



CIAB 2024



LISTENING TO YOU

We understand you are challenged by

CAPACITY ACROSS MULTIPLE LINES

CAT & NON-CAT WEATHER IMPACTS

CONTINUED RAPID EVOLUTION OF TECHNOLOGY-
IMPACT OF AI

TALENT CHALLENGES - AGING WORKFORCE,
HYBRID/REMOTE, TRAINING



WATCHING TRENDS

Industry-wide Marketplace Economics

INFLATION

Inflation remains a headwind across almost all lines

- The all-items CPI index rose 2.5 percent for the 12 months ending in August¹; the smallest 12-month increase since February 2021² though still above pre-pandemic levels²
- Labor costs rising +15% - 1Q19-2Q24³
- Housing material costs continue to rise - shingles⁴ (+43%), lumber⁵(+18%) - 1Q19-3Q24
- Auto parts⁶ & used car⁷ prices increasing (+24% & +23% respectively) - 1Q19-3Q24
- Plaintiff attorneys continue to use aggressive tactics - advertising, venue shopping

SOCIETAL, ECONOMIC & LABOR

Short-term shocks, long-term trends

- Inflation volatility persists
- Economic uncertainty affecting consumer sentiment
- Demographic and buying pattern shifts
- Workforce narratives - costs, aging, skill gaps, hybrid/remote
- Evolving legislative and regulatory environment
- Rapid development of AI presents great opportunity and risk
- Cyber attacks, data breaches and widespread event risk increasingly a concern
- Global conflicts remain a watch item

¹ Bureau of Labor Statistics ² Bureau of Labor Statistics ³ Federal Reserve Bank ⁴ Federal Reserve Bank ⁵ Federal Reserve Bank ⁶ Reserve Bank ⁷ Federal Reserve Bank

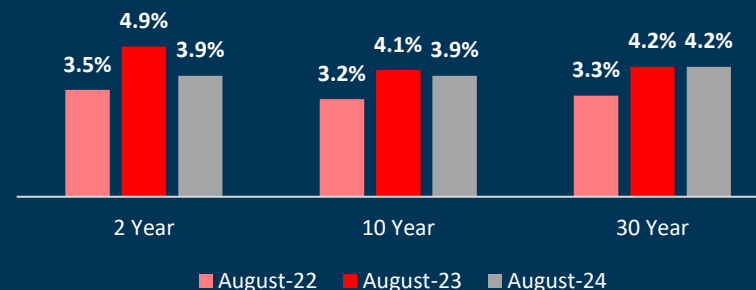
WEATHER & NON-WEATHER TRENDS

Increasing focus on weather and non-weather trends

- Continued population growth in high-risk hurricane and wildfire areas
- Increasing volatility in extreme rainfall straining urban flood design
- Frequency & severity of thunderstorm losses increasing; record # of events through Q2
- Record warm ocean temperatures elevating seasonal hurricane risk
- Hotter, drier conditions increasing wildfire risk with land-forest management playing key roles
- California wildfire season off to early start (Park Fire: top 5 largest, 600+ structures destroyed)

INTEREST RATES

Treasury Yields



Source: U.S. Department of the Treasury Daily Treasury Par Yield Curve Rates as of August 30th, 2024

PROFITABLE GROWTH WHILE IMPROVING EXPERIENCES

Market Overview:

Profitably Grow Auto

- Normalizing Rate Changes
- Lifting Temporary Binding Restrictions
- Loosening U/W Guidelines
- Reducing Down Payment Requirements
- Turning on Alternate Quote



Improve Profitability in Property

- Increasing Rate and Insured Values
- Expanding Temporary Binding Restrictions
- Tightening NB Eligibility (Age of Roof)
- Increasing W/H Deductible Requirements
- Leveraging AI Enabled Aerial Imagery



Distribution Investments:

Ease of Doing Business

- APIs (Production & Service)
- IVANS Extraction pilot



Educating Agents and Consumers

- Auto/Home Market Guides
- Roof/Deductible Education Materials
- PIVOT/TALP/Agency Workshops

Innovation Focus:

Improve Efficiency and Effectiveness

- Payment & Billing Transformation
- myDesktop
- U/W Process Improvements
- Artificial Intelligence



Product Enhancements & Investments:

- Quantum Boat & Yacht
- IntelliDrive 365
- Cyber Protection Package pilot
- Property E&S pilot
- OPTIMA Home in Canada



PI



INVESTING FOR TODAY AND TOMORROW

Focused on Improving the Agent Experience and Enhancing Underwriting Capabilities to Grow Together

A complex and dynamic marketplace:

- Challenging casualty environment driven by legal system abuse.
- Challenging property environment driven by volatile weather.
- Dislocation in particular states and classes.

