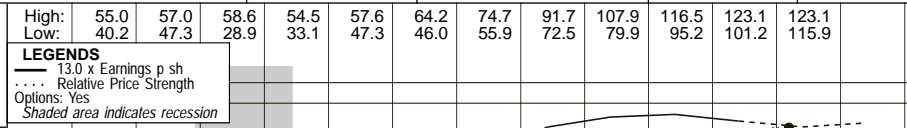


THE TRAVELERS CO NYSE-TRV

RECENT PRICE **122.24** P/E RATIO **12.0** (Trailing: 12.1; Median: 8.5) RELATIVE P/E RATIO **0.61** DIV'D YLD **2.2%** VALUE LINE

TIMELINESS **3** Raised 11/18/16
 SAFETY **1** Raised 9/16/11
 TECHNICAL **3** Lowered 2/24/17
 BETA .85 (1.00 = Market)



Target Price	Range	
2020	2021	2022
160	130	9%
130	10%	4%

2020-22 PROJECTIONS

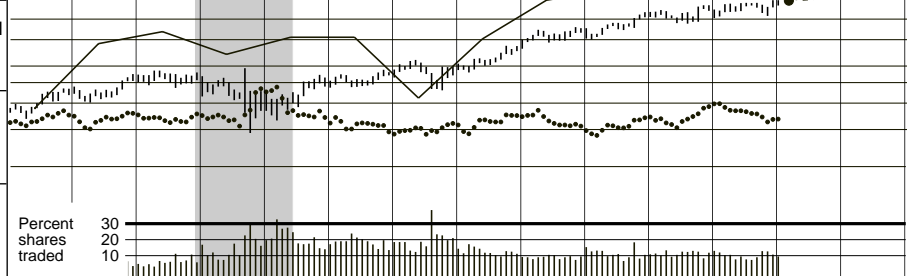
Price	Gain	Ann'l Total Return
High 160	(+30%)	9%
Low 130	(+5%)	4%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	1	0	0	1	0
Options to Buy	3	5	2	7	3	1	2	1	0
to Sell	1	4	2	5	3	1	0	2	0

Institutional Decisions

	2Q2016	3Q2016	4Q2016
to Buy	375	358	413
to Sell	442	446	477
Hlds(000)	232094	219201	223995



% TOT. RETURN 2/17

	THIS STOCK	VLARITH. INDEX
1 yr.	16.3	30.5
3 yr.	56.1	22.1
5 yr.	137.7	81.5

2001	2002	2003	2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	73.60	80.68	87.72	93.35	96.35	P/C Prem Earned per sh	98.20
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	8.65	8.04	8.23	8.60	9.35	Investment Inc per sh	11.00
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	7.44	8.43	5.00	5.15	5.30	Underwriting Inc per sh	6.85
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	10.56	10.87	10.13	9.50	9.90	Earnings per sh ^B	11.25
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	2.38	2.68	2.74	2.80	Div'ds Decl'd per sh ^C	3.00
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	77.08	79.75	83.02	89.10	95.45	Book Value per sh ^D	112.75
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	322.20	295.90	279.69	275.00	275.00	Common Shs Outst'g ^E	275.00
189%	153%	131%	122%	127%	125%	124%	105%	84%	89%	91%	95%	119%	120%	132%	137%			Price to Book Value	130%
--	31.0	13.8	19.9	14.0	7.8	7.8	8.7	7.0	8.2	17.4	10.3	8.8	8.8	9.7	11.2			Avg Ann'l P/E Ratio	13.0
--	1.69	.79	1.05	.75	.42	.41	.52	.47	.52	1.09	.66	.49	.46	.49	.59			Relative P/E Ratio	.80
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%	2.3%	2.3%	2.4%			Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 12/31/16
 Total Debt \$6,437 mill. Due in 5 Yrs \$2,485 mill. (22% of Cap'l)
 Leases, Uncapitalized \$159 mill.
 Pension Assets 12/15-\$3,127 mill.
 Pfd Stock None
 Common Stock 279,685,489 shs. as of 2/10/17
 MARKET CAP: \$34.2 billion (Large Cap)

FINANCIAL POSITION 2014 2015 12/31/16 (\$MILL)

Fixed Maturities	63574	60658	60515
Stocks	899	705	732
Premiums Due	6298	6437	6722
Other	32407	32384	32276
Total Assets	103078	100184	100245
Unearned Prem's	11839	11971	12329
Reserves	49850	48295	47949
Other	16553	16320	16746
Total Liabilities	78242	76586	77024

