



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

February 7, 2018

Wendy C. Skjerven
The Travelers Companies, Inc.
wskjerve@travelers.com

Re: The Travelers Companies, Inc.

Dear Ms. Skjerven:

This letter is in regard to your correspondence dated February 7, 2018 concerning the shareholder proposal (the "Proposal") submitted to Travelers Companies, Inc. (the "Company") by Marcella C. Calabi (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 16, 2018 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

cc: Holly A. Testa
First Affirmative Financial Network, LLC
htesta@firstaffirmative.com



Wendy C. Skjerven
Vice President, Corporate Secretary
and Group General Counsel
The Travelers Companies, Inc.
385 Washington Street, LC12L
St. Paul, Minnesota 55102
(651) 310-6748
(877) 283-0993 (fax)
wskjerve@travelers.com

February 7, 2018

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

RE: The Travelers Companies, Inc. – Omission of Shareholder Proposal from Proxy Materials
Pursuant to Rule 14a-8

Ladies and Gentlemen:

We refer to our letter, dated January 16, 2018 (the “No-Action Request”), pursuant to which we requested that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission concur with our view that The Travelers Companies, Inc. (the “Company”) may omit the shareholder proposal and supporting statement (the “Proposal”) submitted by First Affirmative Financial Network, LLC (the “Proponent”) from its proxy statement and form of proxy to be distributed by the Company in connection with its 2018 Annual Meeting of Shareholders.

By this letter, the Company hereby withdraws its No-Action Request and asks the Staff to give no further consideration to this matter, as the Proponent has withdrawn the Proposal. Correspondence from the Proponent indicating its withdrawal is enclosed. A copy of this letter is being sent simultaneously to the Proponent as notification of the Company’s withdrawal of the No-Action Request.

If you have any questions regarding the foregoing, or need any additional information, please do not hesitate to contact the undersigned at (651) 310-6748 or wskjerve@travelers.com.

Very truly yours,

Wendy C. Skjerven
Corporate Secretary

Enclosure

cc: Holly A. Testa, First Affirmative Financial Network, LLC
A.J. Kess, The Travelers Companies, Inc.

Enclosure

From: Holly Testa <htesta@firstaffirmative.com>
Sent: Tuesday, February 06, 2018 5:52 PM
To: Skjerven, Wendy C
Subject: First Affirmative lobbying proposal withdrawal
Attachments: Travelers withdraw 20180205 FINAL.pdf
Importance: High

Wendy,

After a review of our priorities and further consideration on the substantial progress made, we have decided to withdraw our lobbying proposal. Please see the attached letter. Although we are withdrawing, our concern with the lack of trade association disclosure is of course still remains. We have included just a couple of thoughts in response to the SEC challenge for your consideration, and hope we can continue a dialogue in this specific area.

Free to contact me with any questions.

Thank you.

Holly A. Testa
Director, Shareowner Engagement
First Affirmative Financial Network

350 Ward Ave., Suite 106-18
Honolulu, HI 96814 – 4004

303-641-5190

hollytesta@firstaffirmative.com

*Please plan to join us for **The SRI Conference** – on Sustainable, Responsible, Impact Investing **November 1–3, 2018**. This 29th annual SRI Conference will be at The Broadmoor in Colorado Springs, Colorado. Hoping to see you there!*

www.SRIconference.com

www.firstaffirmative.com

First Affirmative Financial Network, LLC is an independent Registered Investment Advisor (SEC File #801-56587) and [Certified B Corporation](#) specializing in sustainable, responsible, impact (SRI) investing. This e-mail is intended for the individual or entities named as recipients of this message. If you are not intended recipient of this message, please notify the sender immediately and delete the material from any computer. Do not deliver, distribute, or copy this message, and to not disclose its contents or take any action in reliance on the information it contains. Thank you.





TRAVELERS

Wendy C. Skjerven
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The Travelers Companies, Inc.
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(651) 310-6748
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January 16, 2018

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

RE: The Travelers Companies, Inc. – Omission of Shareholder Proposal from Proxy
Materials Pursuant to Rule 14a-8

Ladies and Gentlemen:

The Travelers Companies, Inc. (“Travelers” or the “Company”) is filing this letter with respect to the shareholder proposal and supporting statement (collectively, the “Proposal”) submitted by First Affirmative Financial Network, LLC (the “Proponent”) for inclusion in the proxy statement and form of proxy to be distributed by the Company in connection with its 2018 Annual Meeting of Shareholders (collectively, the “Proxy Materials”).

