

Climate Risk Disclosure Survey Guidance Reporting Year 2017

This document offers guidance to insurers responding to the annual mandatory Insurer Climate Risk Disclosure Survey (hereafter referred to as the “Survey”). Those questions contained in this guidance document which are not part of the official set of Survey questions are intended only to guide respondents as they craft their responses to the Survey and are not compulsory.

Guidance Notes

Survey Application and Instructions

i. Response Submissions

Mandatory disclosure will depend on the premium amounts reported for the most immediate prior financial reporting year. If an insurer reports over **\$100,000,000** for **2017**, it must complete the survey and submit it on or before **August 31, 2018**. However, if an insurer reports less than that, it will not be required to complete and file the survey, but it may do so voluntarily.

ii. Quantitative and Forward-Looking Information

Insurers are not required to submit quantitative information but may do so without implying materiality. Insurers are encouraged to provide quantitative information where it offers additional clarity on trends in the intensity or attenuation of natural hazards, insured losses, investment portfolio composition, policyholder risk reduction or improvements in computer modeling. As climate science improves (i.e., when there is greater agreement between observed data and models or when there is integration of catastrophe and climate models), insurers should be able to provide quantitative information with less uncertainty.

Insurers are required to answer all questions in good faith and with meaningful responses. However, there is no requirement to provide information that is immaterial to an assessment of financial soundness (insurers may choose to disclose such information voluntarily, with no implication that such information is in fact material).

Insurers are encouraged but not required to provide forward-looking information that will indicate the risks and opportunities insurers may face in the future; when provided, insurers may disclaim any responsibility for the accuracy of such forward-looking information. Forward-looking information is assumed to have some degree of uncertainty; if provided, insurers should offer explanation on the degree and sources of uncertainty as well as assumptions employed.

iii. Response Required

Insurers in all segments of the industry are required to respond to all eight questions. An insurer may state that a question is not relevant to its business practice, operations or investments. However, if it does so, it must also explain why the question is not relevant.

Narrative responses are acceptable. Where an insurer’s response to other disclosure mechanisms, such as the Carbon Disclosure Project (CDP) or Global Reporting Initiative, explicitly addresses the subject matter of a question in this survey, the insurer may use their most recent response to that external mechanism.

Survey Questions

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Question One: Does the company have a plan to assess, reduce or mitigate its emissions in its operations or organizations?

Yes - The company has a plan to assess and reduce or mitigate emissions in our operations or organizations - Please summarize.

No - The company does not have a plan to assess and reduce or mitigate emissions in our operations or organizations - Please describe why not.

Insurers who are unfamiliar with frameworks for greenhouse gas emission measurement and management are encouraged to review the principles of “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)” developed by the World Resources Institute and the World Business Council for Sustainable Development (“the GHG Protocol”).

Each insurer is encouraged to clarify whether its plan for measuring and management of its emissions in operations and/or its subsidiary organizations’ operations includes emissions related to energy use for data storage or other computing-intensive processes.¹

The Travelers Companies, Inc. and its subsidiaries and affiliates, including those subsidiaries that are licensed property casualty insurers required to respond to this Climate Risk Disclosure Survey (collectively “Travelers” or “company”) began to assess and develop plans for reducing or mitigating its emissions in its operations and organizations many years ago. After studying the issues and opportunities associated with such an endeavor, we initially established a goal to reduce our emissions by 7% prior to December 31, 2011, with 2006 as a base year. Included in this base year analysis were all of our scope 1 and scope 2 emissions, including our data center operations. The original program goals were developed with the assistance of the EPA Climate Leaders Program, its associated consultants and the Business Roundtable Climate Resolve Group. Strategies to achieve our emissions reduction target include, among other things, systems upgrades and recommissioning, more efficient workplace design and operation and procurement of goods and services that better align with our overall goals. Between the start of 2006 and the end of 2011, we achieved a 7.5% reduction in emissions, exceeding our original goal. Subsequently we established a goal to reduce our scope 1 and scope 2 emissions by another 4% by the end of 2020, with 2011 as a base year and taking into account expected emissions from a new full service data center completed in 2015. With the continued progress in emissions reduction and some changes to the company’s owned real estate portfolio, we have already exceeded our goal and as a result we modified our reduction goal to a 40% reduction by 2020. As of 2018, we have also started to measure our Scope 3 Business Travel. Finally, on an annual basis, we also undergo a recertification process for our owned buildings under the Energy Star Program.

¹ Data centers consume more energy than any other area of an organization because they contain both IT equipment and the infrastructure that is needed to cool that equipment. The Environmental Protection Agency found that data centers consumed about 60 billion kilowatt-hours (kWh) in 2006, roughly 1.5 percent of total U.S. electricity consumption. Nancy Faig, Insurance & Technology “The Greening of Data Centers” Mar 07, 2008 URL: <http://www.insurancetech.com/showArticle.jhtml?articleID=206902492>.

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Question Two: Does the company have a climate change policy with respect to risk management and investment management? If yes, please summarize. If no, how do you account for climate change in your risk management?

Yes - The company has a climate change policy with respect to risk management and investment management - Please summarize.

No - The company does not have a climate change policy with respect to risk management and investment management - Please describe how you account for climate change in your risk management, or why you do not account for climate change in your risk management.

Questions to consider include:

- Where in the structure of the company is climate risk addressed?
- Does the company approach climate change as an Enterprise Risk Management (ERM) issue?
- Does the company have a dedicated point-person or team within the company that is responsible for managing its climate change strategy?
- What is the role of the board of directors in governing climate risk management?
- Does the company consider potentially correlated risks affecting asset management and underwriting?
- Has the company issued a public statement on its climate policy

Across all aspects of our business and through public policy initiatives, Travelers promotes responsible environmental practices that seek to reduce our carbon footprint and build resilient communities. These practices extend to the work we do with our customers in helping them mitigate risks associated with changing climate conditions.

Risk management for changing climate conditions is addressed within our business model and Enterprise Risk Management (ERM) framework. We continually monitor, assess and respond to risks posed by changing climate conditions in order to provide insurance products and services that address customer needs while allowing us to achieve appropriate financial returns by adjusting pricing for our products as external changes occur over time. Responsibility for executing our strategies related to climate and changes in the environment continues to reside primarily in the business and corporate areas where there is applicable authority, expertise, and execution capability.

At the highest level, the Risk Committee of the Board of Directors of Travelers (the "Risk Committee") assists the Board in exercising its oversight of Travelers' operational activities and the identification and review of significant operating risks. For climate-related risks, the Board and its Risk Committee are advised by several management groups and committees, including the Enterprise Catastrophe Strategy and Analysis group, the Enterprise Risk Committee, the Emerging Issues Committee and the committee on Climate, Energy and the Environment (CEEC).