21470	21579	21418	21432	22090	22357	22637	23713	23874	24534	25670	26500	P/C Premiums Earned ^A	27000
57.7%	60.2%	57.9%	61.1%	73.7%	65.6%	58.8%	58.5%	57.5%	61.4%	62.0%	62.5%	Loss to Prem Earned	64.0%
31.5%	31.5%	31.9%	32.7%	32.7%	32.5%	31.0%	31.4%	32.1%	32.9%	32.5%	32.0%	Expense to Prem Writ	29.0%
10.8%	8.3%	10.2%	6.2%	-6.4%	1.9%	10.2%	10.1%	10.4%	5.7%	5.5%	5.5%	Underwriting Margin	7.0%
25.6%	23.2%	23.0%	24.1%	--	21.7%	25.7%	27.3%	27.6%	26.0%	25.5%	25.0%	Income Tax Rate	25.0%
4509.6	3174.5	3616.4	3066.0	1379.2	2439.0	3549.5	3644.6	3429.7	2833.3	2615	2725	Net Profit (\$mill)	3375
5.4%	4.3%	4.0%	4.6%	4.2%	4.1%	3.9%	4.0%	3.6%	3.3%	3.5%	3.8%	Inv Inc/Total Inv	5.5%
115224	109751	109650	105181	104602	104938	103812	103078	100184	100245	101500	103000	Total Assets (\$mill)	108500
26616	25319	27415	25445	24477	25405	24796	24836	23598	23221	24500	26250	Shr. Equity (\$mill)	31000
16.9%	12.5%	13.2%	12.0%	5.6%	9.6%	14.3%	14.7%	14.5%	12.2%	10.5%	10.5%	Return on Shr. Equity	11.0%
14.2%	9.7%	10.7%	9.4%	2.9%	6.9%	11.4%	11.7%	11.4%	9.0%	7.5%	7.5%	Retained to Com Eq	7.5%
16%	23%	19%	22%	48%	28%	21%	20%	22%	26%	29%	28%	All Div'ds to Net Prof	27%

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. Has approximately 30,900 employees.

Officers and directors own approximately 1.3% of common stock outstanding; BlackRock, 7.4%; The Vanguard Group, 6.1%; State Street Corporation, 6.0% (4/16 Proxy). Chief Executive Officer: Alan D. Schnitzer. Chairman: John H. Dasburg. Incorporated: Minnesota. Address: 485 Lexington Ave, New York, NY 10017. Telephone: 917-778-6000. Internet: www.travelers.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '20-'22
of change (per sh)			
Premium Inc	9.5%	11.5%	4.5%
Invest Income	6.0%	7.5%	4.5%
Earnings	15.5%	11.5%	1.5%
Dividends	8.0%	11.0%	5.0%
Book Value	9.5%	8.0%	6.0%

Travelers posted stellar results for the December quarter of last year. Specifically, earnings per share on an operating basis, excludes capital and gains on investments, clocked in at \$3.20. This tally blew away our \$2.57 expectation and the previous year's figure of \$2.90. Net premiums earned advanced 4.2%, which wasn't bad, given intense competitive conditions across the broader P/C industry. Net investment income surprisingly increased nearly 16% during the quarter, the only year-over-year quarterly advance last year. This reflects strong results in the equity portion of the investment portfolio. Stocks have performed well since the November election of Donald Trump as President, as investors believe his policies will be more business-friendly.

has trended higher over the past couple of years, reflecting a scarcity of significant catastrophes. Consequently, rate increases have become increasingly difficult to come by during policy renewal season. On a brighter note, investment income ought to advance, thanks to speculation that the Federal Reserve will begin to raise rates at a more aggressive pace. Increased investment income is a large factor behind our forecast for a bottom-line increase in 2018.

NET PREMIUMS EARNED (\$ mill.)^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	5823	5928	5983	5979	23713
2015	5888	5931	6032	6023	23874
2016	5981	6067	6209	6277	24534
2017	6320	6400	6450	6500	25670
2018	6550	6600	6650	6700	26500

The bottom line may take a step back in the year recently begun, before regaining footing next year. This is on the heels of a moderate year-over-year earnings decrease last year. The top line ought to improve, albeit at a measured pace, given somewhat lackluster supply and demand conditions in the broader insurance industry. Industrywide capacity

We have rolled out our forecast to the 2020-2022 time frame and look for share net to come in around \$11.00-\$11.50 over that period. Our projections are based on a decent economic backdrop that should facilitate rate hikes. **The main draw here is decent risk-adjusted return potential.** True, these shares don't stand out for year-ahead price performance (Timeliness 3; Average) or long-term gains potential. However, given the decent dividend and Highest (1) Safety score, TRV shares may appeal to conservative investors seeking a long-term insurance holding. Stock Price Stability is also top-notch.

EARNINGS PER SHARE^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	2.95	1.93	2.61	3.07	10.56
2015	2.52	2.52	2.93	2.90	10.87
2016	2.33	2.20	2.40	3.20	10.13
2017	2.45	2.30	2.25	2.50	9.50
2018	2.55	2.40	2.30	2.65	9.90

QUARTERLY DIVIDENDS PAID^C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.46	.50	.50	.50	1.96
2014	.50	.55	.55	.55	2.15
2015	.55	.61	.61	.61	2.38
2016	.67	.67	.67	.67	2.68

Alan G. House
 March 10, 2017

Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 90
Earnings Predictability 55

(A) P/C only. (B) Dil. egs. Excl. cap gains and losses after '02. Excl. nonrec. (charges)/gains in '02, ('18c); '06, '3c; '07, '14c; '08, ('42c); '09, '1c; '10, '31c; '11, '11c; '12, '9c; '13, '28c; '14, '14c; '15, '3c. Excl. losses from disc. ops.: '02, '12c; '03, '7c; '04, '62c. Excl. extra. losses: '02, '3c; '03, '9c. Next egs. rpt. late April. (C) Div'ds. paid in late March, June, Sept., Dec. Excl. spec. div'ds of 21c/sh. paid 3/04 and 4/04. Div'd reinv. plan avail. (D) Intang. '15: \$3,852 mill., \$12.40/sh. (E) In mill. (F) St. Paul only until '04.

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