A copy of the Proposal and accompanying correspondence from the Proponent is attached as Exhibit A. For the reasons stated below, we respectfully request that the Staff (the “Staff”) of the Division of Corporation Finance of the Securities and Exchange Commission (the “Commission”) not recommend any enforcement action against the Company if it omits the Proposal in its entirety from the Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008) (“SLB 14D”), we are submitting this request for no-action relief to the Staff via e-mail at shareholderproposals@sec.gov, and the undersigned has included her name and telephone number both in this letter and in the cover e-mail accompanying this letter. Pursuant to Rule 14a-8(j) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), we are:

1. filing this letter with the Commission no later than 80 calendar days before the date on which the Company plans to file its definitive Proxy Materials with the Commission; and
2. simultaneously providing the Proponent with a copy of this submission.

Rule 14a-8(k) of the Exchange Act and SLB 14D provide that a shareholder proponent is required to send the company a copy of any correspondence that the proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if it elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, it must concurrently furnish a copy of that correspondence to the Company. Similarly, the Company will promptly forward to the Proponent any response received from the Staff to this request that the Staff transmits by email or fax only to the Company.

I. The Proposal

On December 1, 2017, the Company received the Proposal, which sets forth the following resolution for adoption by the Company's shareholders:

“Resolved, the shareowners of The Travelers Companies, Inc. (‘Travelers’) request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Travelers used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including the amount of the payment and the recipient.
3. Travelers' membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision making process and the Board's oversight for making payments described in section 2 above.

For purposes of this proposal, a ‘grassroots lobbying communication’ is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. ‘Indirect lobbying’ is lobbying engaged in by a trade association or other organization of which Travelers is a member. Both ‘direct and indirect lobbying’ and ‘grassroots lobbying communications’ include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Travelers' website.”

II. Basis for Exclusion

The Company respectfully requests the Staff's concurrence that the Company may exclude the Proposal from its Proxy Materials in reliance on Rule 14a-8(i)(5) because the

Proposal is not economically relevant or otherwise significantly related to the Company's business.

III. Analysis

A. Rule 14a-8(i)(5)

Rule 14a-8(i)(5) under the Exchange Act permits the exclusion of a shareholder proposal “[i]f the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business.”

In Staff Legal Bulletin 14I (“SLB 14I”), issued on November 1, 2017, the Staff expressed concern with the Division of Corporation Finance's historical application of Rule 14a-8(i)(5), which “has unduly limited the exclusion's availability because it has not fully considered the second prong of the rule as amended in 1982 – the question of whether the proposal ‘deals with a matter that is not significantly related to the issuer's business’ and is therefore excludable.” Accordingly, SLB 14I indicated that “going forward, the Division's analysis will focus, as the rule directs, on a proposal's significance to the company's business when it otherwise relates to operations that account for less than 5% of total assets, net earnings and gross sales.”

SLB 14I further clarified that, under this framework, “[w]here a proposal's significance to a company's business is not apparent on its face, a proposal may be excludable unless the proponent demonstrates that it is ‘otherwise significantly related to the company's business.’” According to SLB 14I, the proponent must tie any social or ethical issues raised in its arguments “to a significant effect on the company's business. The mere possibility of reputational or economic harm will not preclude no-action relief.”

B. The Proposal Is Not Economically Relevant to the Company and Is Not Otherwise Significantly Related to the Company's Business

1. The Proposal Relates to Operations Which Account for Less Than Five Percent of the Company's Total Assets, Net Earnings and Gross Sales

As a threshold matter, for a proposal to be excludable under Rule 14a-8(i)(5), it must relate to “operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year.” As disclosed in the Company's federal lobbying filings, which are available on the company's website, Travelers' federal lobbying expenditures for 2016 totaled \$2,730,000. The Company also publicly discloses its state lobbying expenditures. As indicated on the Company's website, Travelers spent a total of \$379,481.26 on state lobbying activity in 2016. Accordingly, as disclosed by Travelers, the Company spent a total of \$3,109,481.26 on federal and state lobbying activity in 2016. This amount represents:

- 0.003% of the \$100.25 billion in total assets the Company had at the end of its 2016 fiscal year;
- 0.01% of the Company's \$27.63 billion in total revenues for the 2016 fiscal year; and
- 0.1% of the Company's \$3.01 billion in net income for the 2016 fiscal year.

