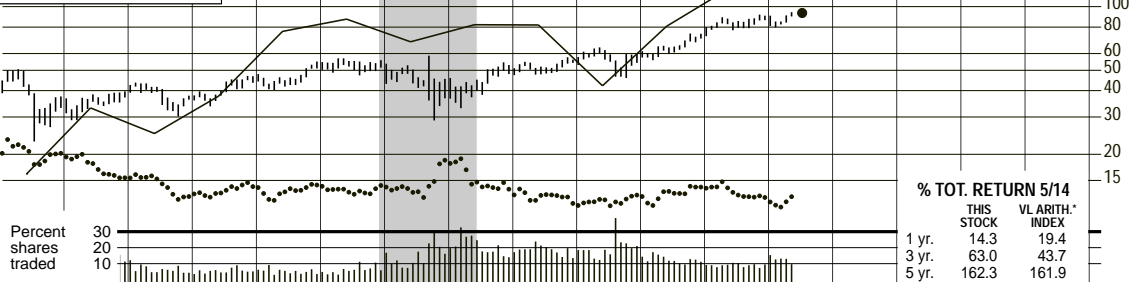
High: 39.7 43.6 47.0 55.0 57.0 58.6 54.5 57.6 64.2 74.7 91.7 94.3
 Low: 29.0 30.2 33.7 40.2 47.3 28.9 33.1 47.3 46.0 55.9 72.5 79.9

LEGENDS
 — 13.0 x Earnings p sh
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

2017-19 PROJECTIONS
 Price Gain Ann'l Total
 High 160 (+70%) 16%
 Low 130 (+40%) 11%

Insider Decisions
 J A S O N D J F M
 to Buy 0 0 0 0 0 0 0 0 0
 Options 4 3 0 4 5 1 2 7 0
 to Sell 6 4 0 5 6 1 2 8 1

Institutional Decisions
 3Q2013 4Q2013 1Q2014
 to Buy 347 382 353
 to Sell 291 351 410
 Hld's(000) 39881 289672 286054



1998	1999	2000	2001	2002	2003	2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC 17-19
29.71	23.51	27.20	35.14	32.58	30.72	28.40	29.34	30.61	34.20	36.88	41.16	49.31	56.24	59.24	64.04	69.50	74.20	P/C Prem Earned per sh ^A
6.78	6.92	7.45	5.86	5.15	4.89	3.97	4.56	5.19	5.99	4.77	5.34	7.04	7.33	7.66	7.68	8.00	8.50	Investment Inc per sh
d2.50	d.54	.23	d10.76	d2.80	d.86	d2.75	d.82	3.01	3.68	3.06	4.19	3.06	d3.59	1.10	6.54	5.20	5.20	Underwriting Inc per sh
2.26	3.37	4.32	d4.84	1.24	2.55	1.93	2.90	5.88	6.72	5.24	6.32	6.31	3.25	6.21	9.46	9.30	9.15	Earnings per sh ^B
.99	1.03	1.07	1.11	1.15	1.16	.95	.91	1.01	1.13	1.19	1.26	1.44	1.64	1.79	1.96	2.15	2.21	Div'ds Decl'd per sh ^C
30.48	28.66	33.10	24.35	25.05	26.84	31.35	31.94	36.87	42.22	43.12	52.54	58.39	62.31	67.32	70.14	76.45	83.05	Book Value per sh ^D
233.75	225.00	216.85	207.60	226.80	229.11	670.30	693.40	678.30	627.80	585.10	520.30	434.60	392.80	377.40	353.50	340.00	330.00	Common Shs Outst'g ^E
129%	111%	119%	189%	153%	131%	122%	127%	125%	124%	105%	84%	89%	91%	95%	119%			Price to Book Value
17.4	9.4	9.1	--	31.0	13.8	19.9	14.0	7.8	7.8	8.7	7.0	8.2	17.4	10.3	8.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio
.90	.54	.59	--	1.69	.79	1.05	.75	.42	.41	.52	.47	.52	1.09	.66	.50			Relative P/E Ratio
2.5%	3.2%	2.7%	2.4%	3.0%	3.3%	2.5%	2.2%	2.2%	2.2%	2.6%	2.8%	2.8%	2.9%	2.8%	2.3%			Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 12/31/13
 Total Debt \$6346 mill. Due in 5 Yrs \$1750 mill.
 (20% of Cap'l)
 Leases, Uncapitalized \$178 mill.
 Pension Assets 12/13-\$3074 mill.
 Pfd Stock None

Common Stock 353,500,000 shs.
 MARKET CAP: \$33 billion (Large Cap)

FINANCIAL POSITION	2011	2012	12/31/13
Fixed Maturities	64232	65393	63956
Stocks	559	645	943
Premiums Due	5730	5872	6125
Other	34081	33028	32788
Total Assets	104602	104938	103812
Unearned Prems	11102	11241	11850
Reserves	51419	50922	50895
Other	17604	17370	16271
Total Liabilities	80125	79533	79016

