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## The Travelers Companies Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question is from Josh Shanker Citi.

#### Josh Shanker Citi

Back before the merger of Travelers and St. Paul, St. Paul had a reputation for writing some larger commercial business. I am wondering, given what's going on in the marketplace, whether the new Travelers has this capability in this way and you're looking at what could be a market opportunity, what that means for you.

#### Jay Fishman

First, I will make an observation. That may have been a reputation; I have not heard it before. It's not a correct one. St. Paul was a middle market and small commercial underwriter with a focus more on specialty businesses than general commercial. But it was not a large account casualty and, frankly, when I got there, I am not even insure it had a national account property business. That was not the case.

As it relates to the company today, our sweet spot remains middle market accounts and small commercial accounts in the commercial arena. We are not a large account casualty writer, broadly speaking that is. The reason for that is that we find it difficult to understand how we can achieve a portfolio outcome when you are dealing with large account casualty business. Risks tend to exist on an individual main basis and we struggle to get to a portfolio with that. We do write large account property business.

We're a significant writer of large account property business. Of course, we do a fair amount of servicing. A large amount of servicing for workers comp exposure to some of the largest, obviously, U.S.-based accounts, workers comp being a U.S. phenomenon. I don't think that we would change our culture and our DNA to embrace a line of business that we have struggled with.

We don't dispute that other people have been successful at it and we certainly don't dispute that other people seem to have figured out a way to manage that business over a long period of time, but it's really eluded us. It's eluded us for a long period of time. So, we don't have a great focus of expanding our business orientation into the large account casualty world, particularly any more aggressively than we currently do. Brian, do you want to add anything?

#### Brian MacLean

I will admit, I am also a little concerned when we broad brush where we are in the market. So we do stuff for large accounts, but as Jay said, it's property, it's heavily focused on the casualty side. On servicing, we take some risks. In the aggregate, we are much more of a modest player there. Our sweet spot is clearly middle market business and small commercial.

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