For 2016, the sum of the Company's federal and state lobbying expenditures discussed above, taken together with all payments to trade associations or other organizations of which Travelers is a member and that engage in lobbying (hereinafter collectively referred to as "trade associations"), still represents a minute fraction of one percent of each of the Company's total assets, total revenues, and net income – nowhere near the 5% threshold referenced in Rule 14a-8(i)(5).

Similarly, for 2017, Travelers' total expenditures on lobbying and trade associations did not even approach the 5% threshold with regard to each of total assets, total revenues, and net income.

2. The Proposal Is Not Otherwise Significantly Related to the Company's Business

As clarified by SLB 14I, a proposal that is not economically relevant to the company is excludable if the proposal is not "otherwise significantly related to the company's business." SLB 14I indicates that a board of directors "acting with the knowledge of the company's business and the implications for a particular proposal on that company's business is better situated than the staff to determine whether a particular proposal is 'otherwise significantly related to the company's business.'" Accordingly, the Company's management presented the Proposal to the Nominating and Governance Committee (the "Committee") of the Board of Directors (the "Board") and requested that it evaluate whether the Proposal is significantly related to the Company's business. Upon discussion and analysis, the Committee and, later, the Board concluded that the Proposal is not significantly related to the Company's business.

a) Management and Board Process

Prior to presenting the Proposal to the Committee, management solicited detailed information from senior members of the Company's Government Relations, Legal, and Investor Relations departments regarding the nature and extent of Travelers' lobbying activities and trade association memberships, the scope of Travelers' lobbying disclosure, the level of investor interest in the issue raised by the Proposal, and related considerations. With this information, as well as other information provided to the Committee from time to time pursuant to Company policy and the Committee's charter, management prepared a presentation for the Committee.

In its presentation, management included, among other things, the text of the Proposal and an analysis of the Proposal's request as compared with Travelers' current practices and disclosures, as well as management's resulting determination regarding the

underlying purpose of the Proposal. The Proposal requests that Travelers disclose four categories of information:

1. **Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.** Travelers communicates its lobbying policies and procedures in a policy document titled “Commitment to Participation in the Political Process,” which is publicly available on the Company’s website and attached hereto as Exhibit B. This policy is applicable to all lobbying activity of the Company, including direct and indirect lobbying and grassroots lobbying activities. Additionally, the charter of the Committee, which can similarly be found on Travelers’ website and is attached hereto as Exhibit C, lists among the Committee’s primary duties and responsibilities: “Review and discuss with the Company’s head of Government Relations, at least annually, the Company’s participation in the political process, including political contributions and lobbying expenditures.” Finally, as stated on the Company’s public website, the Company does not currently engage in grassroots lobbying.
2. **Payments by Travelers used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including the amount of the payment and the recipient.** Travelers discloses its U.S. federal lobbying activity and payments on a quarterly basis, as required by the Lobbying Disclosure Act, and includes a link on its public website to each quarterly federal lobbying filing. Travelers also discloses its state lobbying activity. For each state in which the Company is legally required to disclose its lobbying expenditures, Travelers either provides a link on its website to the state website where the Company’s lobbying filings can be viewed or includes Travelers’ state lobbying reports directly on the Company’s website. These lobbying reports provide the payment amounts, if any, of Travelers’ lobbying activities in the state. Moreover, although the amounts disclosed in these filings represent the substantial majority of the Company’s state lobbying expenditures, Travelers also discloses clearly on its website the aggregate amount it has spent on all state lobbying activity in 2016. Finally, as discussed above and as disclosed on the Company’s website, Travelers does not currently engage in grassroots lobbying.
3. **Travelers’ membership in and payments to any tax-exempt organization that writes and endorses model legislation.** As stated on Travelers’ public website, the Company currently is not a member in, nor does it make payments to, any tax-exempt organization that writes and endorses model legislation.
4. **Description of management’s decision making process and the Board’s oversight for making payments described in section 2 above.** Both management’s decision making process with regard to lobbying payments and the Board’s oversight thereof are addressed in the Company’s “Commitment to Participation in the Political Process,” which is publicly available on the Company’s website. Board oversight of lobbying activity is further reflected in the Committee’s charter, as discussed earlier.

