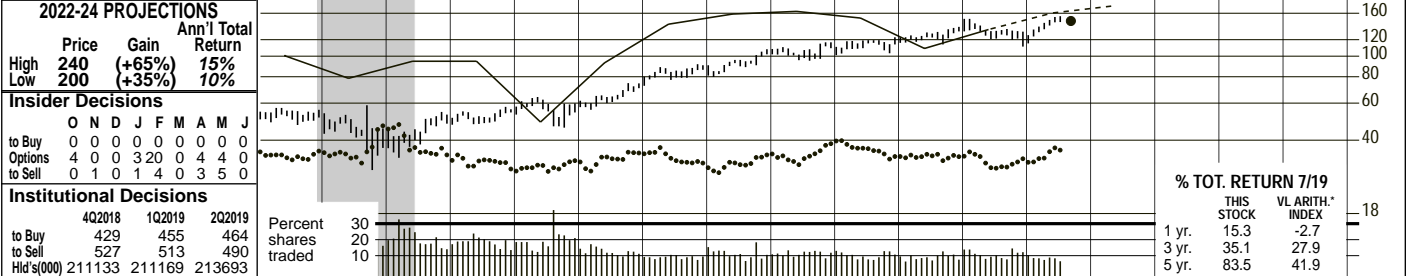


THE TRAVELERS CO NYSE-TRV

RECENT PRICE **147.10** P/E RATIO **13.9** (Trailing: 15.5; Median: 10.0) RELATIVE P/E RATIO **0.87** DIV'D YLD **2.2%** VALUE LINE

TIMELINESS 2 Raised 8/9/19	High: 58.6	54.5	57.6	64.2	74.7	91.7	107.9	116.5	123.1	138.0	150.5	155.1							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 2 Lowered 9/6/19	LEGENDS — 15.0 x Earnings p sh ... Relative Price Strength Options: Yes Shaded area indicates recession																							
BETA .85 (1.00 = Market)																								



2003	2004	2005	2006F	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	102.61	106.50	113.20	P/C Prem Earned per sh	124.55
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	9.38	10.15	11.30	Investment Inc per sh	13.00
d.86	d.275	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	.93	3.80	4.55	Underwriting Inc per sh	4.35
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	8.94	10.70	11.60	Earnings per sh ^B	14.65
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	3.03	3.23	3.28	Div's Decl'd per sh ^C	3.30
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	86.82	96.15	104.80	Book Value per sh ^D	128.30
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	263.70	260.00	260.00	Common Shs Outst'g ^E	265.00
131%	122%	127%	125%	124%	105%	84%	89%	91%	95%	119%	120%	132%	137%	143%	151%			Price to Book Value	160%
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	14.7			Avg Ann'l P/E Ratio	15.0
.79	1.05	.75	.42	.41	.52	.47	.52	1.09	.66	.49	.46	.49	.59	.87	.79			Relative P/E Ratio	.85
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%	2.3%			Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 6/30/19				2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Total Debt \$6,558 mill. Due in 5 Yrs \$2,555 mill. (21% of Cap'l)				21418	21432	22090	22357	22637	23713	23874	24534	25683	27059	28120	30000														
Leases, Uncapitalized \$127 mill.				57.9%	61.1%	73.7%	65.6%	58.8%	58.5%	57.5%	61.4%	67.2%	70.0%	68.0%	68.0%														
Pension Assets 12/18-\$3,444 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%														
Oblig. \$3771 mill.				10.2%	6.2%	-6.4%	1.9%	10.2%	10.1%	10.4%	5.7%	2.1%	.9%	3.5%	4.0%														
Pfd Stock None				23.0%	24.1%	--	21.7%	25.7%	27.3%	27.6%	25.7%	24.1%	14.1%	20.0%	20.0%														
Common Stock 260,385,722 shs. as of 7/19/19				3616.4	3066.0	1379.2	2439.0	3549.5	3644.6	3429.7	2972.0	2039.7	2523.0	2780	3015														
MARKET CAP: \$38.3 billion (Large Cap)				4.0%	4.6%	4.2%	4.1%	3.9%	4.0%	3.6%	3.5%	3.5%	3.6%	3.7%	4.0%														
FINANCIAL POSITION (\$MILL)				109650	105181	104602	104938	103812	103078	100184	100245	103483	104233	105750	107000														
Fixed Maturities				62694	63464	67172																							
Stocks				453	368	406																							
Premiums Due				7144	7506	8297																							
Other				33192	32895	32697																							
Total Assets				103483	104233	108572																							
Unearned Prems				12915	13555	14538																							
Reserves				49650	50668	51073																							
Other				17187	171116	17640																							
Total Liabilities				79752	81339	83251																							

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.

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.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
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
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	5981	6067	6209	6277	24534
2017	6183	6351	6523	6626	25683
2018	6537	6695	6882	6945	27059
2019	6855	6988	7100	7177	28120
2020	7350	7475	7550	7625	30000

Cal-endar	EARNINGS PER SHARE ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	2.02	2.45	3.40	10.70
2020	2.75	2.95	2.80	3.10	11.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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			

P/C industry bellwether Travelers reported good results on a year-over-year basis, however, they fell short of our expectations. Looking at it with more granularity, operating share net (excludes capital gains and losses from investments) dialed in at \$2.02, which was a marked advance over the previous year's figure of \$1.81, but considerably below our \$2.47 call. Net premiums earned advanced 4.4%, to just short of \$7 billion. Meantime, the combined ratio increased 30 basis points to 98.4%, as weather-related losses increased. This figure ticked closer to the underwriting break-even point (100%), however, we believe that the increase reflects elevated industrywide catastrophes and not company-specific fundamentals. Net investment income advanced more than 9%, to \$648 million. This isn't surprising, given an increase in invested assets, coupled with higher fixed-income reinvestment rates. The latter reflects several rate increases by the Federal Reserve over the past couple of years. However, the central bank has reversed course in recent weeks, which is a variable that bears watching.

We look for the positive trends to continue next year, assuming current secular conditions remain roughly as they are now. Price increases across the insurance industry have been relatively decent, buoyed by weather-related catastrophes around many parts of the country. What's more, we look for investment income trends to remain favorable, at least over the next several months. However, these trends would likely reverse course if the Fed continues to lower interest rates.

Travelers shares are trading about the same level they were three months ago. This has been the case, despite a relatively strong second quarter, and a positive outlook for the remainder of this year. This stock is in the good graces of our ranking system, which pegs it to be an outperformer in the year ahead. The Dow-30 component is also a worthwhile selection for the 3- to 5-year pull. While its capital appreciation potential is nothing to write home about, a decent dividend and a good Safety score (1; Highest), add to its appeal on a risk-adjusted basis.

Alan G. House September 6, 2019

(A) P/C only. (B) Dil. eqs. 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 eqs. 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. (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	80
	Earnings Predictability	65