The CEEC facilitates coordination and supports climate-related initiatives and strategies across Travelers. It is a venue to share information and leverage expertise within four subgroups led by senior staff, each aligned with a key area of focus:

- Risk Identification and Management: Supports business area activities to identify, monitor, and assess climate-related risks. Participants include Enterprise Risk Management, the

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Emerging Issues group, Enterprise Catastrophe Strategy and Analysis, Investments, Government Relations, Risk Control, Claim, and Enterprise Underwriting.

- Products, Market Development and Customer Services: Supports activities to identify and develop product opportunities, explore potential new markets, and expand services to help customers prepare for and respond to potential risks related to changing climate and “green” trends. Participants include Business Insurance Underwriting and Product, Enterprise Underwriting, Risk Control, Claim, the Renewable Energy Practice group, and all business units.
- External Relations, Communications, and Industry Leadership: Supports Travelers’ external-facing corporate groups on matters pertaining to climate, energy, and the environment. Participants include the Travelers Institute, Government Relations, Corporate Communications, Enterprise Catastrophe and Analysis, Enterprise Underwriting, Risk Control, Community Relations and Investor Relations.
- Facilities and Operations Management: Coordinates Travelers initiatives and activities to develop and implement environmentally responsible corporate practices, including establishing and implementing emission reduction practices and monitoring progress in achieving emission reduction goals. Participants include Travelers Facilities Managers.

Enterprise Risk Management

As a large property and casualty insurance enterprise, Travelers is exposed to many risks. These risks are a function of the environments within which the company operates. Since certain risks can be correlated with other risks, an event or a series of events can impact multiple areas of the company simultaneously and have a material effect on Travelers’ results of operations. These exposures require an entity-wide view of risk and an understanding of the potential impact on all aspects of Travelers’ operations. It also requires Travelers to manage its risk-taking to be within its risk appetite in a prudent and balanced effort to create and preserve value for all of the company’s stakeholders.

This approach to company-wide risk evaluation and management is commonly called Enterprise Risk Management (ERM). ERM activities involve both the identification and assessment of a broad range of risks and the execution of synchronized strategies to effectively manage such risks. Effective ERM also includes the determination of Travelers’ risk capital needs, which takes into account regulatory requirements and credit rating considerations, in addition to economic and other factors.

ERM at Travelers is an integral part of our business operations. All corporate leaders and the Board of Directors are engaged in ERM. ERM involves risk-based analytics, as well as reporting and feedback throughout the enterprise in support of the company’s long-term financial strategies and objectives. Board oversight of ERM is provided primarily by the Risk Committee of the Board, which reviews the strategies, processes and controls pertaining to Travelers’ insurance operations and oversees the implementation, execution, and performance of Travelers’ ERM program. The Risk Committee of the Board meets with senior management at least four times a year to discuss ERM activities and provides a report to the full Board of Directors after each such meeting. Other committees of the Board, including the Nominating

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and Governance Committee, the Audit Committee and the Compensation Committee, also play a role in ERM.

Travelers uses various analyses and methods, including proprietary and third-party computer modeling processes, to make underwriting and reinsurance decisions designed to manage Travelers' exposure to catastrophic events. In addition to catastrophe modeling and analysis, Travelers also models and analyzes its exposure to other extreme events. We also utilize proprietary and third-party computer modeling processes to evaluate capital adequacy. These analytical techniques are an integral component of the company's ERM process and further support the company's long-term financial strategies and objectives.

Our responses to questions 2 through 8 of this survey describe some specific ways in which Travelers' risk management accounts for changing climate conditions. ERM at Travelers is described under "Enterprise Risk Management" (pages 33 and 34) in our most recent Form 10-K, available here: <http://investor.travelers.com/Doc/Index?did=43562825>; see also Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - "Changing Climate Conditions" (pages 112-113). Please note that page numbers referenced throughout this survey response to the Travelers 10-K are to the PDF version accessible through the link provided.

Question Three: Describe your company's process for identifying climate change-related risks and assessing the degree that they could affect your business, including financial implications.

Yes - The company has a process for identifying climate change-related risks and assessing the degree that it could affect our business including financial implications - Please summarize.

No - The company does not have a process for identifying climate change-related risks and assessing the degree that it could affect our business including financial implications - Please describe why not.

Questions to consider include:

- How may climate change shift customer demand for products?
- What implications may climate change have on liquidity and capital needs?
- How might climate change affect limits, cost and terms of catastrophe reinsurance, including reinstatement provisions?
- Has the insurer considered creative methods of risk distribution such as contingency plans to reduce financial leverage and resolve any liquidity issues in the event of a sudden loss in surplus and cash outflows as a result of a catastrophic event?
- How are these impacts likely to evolve over time? Does the company have plans to regularly reassess climate change related risks and its responses to those risks?

As discussed in our response to question 2, risk management for changing climate conditions is addressed within our business model and Enterprise Risk Management (ERM) framework. As an integral part of our business operations, we continually monitor, assess and respond to the risks posed by changing climate conditions in order to provide insurance products and services that address customers' needs and to price those products and services at levels that will allow us to achieve appropriate financial returns. In that response, we further provide a description of the processes for identification of climate-related risks.

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As noted, the CEEC facilitates coordination and supports the various climate-related initiatives and strategies across Travelers. Within this committee, the Risk Identification and Management sub-group supports business area activities to identify, monitor, and assess climate-related risks. Participants include Enterprise Risk Management, the Emerging Issues group, Enterprise Catastrophe Strategy and Analysis, Investments, Government Relations, Risk Control, Claim and Enterprise Underwriting.

Additionally, Travelers regularly reviews emerging issues, including changing climate conditions, to consider potential changes to its modeling and the use of such modeling, as well as to help determine the need for new underwriting strategies including pricing, coverage modifications or new products.

In our 2017 Form 10-K, available here: <http://investor.travelers.com/Doc/Index?did=43562825>, we discuss Travelers use of various analyses and methods, including proprietary and third-party computer modeling processes, to analyze catastrophic events and the risks associated with them. Travelers uses these analyses and methods to make underwriting and reinsurance decisions designed to manage Travelers exposure to catastrophic events. There are no industry-standard methodologies or assumptions for projecting catastrophe exposure. Accordingly, catastrophe estimates provided by different insurers may not be comparable. Travelers actively monitors and evaluates changes in third-party models and, when necessary, calibrates the catastrophe risk model estimates delivered via Travelers' own proprietary modeling processes. We consider historical loss experience, recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including non-modeled losses, to refine our proprietary view of catastrophe risk. These proprietary models are continually updated as new information and techniques emerge. These analytical techniques are an integral component of Travelers' ERM process and further support our long-term financial strategies and objectives (see Enterprise Risk Management [pages 33 and 34], Risk Factors [beginning on page 46] and Catastrophe Modeling [pages 110-112].)