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 of change (per sh)
Premium Inc	6.0%	12.0%	7.0%
Invest Income	3.5%	7.5%	5.5%
Earnings	--	1.0%	10.0%
Dividends	4.5%	10.0%	5.5%
Book Value	10.0%	10.5%	8.5%

Cal- endar	NET PREMIUMS EARNED (\$ mill.) ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	5371	5503	5605	5611	22090
2012	5523	5529	5666	5639	22357
2013	5517	5603	5666	5851	22637
2014	5823	5875	5925	6002	23625
2015	6035	6075	6150	6225	24485

Cal-endar	EARNINGS PER SHARE ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	1.89	d.91	.79	1.48	3.25
2012	2.01	1.26	2.22	.72	6.21
2013	2.30	2.13	2.35	2.68	9.46
2014	2.95	2.05	1.95	2.35	9.30
2015	2.70	2.20	2.00	2.25	9.15

Cal-endar	QUARTERLY DIVIDENDS PAID C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2010	.36	.36	.36	.36	1.44
2011	.41	.41	.41	.41	1.64
2012	.41	.46	.46	.46	1.79
2013	.46	.50	.50	.50	1.96
2014	.50	.55			

19038	20341	20760	21470	21579	21418	21432	22090	22357	22637	23625	24485
81.1%	73.4%	59.0%	57.7%	60.2%	57.9%	61.1%	73.7%	65.6%	58.8%	62.0%	63.0%
28.6%	29.4%	31.2%	31.5%	31.5%	31.9%	32.7%	32.7%	32.5%	31.0%	30.5%	30.0%
-9.7%	-2.8%	9.8%	10.8%	8.3%	10.2%	6.2%	-6.4%	1.9%	10.2%	7.5%	7.0%
6.0%	22.9%	26.7%	25.6%	23.2%	23.0%	24.1%	--	21.7%	25.7%	25.0%	25.0%
1195.0	2047.4	4187.4	4509.6	3174.5	3616.4	3066.0	1379.2	2439.0	3549.5	3160	3020
4.5%	5.0%	5.2%	5.4%	4.3%	4.0%	4.6%	4.2%	4.1%	3.9%	4.1%	4.3%
111815	113187	113761	115224	109751	109650	105181	104602	104938	103812	103500	104000
21201	22303	25135	26616	25319	27415	25445	24477	25405	24796	26000	27400
5.6%	9.2%	16.7%	16.9%	12.5%	13.2%	12.0%	5.6%	9.6%	14.3%	12.0%	11.0%
3.2%	6.4%	13.9%	14.2%	9.7%	10.7%	9.4%	2.9%	6.9%	11.4%	9.5%	8.5%
44%	31%	17%	16%	23%	19%	22%	48%	28%	21%	23%	24%

BUSINESS: The Travelers Companies, Inc. (formerly St Paul Travelers) is a leading provider of commercial property/casualty insurance and asset management services. Following the April 1, 2004 acquisition of Travelers, the company is now a leading underwriter of homeowners insurance and automobile insurance through independent agents. USF&G was another notable acquisition, which was purchased in April of 1998. Has approximately 30,800 employees. Officers and directors own approximately 1.4% of common stock outstanding (4/14 Proxy). Chief Executive Officer and President: Jay S. Fishman. Incorporated: Minnesota. Address: 485 Lexington Ave, New York, NY 10017. Telephone: 917-778-6000. Internet: www.travelers.com.

Travelers started out 2014 in fine fashion. The insurance giant registered operating share net, which excludes capital gains and losses, of \$2.95 in the March period, which was well above both last year's tally and our initial estimate. The main factor behind the strong showing was a very favorable combined ratio of 85.7% for the interim, which was a 2.8% improvement, year over year. Though catastrophes inched higher, that figure remained low based on the company's historical average. Also, the insurer benefited from a 5.1% favorable impact from reserve releases, which was 1% better than 2013.

The company's segments were a bit of a mixed bag, though the overall trend was positive. Premiums earned climbed at a mid-single-digit rate, as price hikes outdistanced cost inflation. The Business Insurance unit enjoyed record premiums, thanks to continued improvement in rates on renewals. Also, the Financial, Professional & International segment boasted an impressive 47% increase in the top line, as demand strengthened at both the Bond & Financial Products and International units. Meantime, premiums earned fell at

the Personal Insurance division, though there were some encouraging signs.

We have boosted our 2014 and 2015 share-net expectations by \$1.00 and \$0.45, respectively. Though these figures represent a decline from 2013's tally, we feel this is due to the likelihood of higher storm-related catastrophes. Last year was a light one for industrywide losses, and we feel that level is unsustainable longer term. Broader fundamentals remain solid, as price increases appear likely, though at a slightly slower rate. Too, Travelers should post an advance in investment income, thanks to likely increased invested assets.

We have increased our 3- to 5-year estimate, as well. Our optimism is predicated on a higher current earnings base and the likelihood of generally positive prospects for the industry over that period. **These shares are now timely.** This reflects the company's solid showing during the March period and the consequent positive share-price momentum. These shares may pique the interest of those with a 3- to 5-year horizon, too.

Alan G. House June 13, 2014