

The St. Paul Travelers Companies

***Setting the Property/Casualty
Market Standard***

The St Paul

Travelers

Cautionary Statement

Any comments made regarding future expectations, trends and market conditions, including pricing and loss cost trends as well as other topics, may be considered forward-looking under the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties that could cause actual results to differ from our current expectations. The St. Paul Companies and Travelers assume no duty to update forward looking statements. Risk factors are described under “Forward Looking Statement Disclosure” in each company’s most recent report on Form 10-Q, filed with the SEC and available through their web sites.

The St. Paul Travelers Companies Setting The Property/Casualty Market Standard

- ▶ **The “Go-To” National Market Company**
- ▶ **Financial Strength**
- ▶ **Compatible Cultures and Track Record of Successful Transactions**
- ▶ **Paramount Objective – Driving Value Creation for Shareholders**

The St. Paul Travelers Companies

Summary of Merger Terms

Exchange Ratio

0.4334 St. Paul shares per Travelers share (Class A and B)

Structure

Tax-free merger

Dividend Policy

**Ongoing dividend at the annual rate of \$0.88 per share;
Special cash dividend to SPC shareholders prior to closing
to receive existing indicated annual \$1.16 per share dividend in 2004**

New Corporate Name

The St. Paul Travelers Companies

Global Headquarters

Saint Paul, Minnesota

Management

**Robert Lipp, Chairman
Jay Fishman, CEO (Chairman, 1/1/06)**

Board Composition

**12 Travelers Directors
11 St. Paul Directors**

Expected Closing

Second quarter 2004

Approvals Required

Normal regulatory and shareholder approvals for both companies

**The “Go-To”
National Market Company**

The St. Paul Travelers Companies

Net Premiums Written by General Commercial Lines

(\$ in billions)

	2003 Projected		
	St. Paul	Travelers	Combined
National Accounts	\$0.3	\$0.8	\$1.1
Middle Market	1.7	3.3	5.0
Small Commercial	1.0	2.1	3.1
Total General Commercial Lines	\$3.0	\$6.2	\$9.2

The St. Paul Travelers Companies

Net Premiums Written by Specialty Commercial Lines

(\$ in billions)

	2003 Projected		
	St. Paul	Travelers	Combined
Construction	\$0.8	\$0.5	\$1.3
Surety	0.5	0.5	1.0
Financial and Professional Services	0.4	0.3	0.7
Technology	0.3	–	0.3
Public Sector	0.2	–	0.2
Oil and Gas	0.2	–	0.2
Specialty Programs	0.2	–	0.2
Umbrella / E&S Group	0.2	–	0.2
Personal CAT Risk	0.1	–	0.1
Gulf	–	0.6	0.6
International	0.6	–	0.6
Lloyd's	0.7	–	0.7
Other	0.3	–	0.3
Total Specialty Commercial Lines	\$4.5	\$1.9	\$6.4

Source: Management estimates.

The St. Paul Travelers Companies

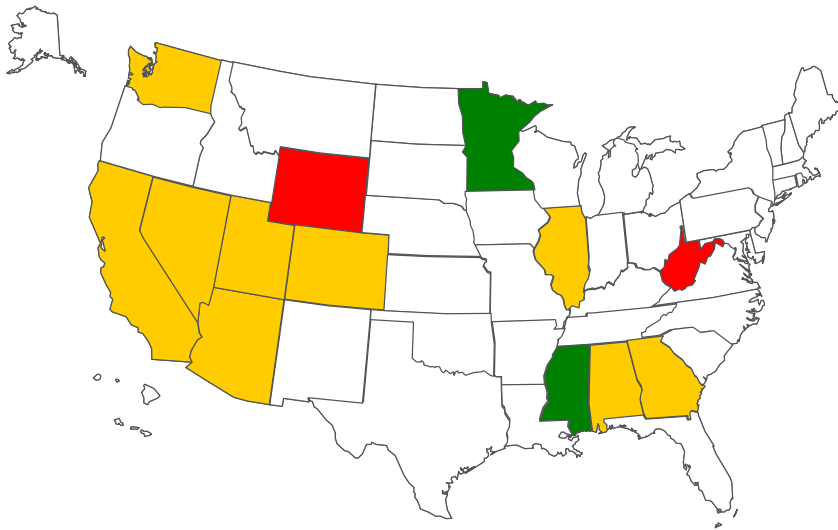
Total Net Premiums Written

(\$ in billions)

