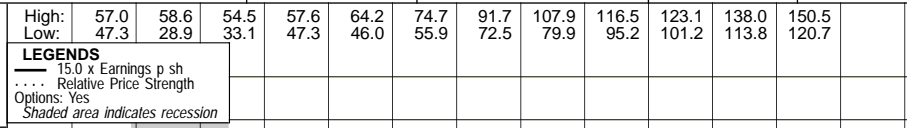


THE TRAVELERS CO NYSE-TRV

RECENT PRICE **132.28** P/E RATIO **13.1** (Trailing: 17.8; Median: 9.5) RELATIVE P/E RATIO **0.71** DIV'D YLD **2.3%** VALUE LINE

TIMELINESS **5** Lowered 8/24/18
 SAFETY **1** Raised 9/16/11
 TECHNICAL **3** Raised 8/17/18
 BETA .90 (1.00 = Market)

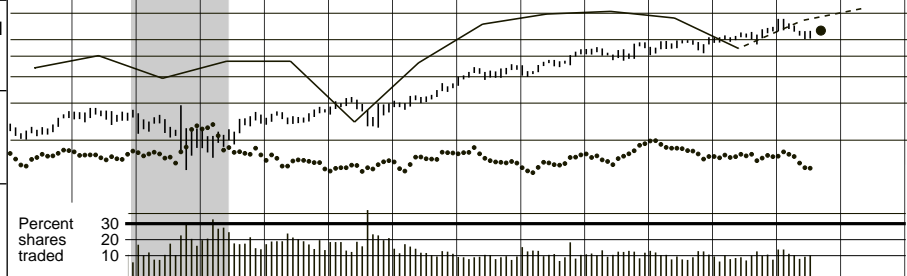


Target Price Range	2021	2022	2023
320			
200			
160			
120			
100			
80			
60			
40			

2021-23 PROJECTIONS
 Price Gain Ann'l Total
 High 215 (+65%) 15%
 Low 175 (+30%) 9%

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

Institutional Decisions
 4Q2017 1Q2018 2Q2018
 to Buy 381 392 423
 to Sell 421 526 487
 Hlds(000) 218639 213424 211868



% TOT. RETURN 7/18	THIS STOCK	VLARITH. INDEX
1 yr.	3.9	15.0
3 yr.	31.3	37.8
5 yr.	74.6	64.7

2002	2003	2004	2005F	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	94.63	100.15	105.35	P/C Prem Earned per sh	117.00
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	8.83	9.40	10.25	Investment Inc per sh	12.00
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	1.99	4.45	6.25	Underwriting Inc per sh	7.90
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	7.27	9.85	11.35	Earnings per sh ^B	13.00
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	2.88	2.92	Div'ds Decl'd per sh ^C	3.20
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	87.44	94.45	100.75	Book Value per sh ^D	126.40
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	271.40	270.00	268.00	Common Shs Outst'g ^E	265.00
153%	131%	122%	127%	125%	124%	105%	84%	89%	91%	95%	119%	120%	132%	137%	143%			Price to Book Value	160%
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	17.2			Avg Ann'l P/E Ratio	15.0
1.69	.79	1.05	.75	.42	.41	.52	.47	.52	1.09	.66	.49	.46	.49	.59	.85			Relative P/E Ratio	.85
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%	2.3%			Avg Ann'l Div'd Yield	1.6%

CAPITAL STRUCTURE as of 6/30/18
 Total Debt \$6,464 mill. Due in 5 Yrs \$2,520 mill.
 (22% of Cap'l)
 Leases, Uncapitalized \$130 mill.
 Pension Assets 12/17-\$3,957 mill.
 Oblig. \$3679 mill.
 Pfd Stock None
 Common Stock 267,683,231 shs.
 as of 7/16/18
 MARKET CAP: \$35.4 billion (Large Cap)

21579	21418	21432	22090	22357	22637	23713	23874	24534	25683	27035	28240	27035	28240	27035	28240	27035	28240	P/C Premiums Earned ^A	31000
60.2%	57.9%	61.1%	73.7%	65.6%	58.8%	58.5%	57.5%	61.4%	67.2%	65.0%	64.0%	65.0%	64.0%	65.0%	64.0%	65.0%	64.0%	Loss to Prem Earned	64.0%
31.5%	31.9%	32.7%	32.7%	32.5%	31.0%	31.4%	32.1%	32.9%	30.7%	30.5%	30.0%	30.5%	30.0%	30.5%	30.0%	30.5%	30.0%	Expense to Prem Writ	29.0%
8.3%	10.2%	6.2%	-6.4%	1.9%	10.2%	10.1%	10.4%	5.7%	2.1%	4.5%	6.0%	4.5%	6.0%	4.5%	6.0%	4.5%	6.0%	Underwriting Margin	7.0%
23.2%	23.0%	24.1%	--	21.7%	25.7%	27.3%	27.6%	25.7%	24.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	Income Tax Rate	20.0%
3174.5	3616.4	3066.0	1379.2	2439.0	3549.5	3644.6	3429.7	2972.0	2039.7	2660	3100	3.7%	4.0%	3.7%	4.0%	3.7%	4.0%	Net Profit (\$mill)	3575
4.3%	4.0%	4.6%	4.2%	4.1%	3.9%	4.0%	3.6%	3.5%	3.5%	3.7%	4.0%	3.5%	3.5%	3.7%	4.0%	3.5%	3.5%	Inv Int/Total Inv	5.5%
109751	109650	105181	104602	104938	103812	103078	100184	100245	103483	105000	107000	105000	107000	105000	107000	105000	107000	Total Assets (\$mill)	110500
25319	27415	25445	24477	25405	24796	24836	23598	23221	23731	25500	27000	25500	27000	25500	27000	25500	27000	Shr. Equity (\$mill)	33500
12.5%	13.2%	12.0%	5.6%	9.6%	14.3%	14.7%	14.5%	12.8%	8.6%	10.5%	11.5%	10.5%	11.5%	10.5%	11.5%	10.5%	11.5%	Return on Shr. Equity	10.5%
9.7%	10.7%	9.4%	2.9%	6.9%	11.4%	11.7%	11.4%	9.5%	5.3%	7.5%	8.5%	7.5%	8.5%	7.5%	8.5%	7.5%	8.5%	Retained to Com Eq	8.0%
23%	19%	22%	48%	28%	21%	20%	22%	25%	38%	29%	26%	29%	26%	29%	26%	29%	26%	All Div'ds to Net Prof	25%

