PRODUCER COMPENSATION DISCLOSURE

Boiler & Machinery

The information set forth below applies to mono-line Boiler & Machinery policies, and reflects compensation paid on eligible policies written during the most recent contract period. It may not reflect historic compensation rates on all in-force policies.

Compensation paid on any particular policy of insurance is based on a variety of factors. As a result, producers who have agreements under which they can earn particular types of compensation do not always earn compensation under those agreements. Furthermore, we sometimes pay compensation outside of the ranges specified below.

Nonetheless, where we report a range of low to high compensation, that information reflects what we paid to at least ninety percent of the producers who earned compensation of that type. Averages, on the other hand, reflect amounts paid to one-hundred percent of producers who earned that type of compensation.

Base Commissions

Last year, base commissions on new and renewal mono-line Boiler & Machinery policies ranged from a low of 15.0% to a high of 25.0% of the premiums on eligible policies. Average base commissions were 21.7% on new policies and 19.0% on renewals.

Contingent Compensation

Last year, we did not pay contingent compensation on mono-line Boiler & Machinery policies.

Fixed, Value-Based Compensation

In addition to the base commissions reflected above, a producer may receive fixed, value-based compensation on certain eligible mono-line Boiler & Machine policies. Last year, these payments ranged from a low of 1.3% to a high of 4.2% of the premiums on eligible policies and averaged 2.6% for both new and renewal business.

Business Production Incentives

Last year, we did not pay business production incentives on mono-line Boiler & Machinery policies.

Promotional Expense Reimbursements

We may also reimburse certain producers' expenses relating to marketing activities. Reimbursable expenses may include advertising costs, 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.