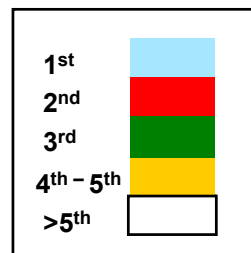
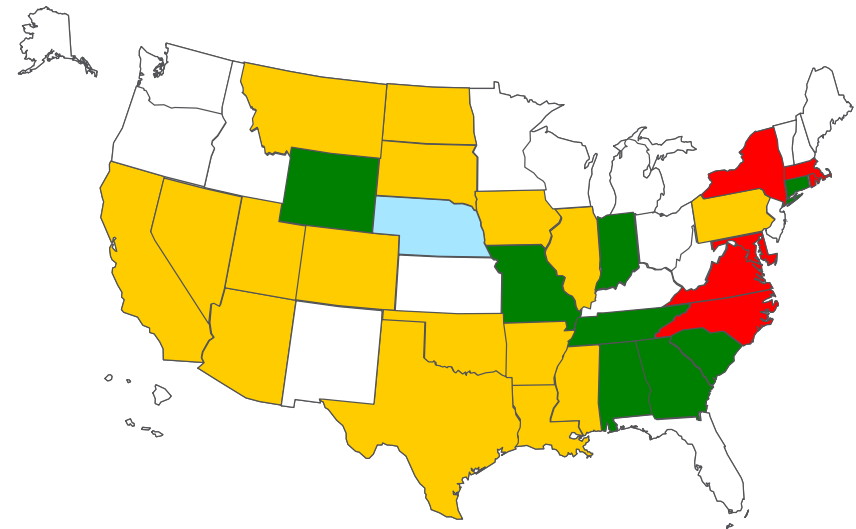
	2003 Projected		
	St. Paul	Travelers	Combined
General Commercial Lines	\$3.0	\$6.2	\$9.2
Specialty Commercial Lines	4.5	1.9	6.4
Total Commercial Lines	7.5	8.1	15.6
Personal Lines	–	5.0	5.0
Total Company NPW	\$7.5	\$13.1	\$20.6