All of the catastrophe modeling tools that we use, or that we rely on from outside parties, to evaluate certain of our catastrophe exposures are based on many significant assumptions and judgments and may produce estimates that are materially different than actual results. For example, tornado and hail models are newer and may be less predictive due to the highly random geographic nature and size of the events. As a result, tornado and hail models may have greater difficulty accurately estimating losses. Further, changes in climate conditions could cause our underlying modeling data to be less predictive, thus limiting our ability to effectively evaluate and manage catastrophe risk. We rely, in part, upon this analysis to make underwriting decisions designed to manage our exposure on catastrophe-exposed business.

Question Four: Summarize the current or anticipated risks that climate change poses to your company. Explain the ways that these risks could affect your business. Include identification of the geographical areas affected by these risks.

Yes - *The company has identified current or anticipated risks that climate change poses to our company - Explain the ways that these risks could affect your business - Include identification of the geographical areas affected by these risks.*

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No - The company has not identified current or anticipated risks that climate change will pose to our company - Please describe why not.

Questions to consider include:

- Which business segments or products are most exposed to climate-related risks?
- Has the company considered its potential exposure to climate liability through its D&O or CGL policies?
- Are there geographic locations, perils or coverages for which the company has increased rates, limited sales, or limited or eliminated coverages because of catastrophic events? How do those actions relate to assessments of climate change impacts made by the company?
- Has the company examined the geographic spread of property exposures relative to the expected impacts of climate change, including a review of the controls in place to assure that the insurer is adequately addressing its net exposure to catastrophic risk?

Severe weather events over the last two decades have underscored the unpredictability of future climate trends and created uncertainty regarding insurers' exposures to financial loss as a result of catastrophes and other weather-related events. Accordingly, the company may be subject to increased losses from catastrophes and other weather-related events. Demographic changes in areas prone to wildfires have also expanded the Company's potential for losses from wildfires. Additionally, the company's catastrophe models may be less reliable due to the increased unpredictability in frequency and severity of severe weather events or other emerging trends in climate conditions. Our property and casualty insurance operations expose us to claims arising out of catastrophes. Catastrophes can be caused by various natural events, including, among others, hail, wildfires, severe winter weather and floods.

The geographic distribution of our business subjects us to catastrophe exposures in the United States and Canada, which include, but are not limited to: hurricanes from Maine through Texas; tornadoes and hail storms throughout Central, Mid-Atlantic and Southeastern regions of the United States and wildfires, particularly in western states and Canada. In addition to our operations in the United States and Canada, our international operations subject us to catastrophe exposures in the United Kingdom, the Republic of Ireland and Brazil, as well as to a variety of world-wide catastrophe exposures through our Lloyd's operations.

The incidence and severity of catastrophes are inherently unpredictable, and it is possible that both the frequency and severity of natural and man-made catastrophic events could increase. Over the last two decades hurricane activity has impacted areas further inland than previously experienced. Additionally, both the frequency and severity of tornado and hail losses have been more volatile during the last decade. More people living in high risk areas, population growth in areas with weaker adoption and enforcement of building codes, urban expansion, average house size increases, and weather/climate variability are some potential causal factors for why catastrophe losses may have increased. Over time, Travelers has incorporated weather and climate variability into its underwriting and pricing decisions. For example, our research has included evaluation of the extent to which phases of the Atlantic Multi-Decadal Oscillation, the El Nino Southern Oscillation, the North Atlantic Oscillation and Saharan dust conditions may influence changes in basin frequency, severity, or US landfall risk of hurricanes. Our catastrophe underwriting also incorporates lessons learned over the years from events like Hurricane Katrina

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and Superstorm Sandy. Those lessons are reflected in our disciplined approach to terms and conditions which make outcomes more predictable; risk control initiatives, which make a difference in risk mitigation, selection, and pricing; and, proprietary flood underwriting down to the address level.

Potentially changing climate conditions may present other issues for our business. For example, among other things:

- Increasingly unpredictable and severe weather conditions could result in increased frequency and severity of claims under policies issued by us.
- Changing climate conditions could also impact the creditworthiness of issuers of securities in which we invest. For example, water supply adequacy could impact the creditworthiness of bond issuers in the Southwestern United States, and more frequent and/or severe hurricanes could impact the creditworthiness of issuers in the Southeastern United States, among other areas.
- Increased regulation adopted in response to potential changes in climate conditions may impact us and our customers. For example, state insurance regulation could impact our ability to manage property exposures in areas vulnerable to significant climate driven losses. If we are unable to implement risk-based pricing, modify policy terms or reduce exposures to the extent necessary to address rising losses related to catastrophes and smaller scale weather events (should those increased losses occur), our business may be adversely affected.
- Climate change regulation also could increase our customers' costs of doing business. For example, insureds faced with carbon management regulatory requirements may have less available capital for investment in loss prevention and safety features which may, over time, increase loss exposures. Also, increased regulation may result in reduced economic activity, which would decrease the amount of insurable assets and businesses.
- The full range of potential liability exposures related to climate change continues to evolve. Through our Emerging Issues Committee and the CEEC, we work with our business units and corporate groups, as appropriate, to identify and try to assess climate change-related liability issues, which are continually evolving and often hard to fully evaluate.

We regularly review emerging issues, including changing climate conditions, to consider potential changes to our modeling and the use of such modeling, as well as to help determine the need for new underwriting strategies, coverage modifications or new products.

See also Travelers' most recent Form 10-K under "Risk Factors" — "Catastrophe losses could materially and adversely affect our results of operations, our financial position and/or liquidity, and could adversely impact our ratings, our ability to raise capital and the availability and cost of reinsurance" (pages 46-48), "The effects of emerging claim and coverage issues on our business are uncertain" (pages 58 and 59), "We may be adversely affected if our pricing and capital models provide materially different indications than actual results" (pages 63 and 64) and "Management's Discussion and Analysis of Financial Condition and Results of Operation" — "Changing Climate Conditions" (pages 112 and 113) and "Outlook — Underwriting Gain/Loss" (page 116). For reference, Travelers 2017 Form 10-K is available here: <http://investor.travelers.com/Doc/Index?did=43562825>

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Question Five: Has the company considered the impact of climate change on its investment portfolio? Has it altered its investment strategy in response to these considerations? If so, please summarize steps you have taken.

Yes - The company has considered the impact of climate change on its investment portfolio - Please summarize.

No - The company has not considered the impact of climate change on its investment portfolio - Please describe why not.

Yes - The company has altered its investment strategy in response to these considerations - Please summarize steps you have taken.

No - The company has not altered its investment strategy in response to these considerations - Please describe why not.

