



News Release

Big I, The Council, Nationwide and Travelers Announce Support of Coastal Insurance Solution

SAINT PAUL, Minn., July 15, 2008 – The Travelers Companies, Inc. (NYSE: TRV), Nationwide Mutual Insurance Company and two leading national insurance agent and broker organizations today announced support of a comprehensive, private market approach to improve the affordability and availability of coastal wind storm insurance for homeowners. Federal legislation would be required to enact the outlined concept.

“Travelers is committed to finding a private market solution to the nation’s coastal insurance challenges,” said Travelers Chairman and Chief Executive Officer Jay Fishman. “The comprehensive concept we are offering today reflects input and ideas from across the industry, and is based on four pillars that, taken together, focus on facilitating the availability and affordability of private insurance for hurricane and tropical storm wind coverage along the Gulf and Atlantic coasts. At Travelers, we stand ready to work with Congress to advance the approach we are announcing today.”

Also supporting the “Four Pillars” principles are Nationwide Insurance, one of the largest diversified insurance and financial services organizations in the world, the Independent Insurance Agents & Brokers of America (Big I), representing a national alliance of 300,000 business owners and their employees, and The Council of Insurance Agents and Brokers (The Council), the premier association for commercial insurance agents and brokers (members place 80 percent of all commercial property/casualty premiums in the United States).

“Property owners who live in hurricane-prone areas deserve the same peace-of-mind and availability of insurance coverage as everyone else,” said Jerry Jurgensen, Nationwide Insurance Chief Executive Officer. “Nationwide supports the four pillars being unveiled today as a consistent, reasonable approach to managing coastal-risk. These principles, if implemented, provide a sound framework that would encourage private insurance companies to broaden availability of property wind insurance coverage for consumers who live near the water.”

The “Four Pillars” include:

1. A stable and consistent regulatory environment, with a uniform set of rules applied to named wind coverage for coastal zones from Texas to Maine. This portion of the homeowner policy would be regulated by an independent federal body, with the remainder of the policy still regulated by the states.
2. Transparency in calculating insurance premiums, with risk-based, actuarially sound rates using approved standards and wind risk models, and a rating calculation mechanism to be applied if models and actual experience become misaligned over time.
3. Federal reinsurance mechanism for extreme events (such as hurricanes causing losses several times greater than those arising out of Hurricane Katrina), with the reinsurance made available to insurers at cost so there would be no taxpayer subsidy, and the savings passed directly to customers.

4. Encouraging stronger homes through federal guidelines for appropriate building codes and land use planning, with incentives for state and local adoption, plus enhanced construction technology and meaningful premium credits for customers who make their homes less vulnerable to wind damage.

“We believe these comprehensive principles provide the needed framework to assist America’s coastal families in preparing to repair, rebuild and recover from the aftermath of named storm catastrophes,” said Fishman. “We’ve held extensive discussions with key members of Congress, public officials at the state and local level, insurance agents and other industry leaders and appreciate the wide range of participants who recognize this as a viable solution to a challenging market problem.”

“As governor of a Gulf Coast state, I’m encouraged by the principles outlined with these four pillars,” said Mississippi Governor Haley Barbour. “With the projections of risk from future hurricanes, I’m committed to working with my fellow governors, Congress and others to find solutions to the current insurance market issues. We should not wait for the next major storm before solving the substantial challenges of coastal insurance availability and affordability.”

Travelers is a leading provider of property casualty insurance for auto, home and business. For more information, visit www.travelers.com.

Nationwide is a leading provider of home, auto, life and commercial insurance products. Visit www.nationwide.com for more information.

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