The St. Paul Travelers Companies Commercial Lines Geographic Penetration

St. Paul



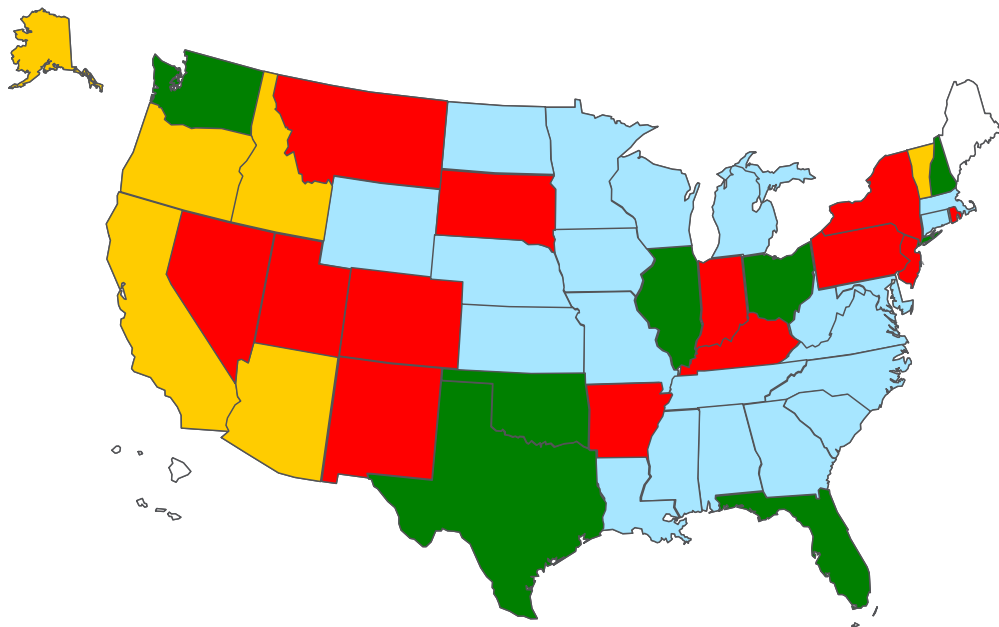
Travelers



The St. Paul Travelers Companies Commercial Lines Geographic Penetration

St. Paul Travelers Combined

Geographic Diversification



	States ⁽¹⁾
1st	22
2nd	13
3rd	8
4th - 5th	4
>5th	4

Position	# of States ⁽¹⁾
Leader	22
Top 2 positions	35
Top 3 positions	43
Top 5 positions	47
< Top 5 positions	4

Source: A.M. Best. Based on 2002 direct premiums written.
(1) Includes District of Columbia.

The St. Paul Travelers Companies

Market Share

Commercial Lines

1	AIG	8.8%
2	St. Paul Travelers	7.6%
2	Zurich/Farmers	6.5%
3	Travelers	4.4%
4	CNA	3.8%
5	Liberty Mutual	3.7%
6	St. Paul	3.2%
7	Chubb	3.1%
8	Hartford	2.9%
9	CA Comp Fund	2.7%
10	ACE	2.3%

Personal Lines – Agency Only

1	Progressive	13.1%
2	St. Paul Travelers	6.8%
3	Hartford	4.7%
4	SAFECO	4.4%
5	Erie Ins Group	3.4%
6	Mercury General	2.7%
7	CNA	2.7%
8	Chubb	2.6%
9	Auto-Owner Ins	2.6%
10	Allmerica	2.4%