As is evident from the above, Travelers' current disclosures are virtually completely aligned with the Proposal's request. The Company does not, however, publicly disclose its membership in, and other support of, trade associations, as requested by the Proposal. The Proposal's focus on trade associations is also apparent from the supporting statement accompanying the shareholder proposal, which states, in relevant part:

“Travelers also does not currently disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. For example, Travelers is a member of the Chamber of Commerce, which has spent over \$1.3 billion on lobbying since 1998. As a large property and casualty insurer, Travelers is exposed to many risks from climate change (‘Report: The Hartford, Travelers Taking Climate Change Seriously,’ *Hartford Courant*, October 20, 2016). And yet, the Chamber lobbies extensively to block actions to limit and mitigate climate change impacts, and actively supported the U.S. withdrawal from the Paris Climate Agreement.

Absent a system of accountability, company assets could be used for objectives contrary to Travelers' long-term interest and damage the company's reputation.”

Given the Company's extensive lobbying disclosures and the discussion regarding trade associations in the supporting statement accompanying the shareholder resolution, management concluded that the Proposal is aimed at disclosure of the Company's membership in, and other support of, trade associations.

While Travelers also does not disclose (except where legally required) the recipients of its lobbying payments, as requested in number 2 above, those recipients are lobbyists or lobbying firms whose identities would not provide the public with any meaningful information and are not remotely significant to the Company's business. The names of the lobbying professionals retained by the Company would not, therefore, add meaningful disclosure to the disclosure already provided by the Company, bolstering management's conclusion that the Proposal is focused on trade association disclosure.

Following management's presentation to the Committee, the Committee members asked questions, consulted with counsel participating in the presentation, and engaged in discussion. For reasons described below, the Committee ultimately concluded that the issue raised by the Proposal is not significantly related to the Company's business and recommended that the Board conclude the same. The Board also considered the presentation materials provided to the Committee and determined, like the Committee, that the issue underlying the Proposal is not significantly related to Travelers' business.

b) The Board's Analysis

After reviewing management's analysis regarding the underlying purpose of the Proposal, the Committee and the Board, bringing to bear its knowledge of the Company, its business and its strategy, considered whether the issue raised by the Proposal – disclosure of

membership in and support of trade associations – is significantly related to the Company’s business. In addition to the fact that dues and fees paid to trade associations amount to well under one percent of the Company’s net income (and even smaller percentages of the Company’s total assets and total revenues) for 2016, strongly indicating that Travelers’ membership in and support of trade associations are not significantly related to the Company’s business, the Committee and the Board considered the following factors, among others, in its analysis:

- **The Issue Raised by the Proposal Has Not Had Any Significant Effect on the Company’s Business.** The Proposal’s purported significance to the Company’s business is not apparent on the face of the Proposal, and the Proponent has not tied the issue raised by the Proposal to “a significant effect on the company’s business,” as required by SLB 14I. In fact, though SLB 14I explicitly states that “[t]he mere possibility of reputational or economic harm will not preclude no-action relief,” the Proposal appears to rely exclusively on the possibility of reputational harm. After discussing the fact that Travelers “does not currently disclose its memberships in, or payments to, trade associations,” the supporting statement alleges that “[a]bsent a system of accountability, company assets *could* be used for objectives contrary to Travelers’ long-term interests and *damage the company’s reputation.*” (emphasis added). The Proposal does not attempt to tie the trade association issue it raises to actual reputational or economic harm to the Company. Moreover, the Company and the Board are not aware of any facts that would suggest that the Company’s lack of disclosure of trade association memberships and/or support has had any significant impact on the Company’s business. As just one example, at no point has any financial analyst covering the Company requested information regarding Travelers’ membership in or support of trade associations or indicated that Travelers’ trade association memberships or payments constitute a reputational or economic risk to the Company’s business. The Company and the Board believe that the issue raised by the Proposal has not resulted in any reputational or economic harm to the Company.
- **The Company Is Not Reliant on Trade Associations to Advance Its Significant Legislative and Regulatory Interests.** While, in certain circumstances, Travelers benefits from the lobbying efforts of trade associations on behalf of the industry, Travelers is not reliant on trade associations to advance its significant legislative and regulatory interests. Instead, Travelers conducts its own lobbying efforts with respect to significant legislative and regulatory matters through its robust Government Relations organization, composed of dedicated personnel for state, federal, and international lobbying efforts. In addition to trade associations’ advocacy on behalf of the property and casualty insurance industry as a whole, Travelers joins trade associations for various business reasons; as the Company explained in its proxy statement for its 2017 Annual Meeting of Shareholders, “[w]e join trade associations and similar organizations to further the Company’s commercial interests, educate our employees or enhance our ability to serve customers.” Travelers may not agree with all

positions taken by those trade associations. Accordingly, public positions taken by trade associations do not necessarily reflect Travelers' views or Travelers' lobbying activity, and thus, disclosure of the Company's membership in or other support of trade associations may risk misrepresenting the Company's lobbying activity.