Questions to consider include:

- Does the company consider regulatory, physical, litigation, and competitiveness-related climate risks, among others, when assessing investments?
- Has the company considered the implications of climate change for all of its investment classes, e.g. equities, fixed income, infrastructure, real estate?
- Does the insurer use a shadow price for carbon when considering investments in heavy emitting industries in markets where carbon is either currently regulated or is likely to be regulated in the future?
- Does the insurer factor the physical risks of climate change (water scarcity, extreme events, weather variability) into security analysis or portfolio construction? If so, for what asset classes and issuers (corporate, sovereign, municipal)?
- How does climate change rank compared to other risk drivers, given the insurer's asset liability matching strategy and investment duration?
- Does the insurer have a system in place to manage correlated climate risks between its underwriting and investments?

Travelers' invested assets at December 31, 2017 totaled \$ 72.5 billion, of which 93% was invested in fixed maturity and short-term investments, 1% in equity securities, 1% in real estate and 5% in other investments. Because the primary purpose of the investment portfolio is to fund future claims payments, the company employs a conservative investment philosophy that is designed to allow the Company to pay claims under stressed economic conditions. A significant majority of funds available for investment are deployed in a widely diversified portfolio of high quality, liquid taxable U.S. government, tax-exempt U.S. municipal and taxable corporate and U.S. agency mortgage-backed bonds.

In the investment decision-making process, the company considers, among other things, the environmental impacts of various industries such as energy and manufacturing. However, these impacts on an investment's value are not a primary consideration unless this potential impact represents a disproportionate risk to the company or industry as compared to alternate investment options.

For example, in our municipal bond and mortgage loan portfolios, we consider the impact that changing climate trends may have on any given city, state or region. Since we assume catastrophe risks such as earthquake and windstorms in our capacity as an insurer, we also seek to manage our portfolio's credit risk to such events by assessing our investment exposures in impacted geographic areas. In addition, for municipal bond issuers in the Southwestern U.S and

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other areas of the country susceptible to drought, all investment analyses include an assessment of water supply adequacy. In the evaluation of real estate investment opportunities, environmental risks posed by current or contemplated use of property are a major consideration

We have not altered our investment strategy in response to these considerations because the company has always considered the potential impact of climate on its investments and the company has traditionally had a conservative investment philosophy, which has not changed over time.

Question Six: Summarize steps the company has taken to encourage policyholders to reduce the losses caused by climate change-influenced events.

Yes - *The company has taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events - Please summarize.*

No - *The company has not taken steps to encourage policyholders to reduce the losses caused by climate change-influenced events - Please describe why not.*

Questions to consider include:

- How has the company employed price incentives, new products or financial assistance to promote policyholder loss mitigation? In what lines have these efforts been attempted, and can the outcome of such efforts be quantified in terms of properties retrofitted, losses avoided, etc.?
- For insurers underwriting D&O, CGL and professional liability policies, what steps has the company taken to educate clients on climate liability risks or to screen potential policyholders based on climate liability risk? How does the company define climate risk for these lines?

Travelers has taken steps to encourage policyholders to reduce losses caused by changing climate conditions. These steps are included in the discussion here.

Underwriting, Coverage and Pricing Strategies

We believe that insurance rates and policy terms that accurately reflect risk may serve to encourage implementation of risk mitigation practices by policyholders and may also influence decisions regarding development in locations vulnerable to severe weather events.

To this end, where permitted by regulators, we have implemented the following underwriting, coverage and pricing strategies which may contribute to a reduction in climate-related losses to policyholders.

- Ongoing application of risk-based rates that contemplate climate trends, catastrophic losses and reinsurance costs.
- Continued refinement of underwriting requirements to address the correlation of risks related to construction, occupancy and protection in geographical areas susceptible to significant climate-related losses.
- Appropriate structuring of policy terms and conditions to adequately reflect underlying risks associated with the impact of climate trends.

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- Encouraging efforts to improve building resiliency by providing pricing incentives for properties identified as having favorable risk characteristics relative to mitigation of climate-related losses (e.g., Insurance Institute for Business and Home Safety (IBHS) FORTIFIED standards).

Risk Control Services

Travelers Risk Control department is an innovative provider of cost-effective risk management services and products. As one of the largest Risk Control departments in the industry, our scale allows the right resource at the right time to meet customer needs. We also help policyholders to reduce losses caused by severe weather events through the following Risk Control Services:

- Travelers Risk Control loss prevention professionals provide on-site risk management services for many of our customers and make recommendations to assist them with their loss prevention and mitigation strategies, including those related to severe weather and natural hazards.
- Travelers Risk Control department also manages an interactive website (Risk Control Customer Portal) available to Travelers customers. This website provides a wide variety of information and resources to help reduce losses, including those caused by severe weather and natural hazards. Topics include Business Continuity Risk Management, and Natural Hazards Awareness, and the website provides guides for preparation, protection, response and recovery.

In addition, our Risk Control professionals conduct workshops and webinars designed to provide useful information to assist customers with loss mitigation strategies and techniques including those related to severe weather and natural hazards.

Claim Services

Travelers Claims Services organization plays an important role in helping customers reduce losses caused by climate-influenced events. Most notably, the “Prepare and Prevent” website accessible through www.travelers.com provides customers and the general public with both pre- and post-event mitigation tips, including information on steps they can take to increase their personal safety and limit property damage. In addition, as a general matter, when possible, Travelers takes steps to notify customers and agents of certain approaching climate-influenced events and informs them of steps they can take to help prevent damage. This notification capability includes sending customized severe weather alerts that let customers and agents know of pending hazards in their area. The alerts are distributed via text message, email or both, and they link back to actionable prevention content on the “Prepare and Prevent” website. Travelers also communicates with customers and agents after major climate-influenced events to inform them of steps they can take to mitigate damage, file a claim and begin the process of recovery.

Education and Outreach

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As part of an ongoing effort to enhance public awareness and knowledge about the need for effective adaptation strategies to reduce losses related to climate influenced events, Travelers supports and participates in research, advocacy, and education. Travelers sponsors the Insurance Institute for Business and Home Safety (IBHS), the BuildStrong Coalition, Habitat for Humanity, and the Wharton Risk Center to promote stronger and more resilient building codes and influence industry standards and best practices. Travelers is an executive committee board member of IBHS, an independent, non-profit, scientific research organization supported by property insurance and reinsurance companies. Completed in 2010, IBHS is a full scale research testing facility capable of producing wind speeds up to 130 mph, rainfall rates up to 8 inches per hour, hail impact testing via ice cannons, and flying ember testing for wildfire risk and mitigation. Better science, testing, and understanding leads to improved building codes and standards. The IBHS FORTIFIED building code standards were developed based on full scale performance testing in the laboratory. At Travelers, mitigation credits are available for homes designated as FORTIFIED by IBHS. Travelers is an executive committee board member of the BuildStrong Coalition, composed of national business and consumer organizations, companies, and emergency management officials. BuildStrong is dedicated to advocating the federal government to legislate and incentivize state adoption and enforcement of building codes to protect property, save lives from the devastation of natural disasters, and reduce loss costs. The Disaster Recovery Reform Act, passed in 2018, incentivizes states to invest in resiliency to qualify for federal cost-share increases of post-disaster funds. Widespread adoption and enforcement of building codes strengthen the Federal Emergency Management Agency's (FEMA) goal of better equipping cities to prepare, prevent, respond to, and recover from natural disasters. A 2017 National Institute of Building Sciences' study concluded that for every \$1 spent on hazard mitigation \$6 is saved on future disaster costs while \$4 is saved by investing in hazard mitigation measures designed to exceed select building code requirements. Travelers provides extensive prepare and prevent resources to the general public (<https://www.travelers.com/resources/weather>) in conjunction with real-time weather alerts, bulletins, and mitigation tips to clients prior to and during events. Adaptation and mitigation activities have a meaningful impact on our business and business strategy.

