

THE TRAVELERS CO NYSE-TRV

RECENT PRICE **146.28** P/E RATIO **13.1** (Trailing: 15.7 Median: 10.0) RELATIVE P/E RATIO **0.79** DIV'D YLD **2.2%** VALUE LINE

TIMELINESS 2 Raised 4/26/19	High: 58.6 54.5 57.6 64.2 74.7 91.7 107.9 116.5 123.1 138.0 150.5 148.9	Target Price Range 2022 2023 2024
SAFETY 1 Raised 9/16/11	Low: 28.9 33.1 47.3 46.0 55.9 72.5 79.9 95.2 101.2 113.8 111.1 115.1	
TECHNICAL 3 Lowered 5/24/19	LEGENDS --- 15.0 x Earnings p sh Relative Price Strength Options: Yes Shaded area indicates recession	
BETA .90 (1.00 = Market)		

2022-24 PROJECTIONS																Ann'l Total							
Price	Gain	High	Low	2003	2004	2005	2006F	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	P/C Prem Earned per sh	124.55
240	+65%	200	+35%	30.61	34.20	36.88	41.16	49.31	56.24	59.24	64.04	73.60	80.68	87.75	94.63	102.61	109.15	113.20	110.15	11.30	13.00	Investment Inc per sh	13.00
200		200		3.01	3.68	3.06	4.19	3.06	d3.59	1.10	6.54	7.44	8.43	4.98	1.99	.93	3.80	4.55	3.80	3.10	4.35	Underwriting Inc per sh	4.35

Insider Decisions	Institutional Decisions	Percent shares traded	© VALUE LINE PUB. LLC 22-24
J A S O N D J F M	2Q2018 3Q2018 4Q2018	30 20 10	
to Buy 0 0 0 0 0 0 0	423 397 429		
Options to Sell 3 2 2 4 0 1 3	487 523 527		
to Sell 0 2 0 0 1 0 1	Hlds(000) 211868 211480 211133		