- **The Company Restricts Trade Association Use of Travelers' Dues for Independent Expenditures.** Recognizing the public debate surrounding independent expenditures, Travelers has taken steps to ensure that funds it provides to trade associations are not used for independent expenditures. As noted in Travelers' publicly available "Commitment to Participation in the Political Process," "all trade associations where dues exceed \$50,000 are instructed annually in writing that no portion of those dues may be used to fund any independent expenditure activity without Travelers' express written consent." The letters sent to these trade associations further request "written confirmation that Travelers membership dues and other financial contributions, if any, have been and will continue to be spent in support of our business interests and not to promote or advance organizations, individuals, or issues that are not related to those business purposes." The Company believes that these measures significantly mitigate any reputational risk to the Company that could arise from the Company's relationships with trade associations.
- **While Helpful, Trade Associations Are Not Significant to the Company's Business.** While the Company believes that trade associations are helpful, convenient and in the best interest of the Company from a business perspective, Travelers does not view them as significant to the Company's business. To illustrate that point, the Company believes that, in the remote possibility that all the trade associations of which it is a member or that it supports were to cease to do business, there would not be a significant adverse impact on the Company's business. The Company believes that, in that remote circumstance, it would continue to operate in the ordinary course and without any meaningful disruption to its business.
- **The Company's Investors Have Not Shown Interest in the Company's Trade Association Memberships or Payments.** As noted by the Company's management, Investor Relations team, and Corporate Secretary's office, Travelers' investors have not made inquiries about or expressed interest in trade association information, with the sole exception of the submission of the Proposal and substantially similar shareholder proposals in recent years and discussions related thereto. In addition, a shareholder proposal substantially similar to the Proposal was rejected by a considerable majority of the Company's shareholders in each of the last two years. These facts suggest that the issue raised by the Proposal is not of broad concern to the Company's shareholder base.

Based on these factors and other factors they may have deemed relevant, the Committee and the Board concluded that the issue raised by the Proposal is not significantly related to the Company's business.

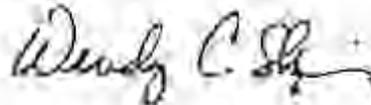
Accordingly, for the reasons set forth above, the Company believes that the Proposal is not economically relevant to the Company's operations and is not otherwise significantly related to the Company's business and may therefore be omitted from the Proxy Materials pursuant to Rule 14a-8(i)(5).

IV. Conclusion

We hereby respectfully request that the Staff express its intention not to recommend enforcement action if the Proposal is excluded from the Company's Proxy Materials in reliance on Rule 14a-8(i)(5).

If the Staff disagrees with the Company's conclusions regarding omission of the Proposal, or if any additional submissions are desired in support of the Company's position, we would appreciate an opportunity to speak with you by telephone prior to the issuance of the Staff's Rule 14a-8(j) response. If you have any questions regarding this request, or need any additional information, please do not hesitate to contact the undersigned at (651) 310-6748 or wskjerve@travelers.com.

Very truly yours,



Wendy C. Skjerven
Corporate Secretary

Enclosures

cc: Holly A. Testa, First Affirmative Financial Network, LLC
A.J. Kess, The Travelers Companies, Inc.



Investing for a Sustainable Future

November 27, 2017

Wendy C. Skjerven
Vice President, Corporate Secretary and Associate Group General Counsel
The Travelers Companies, Inc.
485 Lexington Avenue
New York, New York 10017.

Dear Ms. Skjerven:

First Affirmative Financial Network, LLC is a United States based investment management firm with over \$1 billion in assets under management and administration. The Travelers Companies, Inc. (Travelers) common stock is held in many of our client accounts.

First Affirmative hereby files the enclosed resolution addressing lobbying practices and disclosure on behalf of our client Marcella C. Calabi. We support the inclusion of this proposal in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, Ms. Calabi holds more than \$2,000 of Travelers common stock, acquired more than one year prior to date of this filing and held continuously for that time. She intends to remain invested in this position continuously through the date of the 2018 annual meeting. Verification of ownership can be forwarded under separate cover by DTC participant custodian Folio Institutional (Folio *fn* Investments, Inc.)

Please confirm receipt of this document and direct correspondence to me at hollytesta@firstaffirmative.com /303-641-5190.