Please refer to our response to question 7 below for additional information pertaining to Travelers support for risk mitigation initiatives including those related to building stronger, more resilient homes and businesses and disaster preparedness.

Products and Services

Travelers is a leading provider of property and casualty insurance for autos, home and business. As an integral part of our business operations, we monitor, assess and respond to the risks and opportunities posed by evolving climate and "green" trends in order to provide insurance products and services that address our customers' needs. Our business areas, supported by the CEEC, identify and assess the feasibility of new product opportunities that are responsive to climate and "green" trends and examine the impact of climate and "green" trends on current product offerings.

Examples of our current product offerings that are responsive to climate and "green" trends include:

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- Suite of Green Building coverages that respond to the unique coverage issues of “green” buildings, and provide for the additional costs to help insureds repair, replace or rebuild with “green” materials after a loss.
- WindPak® and SolarPak® coverages that responds to unique coverage issues for the wind & solar industries.
- Environmental Pollution Liability Coverage that responds to unique pollution liability issues.
- LEED certification discount: A discount of up to 5% for homes that are LEED (Leadership in Energy and Environmental Design) certified.
- Wind Mitigation Discount: A variable discount provided in select states where required by law for buildings and homes with wind resistive construction features.
- Alternative Fuel Vehicle Discount: A discount of up to 10% for hybrid, electric or flexible fuel vehicles.
- Hybrid Boat Discount: A discount of up to 10% for hull and liability coverages on hybrid boats and yachts; available in certain states and subject to individual eligibility.
- Electric Boat Discount: A discount of up to 10% for electric boats run by motors instead of engines; available in certain states and subject to individual eligibility.

Travelers launched the Global Renewable Energy Practice providing coverage products such as our SolarPak®, WindPak® and Lloyds Syndicate 5000 in order to effectively manage the growing multinational demand for renewable energy & clean technology products and services. The practice consists of an expert team of professionals from businesses across the company who are dedicated to promoting our expertise and unique capabilities in the alternative energy and clean technologies insurance market. Travelers continues to aggressively pursue opportunities in the renewable energy sector, such as providing coverages for commercial and residential solar installations globally, in addition to providing coverages for on-shore and off-shore wind farms globally including the first US off-shore wind farm project, Block Island Wind Farm. Travelers continues to establish a flexible, complex and unified set of standards for the global renewable energy market opportunities.

Question Seven: Discuss steps, if any, the company has taken to engage key constituencies on the topic of climate change.

Yes - The company has taken steps to engage key constituencies on the topic of climate change - Please summarize.

No - The company has not taken steps to engage key constituencies on the topic of climate change - Please describe why not.

Questions to consider include:

- How has the company supported improved research and/or risk analysis on the impacts of climate change?
- What resources has it invested to improve climate awareness among its customers in regulated and unregulated lines?
- What steps has it taken to educate shareholders on potential climate change risks the company faces?

The enterprise CEEC facilitates coordination and supports climate-related initiatives, external engagement and strategies across Travelers. Key to Travelers external engagement is the leadership

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and involvement of the Travelers Institute, Government Relations, Community Relations and various business units.

The Travelers Institute

Leading the company's participation in public policy dialogue is the Travelers Institute. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals and other experts to provide information, analysis and recommendations to policymakers and regulators. The Travelers Institute is led by a senior-level executive, EVP, Public Policy, who is a member of the company's Management and Operating Committees. The Institute undertakes a number of educational initiatives, which are outlined below, that address extreme weather, disaster preparedness and climate trends.

The EVP of Public Policy also oversees the company's environmental, social and governance (ESG) efforts, which are coordinated through the company's ESG Committee. The ESG Committee is comprised of representatives from business units across the company including Enterprise Risk Management, Enterprise Underwriting, Catastrophe Risk Management, Human Resources and Legal, among others. The Committee communicates Travelers' ESG commitments and priorities through various channels, including the Travelers' Corporate Citizenship website located at <https://www.travelers.com/about-travelers/corporate-citizenship>.

Disaster Preparedness

The Travelers Institute and its cross-sector partners convene symposia addressing life safety, community development and financial threats posed to individuals and businesses in the wake of disasters. These events include an annual Kicking Off Hurricane Preparedness Season symposium, offering consumers and businesses preparedness tips at the start of the Atlantic hurricane season. In 2017, the Travelers Institute gathered local community, business and non-profit leaders to discuss lessons learned from past extreme weather events. A Storm Surge Specialist from the National Hurricane Center headlined the program, then joined a panel discussion featuring business and non-profit leaders who shared advice on preparation both well before and immediately preceding a storm. During the event, Travelers awarded the third annual Travelers Excellence in Community Resilience Award to the Lowlander Center, a non-profit organization devoted to helping lowland people and places through education, research and advocacy. Presented by the Travelers Institute and the Travelers Foundation, the \$100,000 grant recognizes organizations that help communities recover from natural disasters.

Learn more by visiting: www.travelersinstitute.org/disasterpreparedness

Learn more about the [Resilience Award](#)

Coastal Challenges

The Travelers Institute is committed to raising awareness about the importance of improving coastal resiliency in order to better protect and insure coastal regions. To address the crisis of availability and affordability of coastal wind insurance for homeowners, Travelers developed the Travelers Coastal Wind Zone Plan, a comprehensive, private market approach to insuring the Gulf and Atlantic coasts. Through the Resilient Coast Blueprint and other activities, the Travelers Institute is also advocating for taking steps to reduce coastal risk by encouraging the broad adoption of mitigation strategies, such as sensible land use planning and strong and enforced building codes.

Learn more by visiting: <https://www.travelers.com/travelers-institute/coastal-challenges>

Small Business Preparedness

The *Travelers Institute*® *Small Business – Big Opportunity*® symposium series convenes small business owners from across the country with public policymakers and industry leaders to examine solutions

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to the challenges facing small businesses today. Panel discussions raise awareness about business risks and promote education about business continuity planning and disaster preparedness to help companies assess and reduce business vulnerability and increase resilience against natural events. Since inception, events have been held in 20 states. A separate series, *Cyber: Prepare, Prevent, Mitigate, Restore*, was launched in April 2016 to address cybersecurity challenges faced by small and medium-sized businesses. Sixteen events were held throughout 2016 and 2017, where attendees learned practices such as data back-up and records retention that aid in the event of natural disasters.