CAPITAL STRUCTURE as of 3/31/19	21418	21432	22090	22357	22637	23713	23874	24534	25683	27059	28820	30000	P/C Premiums Earned A	33000
Total Debt \$7,057 mill. Due in 5 Yrs \$2,750 mill. (22% of Cap'l)	57.9%	61.1%	73.7%	65.6%	58.8%	58.5%	57.5%	61.4%	67.2%	70.0%	68.0%	68.0%	Loss to Prem Earned	70.0%
Leases, Uncapitalized \$127 mill. Pension Assets 12/18-\$3,444 mill. Oblig. \$3771 mill.	31.9%	32.7%	32.7%	32.5%	31.0%	31.4%	32.1%	32.9%	30.7%	29.1%	28.5%	28.0%	Expense to Prem Writ	26.5%
Pfd Stock None	10.2%	6.2%	-6.4%	1.9%	10.2%	10.1%	10.4%	5.7%	2.1%	.9%	3.5%	4.0%	Underwriting Margin	3.5%
Common Stock 261,908,210 shs. as of 4/15/19	23.0%	24.1%	--	21.7%	25.7%	27.3%	27.6%	25.7%	24.1%	14.1%	20.0%	20.0%	Income Tax Rate	18.0%
MARKET CAP: \$38.3 billion (Large Cap)	3616.4	3066.0	1379.2	2439.0	3549.5	3644.6	3429.7	2972.0	2039.7	2523.0	2955	3125	Net Profit (\$mill)	3880
FINANCIAL POSITION 2017 2018 3/31/19 (\$MILL)	4.0%	4.6%	4.2%	4.1%	3.9%	4.0%	3.6%	3.5%	3.5%	3.6%	3.7%	4.0%	Inv Int/Total Inv	5.0%
Fixed Maturities 62694 63464 65500	109650	105181	104602	104938	103812	103078	100184	100245	103483	104233	105750	107000	Total Assets (\$mill)	110000
Stocks 453 368 400	27415	25445	24477	25405	24796	24836	23598	23221	23731	22894	25000	27250	Shr. Equity (\$mill)	34000
Premiums Due 7144 7506 7947	13.2%	12.0%	5.6%	9.6%	14.3%	14.7%	14.5%	12.8%	8.6%	11.0%	12.0%	11.5%	Return on Shr. Equity	11.5%
Other 33192 32895 33339	10.7%	9.4%	2.9%	6.9%	11.4%	11.7%	11.4%	9.5%	5.3%	7.5%	8.5%	8.5%	Retained to Com Eq	9.0%
Total Assets 103483 104233 107246	19%	22%	48%	28%	21%	20%	22%	25%	38%	32%	28%	28%	All Div'ds to Net Prof	23%
Unearned Prem 12915 13555 14122	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 30,400 employees.													
Reserves 49650 50668 50718	Officers and directors own approximately .7% of common stock outstanding; The Vanguard Group, 8.5%; BlackRock, 8.0%; State Street Corporation, 6.7% (4/19 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.													
Other 17187 171116 18066	Travelers posted solid first-quarter results and its share price responded in kind. Looking at it with more granularity, share earnings on an operating basis, which excludes capital gains and losses from the investment portfolio, dialed in at \$2.99, which represented a 22% advance over the previous-year figure. The tally was also \$0.40 higher than we had expected. The solid first-quarter results can be viewed as a harbinger of things to come. The strong start to 2019 is a positive development for the aggregate insurance industry, as Travelers is largely viewed as a bellwether for the sector. On point, we look for a solid uptick at the bottom line in 2019, to \$11.20 a share, with a good, albeit less stellar, improvement next year to \$11.80 a share. Last year saw a good amount of catastrophes for the insurance industry, which can be viewed as a bit of a double-edged sword. On one hand, they cut into net income as claims are paid out. However, they also provide a degree of leverage during the following year's renewal season. What we are seeing in the insurance industry right now is good rate													
Total Liabilities 79752 81339 82906	increases across many product lines, reflecting last year's higher-than-normal loss activity. Also, though net investment income decreased during the first quarter, largely reflecting volatility in the equity markets, we believe this item will post advances in both 2019 and 2020. We attribute this to increased cash flows, which will result in a higher level of invested assets, coupled with a strong likelihood of increased bond reinvestment rates. Though the Federal Reserve has taken its foot off the throttle regarding interest rate increases in the near term, overall yields are higher than they were a year ago. We look for the bottom line to advance at a mid-single-digit clip, on average, over the pull to 2022-2024. Our optimism is based on a decent economic backdrop over that period, which should allow for steady rate increases. Likely higher investment income should also provide a shot in the arm. Travelers is a solid all-around selection. It is timely, boasts solid risk-adjusted long-term total return potential, and a decent dividend sweetener the pot. <i>Alan G. House June 7, 2019</i>													

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
of change (per sh)	11.0%	9.5%	4.5%
Premium Inc	5.0%	3.0%	6.5%
Invest Income	4.0%	7.0%	9.0%
Earnings	10.0%	9.5%	2.5%
Dividends	7.5%	5.0%	7.0%
Book Value			

Cal-endar	NET PREMIUMS EARNED (\$ mill.) A				Full Year
2016	5981	6067	6209	6277	24534
2017	6183	6351	6523	6626	25683
2018	6537	6695	6882	6945	27059
2019	6855	7430	7360	7175	28820
2020	7350	7475	7550	7625	30000

Cal-endar	EARNINGS PER SHARE B				Full Year
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	2.54	2.13	8.94
2019	2.83	2.47	2.44	3.46	11.20
2020	2.80	3.00	2.85	3.15	11.80

Cal-endar	QUARTERLY DIVIDENDS PAID C				Full Year
2015	.55	.61	.61	.61	2.38
2016	.67	.67	.67	.67	2.68
2017	.67	.72	.72	.72	2.83
2018	.72	.77	.77	.77	3.03
2019	.77	.82			

(A) P/C only. (B) Dil. egs. Excl. cap gains and losses after '02. Excl. nonrec. (charges)/gains in '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.: '03, '7c; '04, '62c. Excl. extra. losses: '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. (D) Div'd reinv. plan avail. (E) Intang. '18: \$4,290 mill., \$16.25/sh. (F) St. Paul only until '04.

Company's Financial Strength **A++**
 Stock's Price Stability **100**
 Price Growth Persistence **75**
 Earnings Predictability **60**

To subscribe call 1-800-VALUELINE