



D. Keith Bell

Senior Vice President
Accounting Policy - Finance
Plaza Building, 6th Floor

(860) 277-0537
(860) 277-954-3708 (fax)

One Tower Square
Hartford, CT 06183

July 21, 2016

Securities and Exchange Commission
Via E-mail: rule-comments@sec.gov
File No. S7-06-16

Re: Concept Release - Business and Financial Disclosure Required by Regulation S-K

Dear Sir or Madam:

The Travelers Companies, Inc. (Travelers) appreciates the opportunity to comment on the Securities Exchange Commission's Concept Release, *Business and Financial Disclosure Required by Regulation S-K* (the Concept Release). Travelers is a leading provider of property and casualty (P&C) insurance products and services to a wide variety of businesses and organizations as well as individuals. Our products are distributed primarily through independent insurance agents and brokers throughout the United States and in selected international markets.

We request your consideration of the following comments, all of which pertain to Section E (Industry Guides) of the Concept Release, specifically Securities Act Industry Guide 6, *Disclosures Concerning Unpaid Claims and Claim Adjustment Expenses of Property-Casualty Insurance Underwriters* (Guide 6).

We believe that Guide 6 should be updated to reflect the changes in guidance that have occurred over the past several years including the more recent standard, Accounting Standards Update 2015-09, *Financial Services – Insurance, Disclosures about Short Duration-Contracts* (ASU 2015-09) that was issued by the Financial Accounting Standards Board (FASB) last year. ASC 2015-09 requires entities that issue or reinsure short-duration insurance contracts to disclose disaggregated historical incurred and paid claim development data, by accident year on an undiscounted, net of reinsurance basis for the number of years for which claims incurred typically remain outstanding, not to exceed ten years. The new guidance also requires a reconciliation of the disaggregated claims development data to the carrying value of the liability for claims and claim adjustment expense reserves reported on the balance sheet. The disclosure requirements of ASU 2015-09 are effective starting with annual periods beginning after December 15, 2015 for public business entities.

We believe that the loss reserve development information required by ASU 2015-09 provides more decision-useful information to investors than the disclosures required in Guide 6 section B(2) for the following reasons:

- The FASB developed ASU 2015-09 after discussion with industry-specific analysts, many of whom requested a GAAP disclosure similar to the statutory-basis loss development tables filed by insurers with insurance regulators (Schedule P). We believe such requests for Schedule P-like disclosure, rather than the Guide 6 disclosure, indicate that many investors find Schedule P loss reserve development disclosure more useful than the Guide 6 table.
- We understand that investors have attempted to convert the Guide 6 loss development table into the format of the ASU 2015-09 requirements and Schedule P tables before attempting any analysis. We also understand that many investors do not use the Guide 6 disclosures, but rather use the statutory Schedule P tables. This indicates that the Guide 6 tables were deemed either not useful or not directly useful without adjustment. The new ASU 2015-09 tables more closely align with the statutory Schedule P tables, and we anticipate that analysts will use the ASU 2015-09 and Schedule P tables rather than the Guide 6 table.
- To provide the Guide 6 table along with the new tables required by ASU 2015-09 is likely to cause confusion from less sophisticated analysts who would be confronted with two different versions of essentially the same information presented on two different bases (Guide 6 on a calendar year basis and the new tables on an accident year basis), but which are not subject to practicable reconciliation.
- We do not create loss reserve development data in the Guide 6 format in our normal course of business, and do not view the data in that manner when evaluating our results. Given the significant preparation time and use of resources associated with the new ASU 2015-09 disclosures, continued production of the Guide 6 tables will be at an additional cost and will occur at a critical time during the preparation of the Form 10-K with little or no benefit to investors.

We believe that the industry-specific disclosure requirements of Guide 6 section B(2) are substantially addressed by ASU 2015-09.

We also offer the following additional suggested updates to Guide 6 for your consideration:

- Guide 6 section B(1) requires a reconciliation of claim reserves that is largely duplicative with the requirement in FASB ASC 944-40-50-3. We recommend that the Guide 6 requirement be updated so that it supplements rather than duplicates the requirement in ASC 944-40-50-3.
- Guide 6 section B(5) requires certain disclosures concerning the discounting of claim reserves that is largely duplicative with the requirement in FASB ASC 944-40-50-5. We recommend that the Guide 6 requirement be updated so that it supplements rather than duplicates the requirement in ASC 944-40-50-5.

July 21, 2016
Page 3

Thank you for the opportunity to comment on the Concept Release. Please feel free to call me at [REDACTED] if you have any questions.

Regards,

A handwritten signature in black ink that reads "D. Keith Bell". The signature is written in a cursive style with a large, prominent "D" and "B".

D. Keith Bell