Learn more by visiting: www.travelersinstitute.org/smallbusiness

Consumer Insurance Education

Increasingly unpredictable weather patterns and historic storms like Sandy have reinforced the importance of insurance and of preparing for the unforeseen. But many consumers still feel daunted by the variety of plans and are confused about what types of coverage they might need. Recognizing the need for reliable information, the Travelers Institute published an Insurance Guide to provide education on insurance coverages. In addition, the Travelers Institute hosts Insurance Essentials: Your Questions Answered, a series of symposia across the country that brings this information directly to consumers. Since inception, events have been held in nine states plus the District of Columbia.

Learn more by visiting: www.travelersinstitute.org/insuranceessentials

Government Relations

The Tree Mortality Task Force, created by California Governor Jerry Brown in 2017, is comprised of state and federal agencies, local governments, utilities, and various stakeholders that will coordinate emergency protective actions, and monitor ongoing conditions to address the vast tree mortality resulting from four years of unprecedented drought and the resulting bark beetle infestations across large regions of the State. An insurance sub group was created at the request of several county supervisors and it includes the American Insurance Association (AIA). As a member of the AIA, Travelers has been monitoring and engaged in industry dialogue on this topic.

Travelers serves on the Executive Committee of the BuildStrong Coalition, a leading advocacy organization of insurers, consumer groups, building contractors, and emergency management officials dedicated to promoting national mitigation and resiliency standards and strengthening building codes and enforcement.

Travelers, as a member of BuildStrong, has advocated that through stronger building codes and investment in pre-disaster spending:

- The federal government stands to benefit by lowering the federal share of disaster recovery costs
- States stand to benefit by both alleviating the budget strain caused by major disasters and easing their dependency on federal disaster aid
- Families stand to benefit by protecting their property and loved ones, while also reducing personal disaster costs and, most importantly, mitigating losses
- Communities and local economies stand to benefit by enabling citizens and businesses to recover more quickly after a natural disaster.

During 2017, with Travelers active guidance and participation, BuildStrong advocated for the inclusion of The Disaster Recovery Reform Act as part of the supplemental appropriations package. The bill requires adjustments in the federal cost share reimbursement by incentivizing states to invest in resilience

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through the adoption of mitigation plans, adoption and enforcement of building codes, and funding mitigation projects to reduce risk and exposure. The bill also requires FEMA to issue guidance on how to weigh measures and investments in mitigation based upon actuarial assessments. Travelers will continue to support mitigation efforts and push for the inclusion of the Disaster Recovery Reform Act through the annual appropriations process.

Travelers continues to participate as an advisory panel member on the development of a Property Assessed Resilient Building (PARB) long-term finance mechanism to assist homeowners with flood mitigation and loss control measures.

Travelers continues to be a key member of The Connecticut Institute for Resilience and Climate Adaptation (CIRCA) Executive Steering Committee. CIRCA represents a partnership of the University of Connecticut and the Connecticut Department of Energy and Environmental Protection and its mission is to assist Connecticut towns and cities to adapt to a changing climate and to enhance the resilience of their infrastructure.

Travelers partners with industry trade groups and academic institutions in developing sound principles for National Flood Insurance Program (“NFIP”) re-authorization. Travelers partners with industry trade groups and academic institutions in developing sound principles for NFIP re-authorization. The Travelers Government Relations team and business leaders directly engage with members of Congress and the Administration on proposed legislation to reauthorize NFIP and include enhanced mitigation requirements.

Travelers supports, on a direct and indirect basis, the concept of rate adequacy and risk based pricing across states, including coastal states and in particular those that maintain state sponsored insurance entities, e.g., windpool, fairplan and residual markets. Through our participation with these state-sponsored insurance entities, we support risk based pricing, including discounts for wind mitigation. In addition, we support windpools mitigation grant pilot programs that have been developed in South Carolina and Alabama.

Community Relations

Small Business Risk Education (SBRE)

The Travelers Small Business Risk Education program provides safety risk management education for minority- and women-owned small businesses. Travelers has partnered with nonprofit organizations in Los Angeles, Chicago, New York City and Atlanta to deliver risk safety programming that includes an emphasis on business continuity and helps small business owners and managers sustain their businesses, even after catastrophic events.

More information at <https://www.travelers.com/community-relations/sbre/index.aspx>

Travelers Fortifies Homes

In 2012, Travelers joined forces with Habitat for Humanity® and the Insurance Institute for Business and Home Safety (IBHS) to help communities build fortified homes to better weather future storms in coastal regions of the country. Homes are constructed in accordance with IBHS’s FORTIFIED construction standards. These construction practices provide practical, meaningful and affordable upgrades to strengthen new and existing structures. The program was piloted in Alabama and Mississippi and Travelers is now supporting Habitat affiliates’ efforts throughout the country to build safer, wind-resistant homes in partnership with low-income families.

More information at <https://www.travelers.com/community-relations/travelers-fortifies/index.aspx>

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Travelers Excellence in Community Resilience Award

Through its charitable giving arm, the Travelers Foundation, and its public policy division, the Travelers Institute, the company has created an annual Excellence in Community Resilience Award of \$100,000 to recognize an organization that demonstrates leadership in addressing safety, community resiliency, and/or financial threats related to catastrophic events. U.S.-based, IRS-designated charities or government organizations are encouraged to apply each fall. A winner is announced each spring. More information at <https://www.travelers.com/community-relations/special-programs/Travelers-Excellence-in-Community-Resilience-Award.aspx>

Team Rubicon

In 2016, Travelers began a three-year commitment as the exclusive insurance sponsor of Team Rubicon's Mobile Training Center, a new disaster response outreach program. Team Rubicon, a nonprofit organization, unites the skills and experiences of military veterans with first responders to rapidly deploy emergency response teams after disasters, all while providing veterans with a new sense of purpose, community and identity.

More information at <https://www.travelers.com/community-relations/special-programs/team-rubicon.aspx>.

General Business Engagement

Travelers supports and participates in loss mitigation research, advocacy, and education through relationships with the IBHS, the Wharton School of Business Risk Management and Decision Processes Center, and the Buildstrong Coalition. Through these independent and joint initiatives, we engage state and federal policymakers as well as other stakeholders to advance discussions relating to issues such as improved and enforced building codes, rating transparency, risk-based pricing, disaster preparedness and risk mitigation. Additionally, Travelers supports a number of external organizations on initiatives related to building stronger, more resilient homes and businesses, including advocating for stronger building codes to support risk mitigation and reduced loss costs.