FINANCIAL POSITION
 (SMILL)
 Fixed Maturities 60515 62694 62536
 Stocks 732 453 424
 Premiums Due 6722 7144 7786
 Other 32276 33192 32777
 Total Assets 100245 103483 103523
 Unearned Prems 12329 12915 13755
 Reserves 47949 49650 49961
 Other 16746 17187 17184
 Total Liabilities 77024 79752 80900

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 30,800 employees.

Officers and directors own approximately .8% of common stock outstanding; The Vanguard Group, 8.0%; BlackRock, 7.8%; State Street Corporation, 7.1% (4/18 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 '15-'17 to '21-'23
of change (per sh)	11.0%	10.0%	5.0%
Premium Inc	5.0%	2.5%	6.0%
Invest Income	6.0%	12.5%	5.5%
Earnings	10.0%	10.0%	3.5%
Dividends	8.5%	6.0%	7.0%
Book Value			

Travelers reported relatively subpar results during the June quarter. Looking at it with more granularity, operating share net, which excludes capital gains and losses from investments, dialed in at \$1.81, which was below 2017's \$1.92 and markedly lower than our \$2.75 expectation. The bottom line was constrained by a 1.4% elevation in the combined ratio to 98.1%. Though this implies underwriting profitability, the figure was sharply below our estimate. Catastrophes, net of reinsurance, added 7.3% to the combined ratio, compared to just 6.4% in the previous year's comparable period. Net favorable loss reserve (a plus for the income statement) was also less than the previous year, decreasing the combined ratio by just 2.8%, or 40 basis points less than 2017.

high recently, which many times gives insurers the upper hand during policy renewal season. Net investment income has been on an upward trend too, which we believe will continue over the next couple of years, should the Federal Reserve continue to boost borrowing rates to counter inflation. Insurers, it should be noted, keep the bulk of their investment portfolios in bonds.

Cal-endar	NET PREMIUMS EARNED (\$ mill.) ^A	Full Year			
Mar.31	Jun.30	Dec.31			
2015	5888	5931	6032	6023	23874
2016	5981	6067	6209	6277	24534
2017	6183	6351	6523	6626	25683
2018	6537	6695	6800	7003	27035
2019	6875	7000	7125	7240	28240

The industry behemoth's size should give it a leg up on the competition longer term. Its balance sheet has ample reserves, which is a nice cushion.

Cal-endar	EARNINGS PER SHARE ^B	Full Year			
Mar.31	Jun.30	Dec.31			
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	1.92	.91	2.28	7.27
2018	2.46	1.81	2.30	3.28	9.85
2019	2.73	2.88	2.70	3.04	11.35

These shares have ample room to run out to 2021-2023. The stock is also a relative safe haven, as reflected by its Highest (1) Safety rank and top score for Stock Price Stability. A good dividend yield, moderately above the Value Line median, should help sweeten the pot and provides a measure of downside protection. Conservative, long-term investors seeking an insurance holding for their portfolios would do well to consider these shares. However, they are unfavorably ranked for year-ahead relative price performance.

Cal-endar	QUARTERLY DIVIDENDS PAID ^C	Full Year			
Mar.31	Jun.30	Dec.31			
2014	.50	.55	.55	.55	2.15
2015	.55	.61	.61	.61	2.38
2016	.67	.67	.67	.67	2.68
2017	.67	.72	.72	.72	2.83
2018	.72	.77			

Other line items were roughly as we expected, which gives us increased optimism for the remainder of this year and 2019. Net premiums earned have been relatively strong in recent quarters, thanks to pricing gains across many product lines. This should not come as much of a surprise, given that industry-wide catastrophes have been relatively

(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; '17, 6c. Excl. losses from disc. ops.: '02, 12c; '03, 7c; '04, 62c. Excl. extra. losses: '02, 3c; '03, 9c. Next egs. rpt. late Oct. (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. '17: \$4,293 mill., \$15.41/sh. (E) In mill. (F) St. Paul only until '04.

Alan G. House
 September 7, 2018

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	55

To subscribe call 1-800-VALUELINE