What you can expect from Business Insurance:

- Early and frequent communications.
- Granular segmentation and differentiation at the account level.
- Consistency, reliability, transparency and financial stability.

Sales Excellence



Profitable Growth

Investing in a distribution-centric sales ecosystem to enable mutual profitable growth.
Prospecting | Pipelining | Salesforce | Marketing

Underwriting Modernization



Ease & Speed

Investing in capabilities to enable quicker decisions and easier self-service.
TRAVIS | APIs | e-Submission | MyT for Business | Risk Control Portal

Product Sophistication



Modernized Products

Investing in products that customers want and that you want to sell.
TCAP (36 States) | Travelers Synergy | TCUP | BOP2.0

Analytics Advantage



Actionable Insights

Investing in capabilities to enable more granular pricing and productivity.
Artificial Intelligence | Advanced Analytics | Predictive Modeling



Management Liability - Investing in our Mutual Success



Cyber Enhancements:

- Expanding Risk Advisory / Mitigation Services for TRV customers
- Enhanced scan to identify more customer vulnerabilities
- Distribution Differentiation - Go To Market Strategy

B&SI

Cyber



Helping Agents Sell:

- ML Coverages (EPL, Cyber, E&O) available to quote on TRAVIS
- SmartCyber API connected to quote

Digital



New Policy Forms:

- Easy to follow language and format | Launching Professional Liability ('25) with additional products to follow

New Rates:

- For better segmentation and insights (PL '25)

Flexibility:

- Management Liability Strategic Platform Infrastructure

Platform



Surety - Helping our Partners Succeed

B&SI

Consistently Building Value:

Peer Group Analysis | Performance Construction Advisors (PCA) |
Cash Flow Forecasting | Project Loss Insurance (PLI) |
Financial Risk Control (FRC) Services

Construction

Delivering Opportunity & Expertise:

Underwriting Centers of Excellence (COE) | Click 2.0 |
Digital Connections to Surety Agency Management Systems

Commercial

Canada:

Local Underwriters with Global Reach | Thought Leadership Across
Surety Lines | Deployment of Commercial Digital Interface

Europe & Beyond:

Expanded Product Suite | Global Placement Capabilities

International



LEVERAGING THE FORCES OF CHANGE THROUGH INNOVATION

Improving Payout Discipline & Insights, Driving Great Customer Experiences and Accelerating Efficiency

12K Claim Professionals

~90% CAT Property Claims closed within 30 Days¹

~800 Staff Counsel

~550 Dedicated Claim Nurses

~\$20B Paid Indemnity in 2023

Delivering Digital and Engaging Experiences



COMPREHENSIVE DIGITAL SERVICES

- ✔ Report
- ✔ Upload
- ✔ Status
- ✔ eSign
- ✔ ePay

Our digital services streamline the claim and payment process. Workers Compensation applications address injured employee mental wellbeing with WYSA to help users build and develop their resilience skills and facilitate a more holistic recovery. In Auto and GL, our **rules-driven evaluation tool** helps claimants understand how to value their claim, which can reduce the need for attorney representation.

Helping to Mitigate Severity to Support our Customers



SEVERITY MANAGEMENT

- ✔ Claim Analytics PhDs
- ✔ Behavioral Scientists
- ✔ Liability Solutions+

Proprietary modeling of over 200K plaintiff attorneys, including negotiating tactics and settlement practices. We also identify connections and patterns between attorneys and specific medical providers. Our team of behavioral scientists support our holistic approach to managing the evolving implications of litigation abuse, shaping our GL and Auto resolution strategies.

Improving Productivity and Efficiency with Data, Technology and Artificial Intelligence (AI)



AI + PREDICTIVE MODELS

- ✔ Predictive Models
- ✔ Geospatial
- ✔ Generative AI

AI helps our Claim professionals to identify and evaluate coverage for quicker assurances when lawsuits are filed. Geospatial capabilities and AI provide imagery of more than 85% of U.S. properties to prioritize customer response during catastrophes. Our expanded investment in AI includes improving the proficiency and effectiveness of our Claim professionals through a generative AI-driven virtual assistant that unlocks our extensive claim knowledge, and a document summarization capability that provides concise, readily available insights.

CLAIM

Based on FY 2023 data

¹Based on Property CAT Claims 2011 to 2023