Additional information on these aforementioned organizations includes:

- **Building Science: IBHS**
 - Completed in 2010, IBHS is a full scale research testing facility capable of producing wind speeds up to 130 mph, rainfall rates up to 8 inches per hour, hail impact testing via ice cannons, and flying ember testing for wildfire risk and mitigation. Better science, testing, and understanding leads to improved building codes and standards. The IBHS FORTIFIED building code standards were developed based on full scale performance testing in the laboratory. At Travelers, mitigation credits are available for homes designated as FORTIFIED by IBHS.
- **Economic Analysis: Wharton Risk Center**
 - Prominent higher learning institution with an internal risk management department conducting financial analysis of the cost benefit of stronger building codes.
- **Building Code Advocacy: Buildstrong Coalition**
 - Travelers has a seat on the Executive Board of the BuildStrong Coalition, a coalition of national business and consumer organizations, companies, and emergency management

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officials dedicated to promoting stronger building codes. With Travelers' guidance and active participation, the Coalition urges enactment of The National Mitigation Investment Act, with support from a large number of bipartisan cosponsors in Congress. The Act encourages states to adopt model building codes to protect property and ultimately save lives from the devastation of natural disasters. In 2016, Travelers provided congressional testimony to the Subcommittee on Economic Development, Public Buildings, and Emergency Management, on the topic of "Controlling the Rising Cost of Federal Responses to Disaster". The testimony focused on advocating stronger building codes. Stronger building codes enable families to benefit by protecting their property and loved ones, while also reducing personal disaster costs and, importantly, mitigating losses. Stronger building codes also enable communities and local economies to benefit by enabling citizens and businesses to recover more quickly after a natural disaster.

Question Eight: Describe actions the company is taking to manage the risks climate change poses to your business including, in general terms, the use of computer modeling.

Yes - *The company is taking actions to manage the risks climate change poses to the business - Please summarize what actions the company is taking and in general terms the use if any of computer modeling.*

No - *The company is not taking actions to manage the risks climate change poses to the business - Please describe why.*

Questions to consider include:

- For what perils does the company believe that future trends may deviate substantially from historical trends due to changes in the hazard? Similarly, for what perils, if any, does the company believe that a catastrophe model extrapolating observed trends would be insufficient to plan for maximum possible loss or yearly average loss? What steps has the company taken to model or analyze perils associated with non-stationary hazards?
- Has the company used catastrophe models to conduct hypothetical "stress tests" to determine the implications of a wide range of plausible climate change scenarios? If so, over what timescale, in what geographies and for what perils?
- Has the company conducted, commissioned or participated in scenario modeling for climate trends beyond the 1-5 year timescale? If so, what conclusions did the company reach on the potential implications for insurability under these scenarios?

Travelers employs the following actions and strategies, among others, to manage identified risks related to changing climate conditions although there can be no assurance that these efforts will be successful.

Computer Modeling

Travelers uses various analyses and methods, including proprietary and third-party computer modeling processes, to make underwriting and reinsurance decisions designed to manage Travelers exposure to catastrophic events. There are no industry-standard methodologies or assumptions for projecting catastrophe exposure. Accordingly, catastrophe estimates provided by different insurers may not be comparable. Travelers actively monitors and evaluates changes in third-party models and, when necessary, calibrates the catastrophe risk model estimates delivered via our proprietary modeling processes. Travelers considers historical loss experience,

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recent events, underwriting practices, market share analyses, external scientific analysis and various other factors, including non-modeled losses, to refine our proprietary view of catastrophe risk. These proprietary models are continually updated as new information and techniques emerge. We use computer modeling in an attempt to estimate the likelihood that the estimated losses from a single event occurring in a one-year timeframe will equal or exceed a particular amount.

All of the catastrophe modeling tools that we use, or that we rely on from outside parties, to evaluate certain of our catastrophe exposures are based on assumptions and judgments and may produce estimates that are materially different than actual results.

For example, tornado and hail models are newer and may be less predictive due to the highly random geographic nature and size of the events. As a result, tornado and hail models may have greater difficulty accurately estimating losses.

Further, changes in climate conditions could cause our underlying modeling data to be less predictive, thus limiting our ability to effectively evaluate and manage catastrophe risk. We rely, in part, upon these analyses to make underwriting decisions designed to manage our exposure on catastrophe-exposed business. For example, as a result of these analyses, we have at various times limited the writing of new property and homeowners business in some markets and have selectively taken underwriting actions on new and existing business. These underwriting actions on new and existing business include tightening underwriting standards, selective price increases and changes to deductibles specific to hurricane-, tornado-, wind- and hail-prone areas.

Travelers use of catastrophe modeling is described in its most recent Form 10-K available here: <http://investor.travelers.com/Doc/Index?did=43562825> under “Enterprise Risk Management” (pages 33-34) and “Management’s Discussion and Analysis of Financial Condition and Results of Operation — Catastrophe Modeling” (pages 110-112). It is also discussed in Item 1A “Risk Factors” (beginning on page 46).

Enterprise Risk Management

In addition to catastrophe modeling and analysis, Travelers also models and analyzes its exposure to other extreme events. Travelers also utilizes proprietary and third-party computer modeling processes to evaluate capital adequacy. These analytical techniques are an integral component of our Enterprise Risk Management (ERM) process and further support Travelers long-term financial strategies and objectives. ERM activities involve both the identification and assessment of a broad range of risks and the execution of synchronized strategies to effectively manage such risks. “Enterprise Risk Management” is described in Travelers 2017 Form 10-K (pages 33 and 34) available here: <http://investor.travelers.com/Doc/Index?did=43562825>

Catastrophe Reinsurance

Travelers utilizes reinsurance to manage its aggregate exposures to catastrophes. Catastrophes can be caused by a variety of events, including, among others, hurricanes, tornadoes and other

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windstorms, earthquakes, hail, wildfires, severe winter weather, floods, tsunamis and volcanic eruptions. The incidence and severity of catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposure affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes and earthquakes may produce significant damage in larger areas, especially those areas that are heavily populated. The company generally seeks to manage its exposure to catastrophes through individual risk selection and the purchase of catastrophe reinsurance.

Travelers utilizes a corporate catastrophe excess-of-loss reinsurance treaty with unaffiliated reinsurers to manage its exposure to losses resulting from catastrophes and to protect its capital. In addition to the coverage provided under this treaty, Travelers also utilizes catastrophe bonds to protect against certain weather-related and earthquake losses in the Northeastern United States, and a Northeast catastrophe reinsurance treaty to protect against losses resulting from weather-related and earthquake catastrophes in the Northeastern United States. Travelers also utilizes excess-of-loss treaties to protect against earthquake losses up to a certain threshold in Business Insurance (for certain markets) and for Personal Insurance, and several reinsurance treaties specific to its international operations.