The St. Paul Travelers Companies

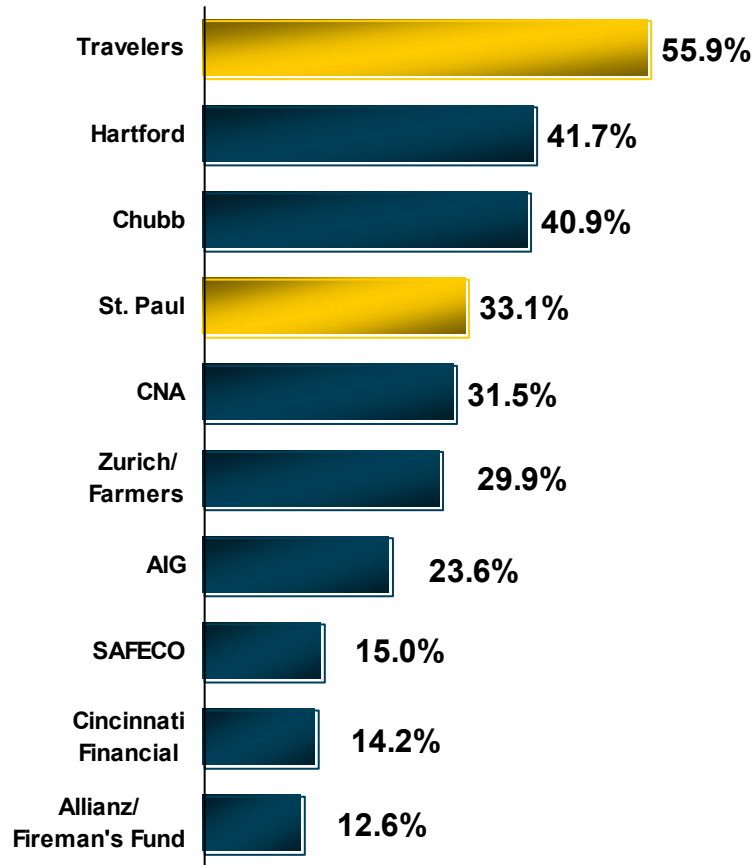
Commercial Lines Ranking by Product

	<u>St. Paul</u>	<u>Travelers</u>	<u>Combined</u>
Commercial Auto Liability	4	3	1
Commercial Multi-Peril	12	2	1
Commercial P&C	6	3	2
Fidelity and Surety	2	1	1
Fire	8	4	4
Other Liability	4	7	2
Worker's Comp	10	5	4

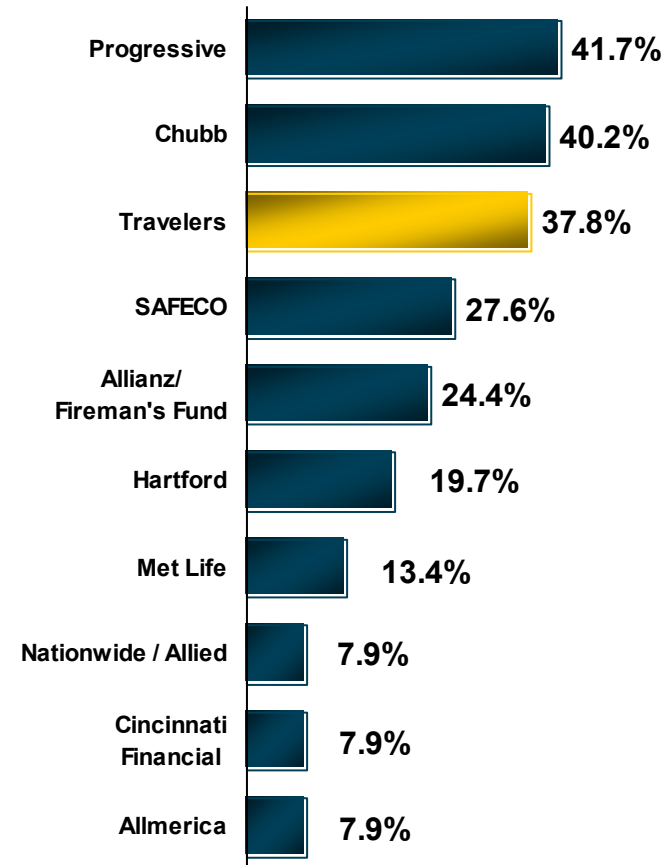
The St. Paul Travelers Companies

The “Go-To” Company for Independent Agents

Commercial Lines Agency Preference



Personal Lines Agency Preference



Financial Strength

The St. Paul Travelers Companies

Second Largest U.S. Insurer by Shareholders' Equity

(\$ in billions)

Rank	Company Name	Common Shareholders' Equity
1	American International Group	\$68.2
2	St. Paul Travelers Companies⁽¹⁾	20.0
2	Allstate	19.4
3	Travelers	11.5
4	Hartford	11.3
5	Chubb Corporation	8.5
6	ACE Limited	8.3
7	CNA Financial Corporation	7.5
8	XL Capital Limited	7.4
9	St. Paul	6.3
10	Cincinnati Financial	5.8
11	SAFECO Corporation	4.9
12	Progressive Corporation	4.6

Source: Company filings.

Note: Statistics as of September 30, 2003.

(1) Includes estimated pro forma purchase accounting adjustments.