It is our hope that this resolution will result in continued dialogue on this issue. It is clear from support levels in the last two years that the information we are requesting with regard to lobbying spending is of interest to many of your investors.

Sincerely,

A handwritten signature in cursive script that reads "Holly A. Testa".

Holly A. Testa
Director, Shareowner Engagement
First Affirmative Financial Network, LLC

Enclosures: Resolution, Client Authorization Letter

Whereas, we believe in full disclosure of Travelers' direct and indirect lobbying activities and expenditures to assess whether Travelers' lobbying is consistent with its expressed goals and in the best interests of shareholders.

Resolved, the shareowners of The Travelers Companies, Inc. ("Travelers") request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Travelers used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, including the amount of the payment and the recipient.
3. Travelers' membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management's decision making process and the Board's oversight for making payments described in section 2 above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Travelers is a member. Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Travelers' website.

Supporting Statement

We expect transparency and accountability in the use of corporate funds to influence legislation and regulation. Travelers spent 5.91 million in 2015 and 2016 on federal lobbying (opensecrets.org). However, this figure does not include lobbying expenditures to influence legislation in states, where Travelers lobbies but disclosure is uneven or absent.

Travelers also does not currently disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying. For example, Travelers is a member of the Chamber of Commerce, which has spent over \$1.3 billion on lobbying since 1998. As a large property and casualty insurer, Travelers is exposed to many risks from climate change ("Report: The Hartford, Travelers Taking Climate Change Seriously," *Hartford Courant*, October 20, 2016). And yet, the Chamber

lobbies extensively to block actions to limit and mitigate climate change impacts, and actively supported the U. S. withdrawal from the Paris Climate Agreement.

Absent a system of accountability, company assets could be used for objectives contrary to Travelers' long-term interests and damage the company's reputation.

SHAREHOLDER ENGAGEMENT AUTHORIZATION

COMPANY NAME: THE TRAVELERS COMPANIES

SHAREHOLDER PROPOSAL: REPORT ON LOBBYING SPENDING, POLICIES AND PRACTICES

Authorization and Agent Appointment of First Affirmative

I/we do hereby authorize First Affirmative Financial Network, LLC, acting through its officers and employees (collectively "First Affirmative") to represent me/us, as our agent, to file this "shareholder proposal" as defined by the U.S. Securities and Exchange Commission ("SEC") in SEC Rule 14a-8 at the next annual meeting. This authority and agent appointment includes:

- The submission, negotiation and withdrawal of my/our shareholder proposal, including statements in support of such shareholder proposal.
- Requesting Letters of Verification from custodians that I/we hold the requisite number of securities of the company to be eligible to submit the shareholder proposal.
- Issuing a Letter of Intent to the company of my/our intent to hold my/our securities required for eligibility to submit the shareholder proposal through the meeting for such shareholder proposal.
- Attending, speaking, and presenting my/our shareholder proposal at the shareholder meeting.
- Should a meeting be rescheduled and re-solicitation is not required, this authorization will apply to a re-convened meeting as well.

Please dialogue constructively with First Affirmative, promptly act upon their communications and instructions related to the shareholder proposal and direct all correspondence and questions regarding the above to First Affirmative.

Statement of Intent to First Affirmative,

In order for First Affirmative to act as my/our agent in a Letter of Intent, I/we do hereby affirmatively state an intent to First Affirmative to continue to hold a sufficient value of the company's securities, as defined within SEC Rule 14a-8(b)(1), from the time the shareholder proposal is filed at that company through the date of the subsequent related meeting of shareholders.

Should this authorization be rescinded in writing, First Affirmative is not required to take any action with respect to a pending shareholder proposal.

The undersigned hereby represent that I/we (whether individually, jointly, or organizationally) hold all appropriate power and authority to enter into this Shareholder Engagement Authorization.



November 21, 2017

Marcella C. Calabi

Date



Policy: Commitment to Participation in the Political Process

UPDATED: FEBRUARY 29, 2016

Travelers is committed to participation in the political process in a thoughtful and responsible manner, consistent with our Code of Business Conduct & Ethics and in compliance with all applicable legal requirements. As a company that operates in a highly regulated and competitive industry, it is important for Travelers to evaluate and appropriately engage in the public policy-making process at both the state and federal levels. We believe that our active participation in the political process is in the best interest of our shareholders, our employees and the communities in which we conduct business.