As permitted by state regulators, we have adopted the following strategies designed to help Travelers remain a financially sound and stable provider of property insurance in areas vulnerable to significant climate-related losses:

- Ongoing application of risk-based rates that contemplate climate trends, catastrophic losses and reinsurance costs;
- Continued refinement of underwriting requirements to address the correlation of risks related to construction, occupancy and protection in geographical areas susceptible to significant climate-related losses;
- Appropriate restructuring of policy terms and conditions to adequately reflect underlying risks associated with the impact of climate trends; and
- Encouraging efforts to improve building resiliency by providing pricing incentives for properties identified as having favorable risk characteristics relative to mitigation of climate-related losses (e.g., Insurance Institute for Business and Home Safety (IBHS) Fortified standards).

In addition, our strategies to manage property risks include:

- Risk management services to assist our customers with their loss prevention and mitigation strategies including those related to severe weather events and natural hazards.
- Support for public and private policy actions to address the issues of insurance affordability and availability in areas susceptible to catastrophic climate events, including those that support improved and better enforced building codes and prudent land use planning; and
- Participation in forums and workshops and use of the knowledge and resources of internal and external experts, consultants and academics to better understand the nature of the risks associated with changing climatic conditions and to identify and implement solutions to address these risks.

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Risk Control Services

Travelers employs a staff of Risk Control Consultants to conduct on-site risk assessments for many of our customers. These assessments may include recommendations related to the physical condition, building attributes and loss prevention and mitigation strategies pertaining to severe weather and natural hazards, as appropriate. In addition to our onsite risk assessment and consulting capabilities, we also offer both virtual assessment and consulting capabilities, positioning access to our specialized expertise for customers at single or across multiple locations.

Investment Risk Management

In our municipal bond and mortgage loan portfolios, we consider the impact that changing climate trends may have on any given city, state or region. Since we assume catastrophe risks such as earthquake and windstorms in our capacity as an insurer, we also seek to manage our portfolio's credit risk to such events by assessing our investment exposures in impacted geographic areas. In addition, for municipal bond issuers in the Southwestern U.S. and other areas of the country susceptible to drought, all investment analyses include an assessment of water supply adequacy. In the evaluation of real estate investment opportunities, environmental risks posed by current or contemplated use of property are a major consideration.

Regulatory Risk Management

Through the Travelers Institute and our Government Relations group, we engage with regulators, industry trade associations, public policy advocacy groups and other organizations to promote education and, when appropriate, legislation that supports solutions and strategies that we believe are in the best interests of our shareholders, customers, agents, brokers and other constituents.

Physical Risk Management

With the goal of ensuring the company's operational stability and employee safety in the event of a crisis, weather related or otherwise, Travelers has extensive business continuity planning procedures and processes in place. Flexible office space, remote electronic access, multiple employee communication channels and back-up business processing and financial systems are some examples of continuity planning designed to manage our risks with respect to payment of claims, issuance of policies, reporting of financial results and availability of essential operations following a crisis.

See also our responses to questions 2-7 above.

Travelers notes that this survey, and its responses contained herein, do not endorse, reject or otherwise express an opinion on the existence or absence of, or causes of, climate change. Further, this survey, and the responses contained herein, do not express an opinion regarding scientific confirmation or refutation of the existence or absence of, or causes of, climate change.

Neither this survey, nor any reply to any question included in this survey, shall be construed, submitted, considered or relied upon for any purpose relating to regulatory consideration of a

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proposed rate change, including, but not limited to, any public or administrative hearing relative to a Travelers' entity's proposed rate change.

Furthermore, in accordance with the instructions to this survey, we have omitted certain information that is quantitative in nature and/or that is commercially sensitive or proprietary. In addition, the fact that we have provided information in response to this survey does not imply that any such information is material.

In accordance with the instructions to the survey, we have provided the information above in good faith and therefore (a) we disclaim any responsibility for the accuracy of any forward-looking information provided in response to the survey and (b) we have provided the information above conditioned on a waiver of any claim under any theory of law based on the inaccuracy of such information.

In addition, we note that our response to this survey includes forward-looking statements. All statements, other than statements of historical facts included in our responses, are forward-looking statements. The forward-looking statements are based upon our current expectations, estimates and projections, and various assumptions. We caution you that the forward-looking statements are subject to risk and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. For a more detailed discussion of factors that could cause actual results to differ from what is expressed in or indicated by the forward-looking statements, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 15, 2018, as updated by our periodic filings with the SEC. Our forward-looking statements speak only as of the date of our responses or as of the date they are made, and we undertake no obligation to update forward-looking statements.

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Climate Change Resources for Insurers

There are many publications and websites that can provide insurers with a useful overview of the potential impacts of climate change on the insurance sector. The following resource list is not comprehensive but offers a good starting point for insurers seeking more information on the scientific basis of climate change, risks to insurers, catastrophe modeling, public policy, liability, risk management and impacts on insurer investments.

Impacts of Climate Change on the Insurance Sector

Mills, E. 2012. "The Greening of Insurance," *Science* 338, 1424."

URL: <http://science.sciencemag.org/content/338/6113/1424>

NAIC Climate Change and Global Warming (EX) Task Force. 2008. "The Potential Impact of Climate Change on Insurance Regulation."

URL: http://www.naic.org/documents/cipr_potential_impact_climate_change.pdf

Hecht, Sean. 2008. "Climate Change and the Transformation of Risk: Insurance Matters," *UCLA Law Review*, Vol. 55: 1559-1620. URL: <http://ssrn.com/abstract=1159853>

Life and Health Insurers and Climate Change

Harvard Medical School, Center for Health and the Global Environment, "Climate Change Futures: Health, Ecological, and Economic Dimensions."

URL: <http://www.isse.ucar.edu/climatehealth/2004/presentations/Epstein,%20Paul.pdf>.

McGeehin, M. A. and M. Mirabelli. 2001. "The potential impacts of climate variability and change on temperature-related morbidity and mortality in the United States," *Environmental Health Perspectives*. May, Vol. 109, Suppl. 2: 185–189.

URL: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1240665/pdf/ehp109s-000185.pdf>

Ebi, Kristie L. and Glenn McGregor. 2008. "Climate Change, Tropospheric Ozone and Particulate Matter, and Health Impacts," *Environmental Health Perspectives*. November, Vol. 116, Suppl. 11: 1449–1455. URL: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2592262/>

Climate Change Disclosure

Ceres, *Insurer Climate Risk Disclosure Survey: 2016 Findings and Recommendations*.

URL: <https://www.ceres.org/resources/reports/insurer-climate-risk-disclosure-survey-report-scorecard>

Carbon Disclosure Project ("CDP") URL: <https://www.cdp.net/en>

Global Reporting Initiative ("GRI") URL: <https://www.globalreporting.org>.

Climate Change Science

Intergovernmental Panel on Climate Change (IPCC). 2012. "Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation."

URL: https://wg1.ipcc.ch/srex/downloads/SREX-FrontMatter_FINAL.pdf