The St. Paul Travelers Companies

Summary Financial Information

(\$ in billions)

<u>2003 Estimated (First Call)</u>	<u>St. Paul</u>	<u>Travelers</u>	<u>Combined</u>
Revenues	\$8.1	\$14.9	\$23.0
Operating income	0.8	1.7	2.5
<u>At September 30, 2003</u>			<u>Pro Forma ⁽¹⁾</u>
Investment assets	\$22.7	\$37.8	\$60.8
Total assets	40.4	63.5	106.6
Shareholders' equity	6.3	11.5	20.0
Statutory Surplus			13.0
NPW / Surplus			1.48x
Reserves / Surplus			2.62x

Source: Company filings.

(1) Includes estimated pro forma purchase accounting adjustments.

The St. Paul Travelers Companies

Strong Capital Base

(\$ in billions)

<u>Leverage</u>	<u>St. Paul</u>	<u>Travelers</u>	<u>Pro Forma ⁽¹⁾</u>
Conventional Debt ⁽²⁾	\$2.2	\$2.7	\$5.0
Total Debt	3.6	2.7	6.4
Total Capital	9.8	14.2	26.4
Conventional Debt ⁽²⁾ / Capital	22.7%	18.9%	19.0%

Financial Strength Ratings (as of November 14, 2003)

Moody's	A1	Aa3
S&P	A+	AA-
A.M. Best	A	A++
Fitch	NR	AA

Source: Company filings.

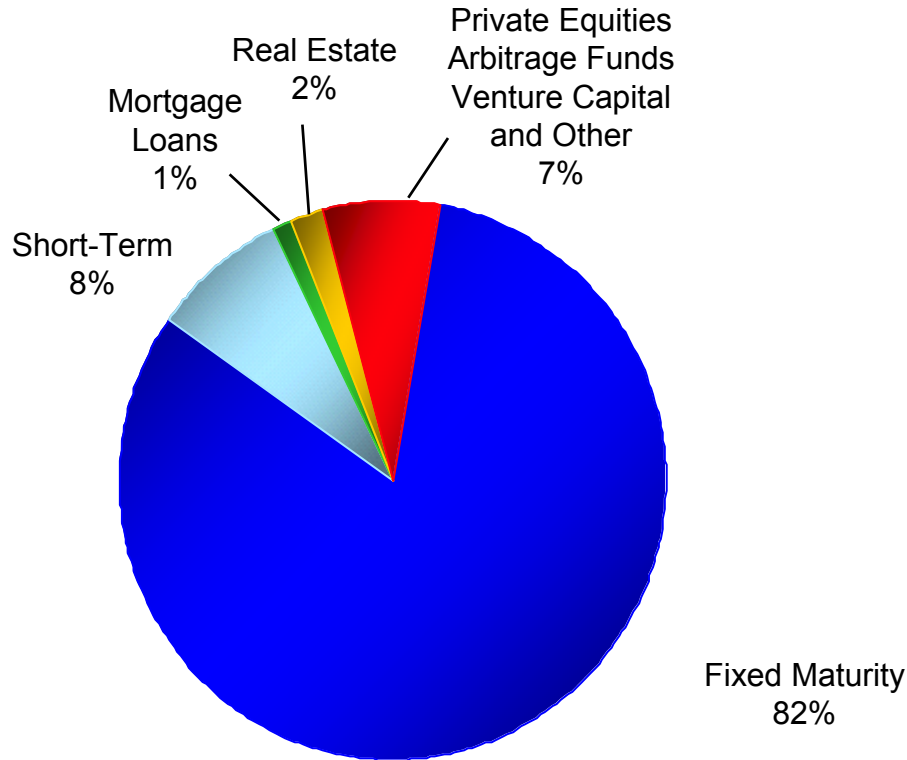
Note: Financial statistics as of September 30, 2003, except as noted.

(1) Includes estimated pro forma purchase accounting adjustments.

(2) Excludes mandatory convertibles and hybrid securities.