Many of the issues on which we focus, such as insurance regulation, regulatory modernization, catastrophe and terrorism risk insurance, and tort and class action reform, have a direct impact on the availability and pricing of the products and services we provide to our customers and on the performance of our businesses. Our government relations staff and trade association colleagues promote and advance our positions on these and other key industry-related issues at every level of government. Our government relations staff gathers input from various business lines, senior management, as well as our legal staff when analyzing public policy issues and lobbying priorities. Lobbying activities on behalf of the Company require prior approval of our Government Relations professionals and must be in full compliance with applicable federal, state and local laws and regulations.

The Nominating and Governance Committee of The Travelers Companies, Inc. Board of Directors exercises oversight over our political activities, including lobbying activities referenced above, contributions and expenditures. These political activities, contributions and expenditures can include not only direct activities by the Company but also memberships in, and other support of, relevant trade associations and other organizations. The Committee reviews such activities, contributions and expenditures on a semi-annual basis and periodically reviews Travelers' related policies.

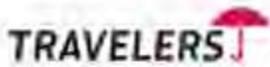
Where it is legally permissible to do so, Travelers provides financial support to political candidates, committees and other political organizations by making corporate contributions. In accordance with current applicable law, political contributions to federal candidates and political party committees may not be, and are not, made by Travelers. Such contributions may be made by Travelers' Political Action Committee, which is not funded by corporate funds but by the personal funds given voluntarily by our employees. All corporate political contributions and expenditures are subject to review for compliance and approved by our Senior Vice President of Government Relations and our General Counsel. Such corporate political contributions and expenditures have been, and will continue to be, made with the objective of furthering Travelers' business interests.

Contributions are publicly disclosed as required by applicable federal and state laws. Federal and state laws require candidate campaign committees, political committees and ballot committees to report the contributions they receive. Travelers' Political Action Committee is required to publicly disclose receipts and contributions to the Federal Elections Commission and in certain states. Certain states require reporting of corporate contributions made in those states. Travelers PAC reports filed with the Federal Election Commission may be found at www.fec.gov. In addition, all corporate contributions to candidates, candidate campaign committees and other political entities organized under 26 USC Sec. 527 are disclosed annually on our website under the Corporate Governance section.

We consider providing support to those political candidates who, regardless of party affiliation, engage with respect to the issues affecting our company and industry. From time to time we provide financial support either for, or in opposition to, ballot initiatives that concern our businesses or the environment in which our business is conducted.

Travelers supports candidates for elected office who support a strong private sector, show a free enterprise philosophy and demonstrate integrity and character. In considering financial support, we evaluate candidates who also:

- Hold a position of leadership in a legislative body or jurisdiction;
- Represent a district with a significant Travelers presence;



- Serve on a committee that has jurisdiction over issues of importance to Travelers; or
- Support legislation, regulation and public policy positions of importance to Travelers.

Travelers has not made any direct independent expenditures in connection with campaigns and has no plans to do so during the 2016 election cycle. Direct independent expenditures, if any, would consist of funds spent by Travelers itself on communications in support of, or in opposition to, a candidate's campaign, without coordination with the candidate. Travelers' policy is that it may not make direct independent expenditures in a candidate campaign unless, and only if, it believes that an exception to that policy is justified by business need and it obtains the prior approval of the Nominating and Governance Committee or its Chair. If any such direct independent expenditures are made, Travelers would disclose them on its website in the same manner and at the same time as it discloses campaign contributions.

In addition, Travelers is a dues-paying member of a number of business organizations and trade associations, and all trade associations where dues exceed \$50,000 are instructed annually in writing that no portion of those dues may be used to fund any independent expenditure activity without Travelers' express written consent.

**THE TRAVELERS COMPANIES, INC.
NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

Purpose of the Committee

The primary purposes of the Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of The Travelers Companies, Inc. (the “Company”) are to identify and select (or recommend to the Board selection of) individuals qualified to become members of the Board and its committees (including this Committee) consistent with criteria approved by the Board, to develop and recommend to the Board a set of corporate governance principles applicable to the Company, including a Code of Business Conduct and Ethics (the “Code”) applicable to the Company’s directors and employees, to develop and recommend the committee structure to the Board, to advise the Board on matters pertaining to director compensation, to review succession plans of the Company’s Chief Executive Officer (the “CEO”) and the CEO’s direct reports, and to oversee the annual evaluation of the Board’s performance.

Committee Membership

The Committee shall consist of three or more members of the Board, each of whom the Board has determined has no “material” relationship with the Company and each of whom is otherwise “independent” under the Company’s Governance Guidelines and the applicable rules of the New York Stock Exchange, Inc.

