

THE TRAVELERS CO NYSE-TRV

RECENT PRICE **123.73** P/E RATIO **13.4** (Trailing: 12.4 Median: 9.0) RELATIVE P/E RATIO **0.69** DIV'D YLD **2.3%** VALUE LINE

TIMELINESS **3** Raised 11/18/16
 SAFETY **1** Raised 9/16/11
 TECHNICAL **3** Lowered 6/2/17
 BETA .85 (1.00 = Market)

High: 55.0 57.0 58.6 54.5 57.6 64.2 74.7 91.7 107.9 116.5 123.1 125.5
 Low: 40.2 47.3 28.9 33.1 47.3 46.0 55.9 72.5 79.9 95.2 101.2 115.9

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

2020-22 PROJECTIONS

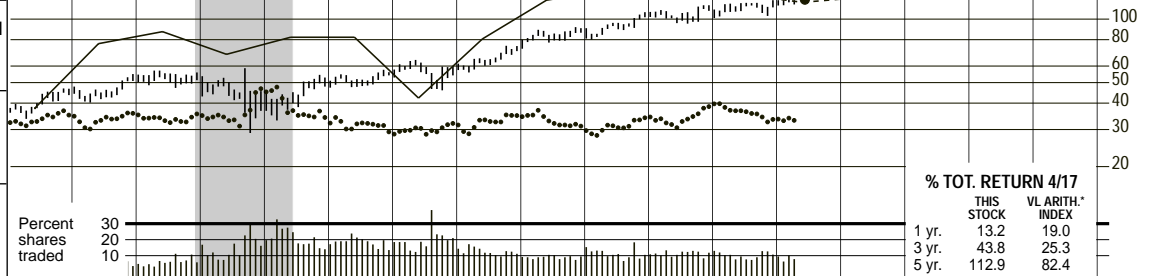
Price	160	Gain	(+30%)	Ann'l Total Return	9%
High	160	Low	130	Gain	(+5%)

Insider Decisions

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

Institutional Decisions

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



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	87.75	92.15	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	4.98	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	9.25	9.80	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	2.83	2.86	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	83.05	88.55	94.55	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	279.60	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 3/31/17
 Total Debt \$6,438 mill. Due in 5 Yrs \$2,485 mill. (21% of Cap'l)
 Leases, Uncapitalized \$147 mill.
 Pension Assets 12/16-\$3,387 mill. Oblig. \$3,367 mill.
 Pfd Stock None

Common Stock 279,415,829 shs. as of 4/17/17
MARKET CAP: \$34.6 billion (Large Cap)

FINANCIAL POSITION (\$MILL)

	2015	2016	3/31/17
Fixed Maturities	60658	60515	61268
Stocks	705	732	751
Premiums Due	6437	6722	7012
Other	32384	32276	32215
Total Assets	100184	100245	101246
Unearned Prems	11971	12329	12814
Reserves	48295	47949	48320
Other	16320	16746	16500
Total Liabilities	76586	77024	77634

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 .8% of common stock outstanding; BlackRock, 8.2%; The Vanguard Group, 7.4%; State Street Corporation, 6.6% (4/17 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 '14-'16 to '20-'22
of change (per sh)	10.5%	10.5%	3.5%
Premium Inc	6.0%	5.0%	5.0%
Invest Income	11.5%	14.5%	1.0%
Earnings	9.5%	10.5%	4.0%
Dividends	9.0%	6.5%	6.0%

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	6183	6300	6400	6452	25335
2018	6550	6600	6650	6700	26500

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	2.16	2.16	2.12	2.81	9.25
2018	2.52	2.38	2.27	2.63	9.80

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
2017	.67	.72			

Travelers posted a share-net decrease during the March quarter. Operating earnings per share (excludes capital gains and losses from the investment portfolio) registered \$2.16 a share, a 7.3% reduction from the year-ago tally. An uptick in the combined ratio (from 92.3% to 96%) was the primary culprit. Catastrophes were a significant factor, as they accounted for 5.7% of the combined ratio, or 40 basis points more than last year. That said, the underlying combined ratio (excludes catastrophes) was more in line with last year, with positive changes in net favorable prior-year reserves in 2016 being the main difference. Favorable comparisons in net premiums earned and net investment income were also promising.

Travelers' earnings should decelerate further this year before likely gaining traction in 2018. According to industry sources, the aggregate insurance market has been mired in difficult conditions for quite some time, which has made rate increases difficult to attain. Traveler's savvy management and immense size give it a leg up on the competition, and its strong balance sheet provides the wherewithal to

target new market opportunities. **Probable investment income gains underpin our long-term profit growth assumptions.** The Federal Reserve bank has indicated that it will continue to boost short-term interest rates in order to help keep inflation in check. This should provide an impetus for reinvestment rates on bonds moving forward. A healthier economy would also be good news for Travelers as this would give it greater leverage to raise prices.

These shares are an unexciting choice for both the year ahead and the 3- to 5-year pull. Fundamentals in the broader P/C insurance market are rather subdued, which limits the appeal of many industry participants. Indeed, Travelers can be viewed as a bellwether for the sector and is a relatively safe play compared to many of its competitors. Still, new commitments are best deferred until a more attractive entry point presents itself. However, existing shareholders might well hold onto their shares. The stock boasts a top Safety score (1), while its well-covered dividend is also a plus.

Alan G. House June 9, 2017

(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; '16, 15c. Excl. losses from disc. ops.: '02, 12c; '03, 7c; '04, 62c. Excl. extra. losses: '02, 3c; '03, 9c. Next egs. rpt. late July. (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. '16: \$3,848 mill., \$13.22/sh. (E) In mill. (F) St. Paul only until '04.

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

To subscribe call 1-800-VALUELINE