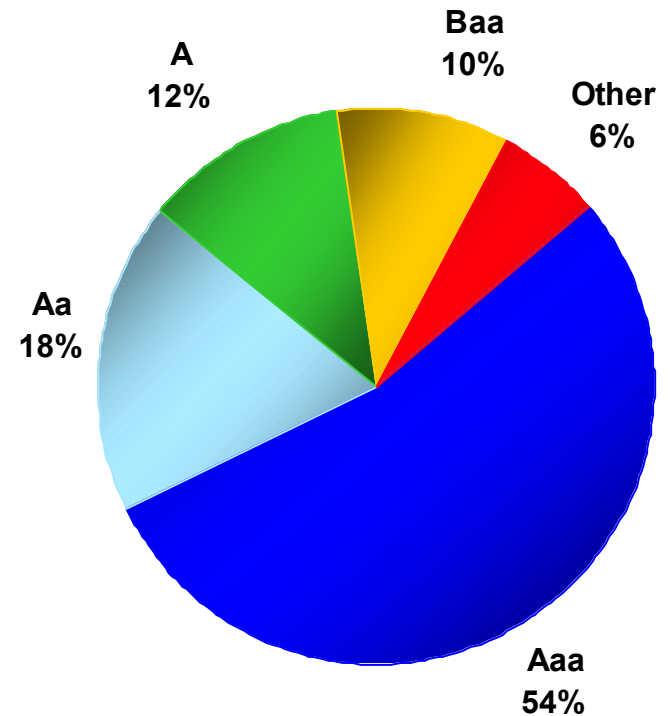
The St. Paul Travelers Companies Investment Portfolio

Invested Assets



Total: \$60.8 Billion
Duration: 4.1 Years

Fixed Maturity Portfolio



Total: \$49.5 Billion
Average Rating: Aa2/AA

Note: Statistics as of September 30, 2003.

Compatible Cultures and Track Record of Successful Transactions

The St. Paul Travelers Companies

Chairman

Robert I. Lipp

Chief Executive Officer

Jay S. Fishman

General Commercial & Personal Lines

Douglas G. Elliot

Investments

William H. Heyman

Claims

**Brian W. MacLean /
Timothy M. Yessman**

Specialty Commercial

T. Michael Miller

Transition Leader

Marita Zuraitis

Nuveen Investments

Timothy B. Schwertfeger

The St. Paul Travelers Companies Highly Compatible Cultures

- ▶ **Both companies pursuing similar business strategies – an emphasis on independent agents and brokers**
- ▶ **Focus on underwriting, claims and actuarial disciplines**
- ▶ **Expense control – spend it like it's your own**
- ▶ **Commitment to performance measurement and accountability at every level**
- ▶ **Profitability is more important than market share**

The St. Paul Travelers Companies

Strong Combined Team Dedicated to Value Creation

- ▶ **Proven experience in integrating businesses**
 - **Primerica / Travelers (1993)**
 - **Travelers / Aetna P&C (1995)**
 - **St. Paul / USF&G (1998)**
 - **Travelers / Citicorp (1999)**
 - **Reliance Surety (2000)**
 - **RSA Financial Professional renewal rights (2002)**
 - **Kemper renewal rights (2003)**
 - **RSA renewal rights (2003)**
 - **Atlantic Mutual renewal rights (2003)**

Paramount Objective – Driving Value Creation for Shareholders

The St. Paul Travelers Companies

Estimated Financial Impact

(\$ in millions)

Travelers 2004 First Call net operating income estimates ⁽¹⁾	\$2,035
St. Paul 2004 First Call net operating income estimates ⁽¹⁾	<u>1,052</u>
Combined 2004 net operating income estimate ⁽¹⁾	\$3,087
 <u>Estimated Annualized Pro Forma After-tax Adjustments ⁽²⁾</u>	
Purchase GAAP adjustment estimates	(\$260) – (\$220)
Expense savings	80 – 225
Revenue synergies	100 – 150