The members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board.

Committee Structure and Operations

The Board shall designate one member of the Committee as the Committee’s chairperson. The Committee’s chairperson shall set the agendas for the Committee meetings.

The Committee shall meet in person or by such other means of remote communication through which the Committee members so participating and all Committee members physically present at the meeting may participate with each other during the meeting. The Committee shall meet at times and places determined by the Committee chairperson(s).

At all meetings of the Committee, a majority of the total number of members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee. The Committee may also act by written consent.

Committee Duties and Responsibilities

The following are the primary duties and responsibilities of the Committee:

A. Identification and Selection of Directors

- 1) Recommend to the Board from time to time any changes that the Committee believes are desirable to the size of the Board or the size or purpose of any committee thereof.
- 2) Establish criteria for the selection of directors to serve on the Board, identify individuals believed to be qualified to be Board members, and recommend to the Board the nominees to stand for election or re-election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders. In the case of a vacancy (including a vacancy created by an increase in the size of the Board), the Committee may recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders. In identifying candidates, the Committee shall take into consideration such factors as it deems appropriate, which shall include but not be limited to satisfaction of any applicable legal requirements or listing standards and the individual's strength of character, judgment, business or other experience and specific areas of expertise, factors relating to the composition of the Board (including its size and structure) and principles of diversity. The Committee shall also review any candidate recommended by one or more shareholders of the Company in light of these criteria, provided that such candidates are nominated in accordance with the Company's bylaws.
- 3) Recommend Board members to be appointed by the Board to serve on each committee of the Board (including this Committee) and propose that one such identified member be elected to serve as chairperson of the committee. In recommending a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate.

B. Director Continuing Education

Oversee the continuing education of all directors in light of the guidelines set forth in the Company's Governance Guidelines.

C. Evaluation of Board and Director Performance

Establish procedures pertaining to the annual evaluation of the Board's performance, each of its Committees and each of its directors and oversee such evaluations following such procedures.

D. Compensation and Benefits Policies for Directors

Review periodically the director compensation program, retirement and tenure policies and recommend changes to the Board as appropriate.

E. Governance

- 1) Develop and recommend to the Board a set of corporate governance principles applicable to the Company, and review those principles at least once a year, and recommend changes to such principles as appropriate.

2) Develop and recommend to the Board standards to be applied in making determinations as to the “independence” of directors and the absence of “material” relationships between the Company and a director.

F. Code of Business Conduct and Ethics

Review periodically the Company’s Code applicable to directors and employees and recommend changes to the Board as appropriate.

G. Succession

Review succession plans of the CEO and other direct reports to the CEO at least annually.

H. Related Person Transactions

Review and approve or ratify, as appropriate, all Related Person Transactions, as defined in the Company’s Related Person Transaction Policy.

I. Public Policy

- 1) Review the Company’s public policy initiatives at least annually.
- 2) Review and discuss with the Company’s head of Government Relations, at least annually, the Company’s participation in the political process, including political contributions and lobbying expenditures.

J. Diversity

Review the Company’s strategies and initiatives relating to diversity and inclusion at least annually.

K. Charitable Giving

Review the Company’s strategies and initiatives relating to community relations and charitable giving at least annually.

Delegation to Subcommittee

The Committee may, in its discretion, delegate any of its duties and responsibilities to a subcommittee of the Committee.

Committee Records and Reports

The Committee shall maintain minutes or other records of meetings and activities of the Committee. The Committee shall also provide to the Board regular reports of the matters discussed and actions taken at each Committee meeting. The report to the Board may take the form of an oral report by the Committee chairperson or any other member of the Committee designated by the Committee to make such report.

The Committee shall also provide to the Board an annual performance evaluation of the Committee, which self-evaluation shall, at a minimum, compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to the retention or termination of consultants or search firms used to identify director candidates or evaluate director compensation, including approval of the search firms' fees and other retention terms, this authority shall be vested solely in the Committee. The Committee may also request that any officer or other employee of the Company, the Company's outside counsel or any other adviser meet with any members of, or advisers or consultants to, the Committee.

Consideration of Directors for Re-Election

In connection with its annual recommendation of a slate of nominees, the Committee shall assess the contributions of those Directors recommended for re-election in the context of the Board evaluation process and other perceived needs of the Board. Final approval of any candidate for election shall be determined by the Board.

Director Removal Guidelines

The Committee shall recommend to the Board any guidelines for the removal of Directors from the Board as it determines are appropriate.