

## **Boiler & Machinery**

### **Base Commissions**

The base commission ranges set forth below are applicable to mono-line Boiler & Machinery policies.

Compensation paid on any particular policy of insurance is based on a variety of factors. As a result, we sometimes pay base commissions outside of the range referenced below, although this range reflects what we pay on at least ninety-percent of the mono-line Boiler & Machinery policies we sell.

| Low | High |
|-----|------|
| 14% | 20%  |

The base commission percentages shown represent business written from January 1, through September 30, 2006. [To be updated as soon as full-year results are available.] The ranges shown may not reflect historic commission rates for all in-force policies.

### **Contingent Commission**

We do not pay contingent commissions on mono-line Boiler & Machinery policies.

### **Supplemental Compensation**

In addition to the base commission percentages reflected above, a producer may also receive supplemental compensation on the products lists above, for certain eligible policies. For 2007, we project that ninety percent or more of producers who elect supplemental compensation in lieu of contingent commissions will receive supplemental compensation ranging from 1.0% to 7.25% of the premiums on eligible policies.

### **Business Production Incentives**

At times we will provide producers or their employees the opportunity to receive additional compensation for placing specific types of policies with us, helping us pursue new business opportunities with their customers, advertising Travelers products and services, or performing other tasks. The form of compensation might be additional commission, a specific dollar amount, or merchandise. Not all producers who have agreements of this type with us actually earn payments under those agreements. But for over ninety percent of those who did earn payments of this type in 2005 (the last year for which data is currently available), business production incentive payments ranged from 0.3% to 2.0% of the premiums on eligible policies.

### **Promotional Expense Reimbursements**

We may also reimburse certain producers' expenses relating to marketing activities. This may include travel to and attendance at Travelers-sponsored conferences or events, training expenses, or the costs of other goods and services that help to promote our company and our products.

Your insurance broker or independent insurance agent can provide additional information about specific compensation received in connection with your policy.