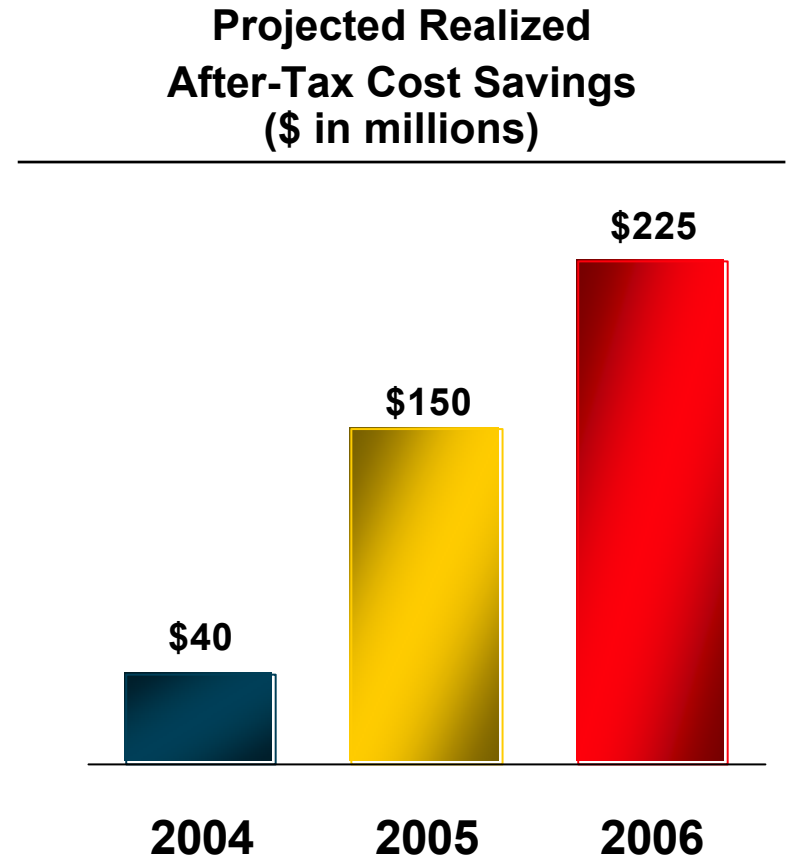
Note: For illustrative purposes.

- (1) Estimates based on current First Call consensus for Travelers and St. Paul; assumed to be based on a fully diluted share base.
- (2) Reflective of phase-in period.

The St. Paul Travelers Companies

Significant Cost Savings

- ▶ **Initial expected realized cost savings of \$225 million after-tax projected by 2006**
- ▶ **Projected to be 7-9% of controllable expenses**
- ▶ **Restructuring charge at the time of closing – initial estimate \$350 million**



Note: Assumes closing on June 30, 2004.

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This filing may be deemed to be solicitation material in respect of the proposed merger of Travelers and The St. Paul. In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. SHAREHOLDERS OF TRAVELERS AND SHAREHOLDERS OF THE ST. PAUL ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The final joint proxy statement/prospectus will be mailed to shareholders of Travelers and shareholders of The St. Paul. Investors and security holders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov, from Travelers Property Casualty Corp., One Tower Square, Hartford, Connecticut 06183, Attention: Investor Relations, or from The St. Paul Companies, Inc., 385 Washington Street, Saint Paul, Minnesota 55102, Attention: Investor Relations.

Travelers, The St. Paul and their respective directors and executive officers and other members of management and employees may be deemed to participate in the solicitation of proxies in respect of the proposed transactions. Information regarding Travelers' directors and executive officers is available in Travelers' proxy statement for its 2003 annual meeting of shareholders, which was filed with the SEC on March 17, 2003, and information regarding The St. Paul's directors and executive officers is available in The St. Paul's proxy statement for its 2003 annual meeting of shareholders, which was filed on March 28, 2003, as supplemented by the Additional Materials filed pursuant to Schedule 14A of the Securities Exchange Act of 1934, as amended, on April 7, 2003. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.