

TRAVELERS COMPANIES, INC.

Form 10-Q

April 22, 2014

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-Q

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2014**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number: 001-10898**

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## The Travelers Companies, Inc.

(Exact name of registrant as specified in its charter)

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**Minnesota**  
(State or other jurisdiction of  
incorporation or organization)

**41-0518860**  
(I.R.S. Employer  
Identification No.)

**485 Lexington Avenue**  
**New York, NY 10017**

(Address of principal executive offices) (Zip Code)

**(917) 778-6000**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the Registrant's Common Stock, without par value, outstanding at April 18, 2014 was 347,471,625.

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**The Travelers Companies, Inc.**

**Quarterly Report on Form 10-Q**

**For Quarterly Period Ended March 31, 2014**

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Table of Contents**PART 1 FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF INCOME (Unaudited)**

(in millions, except per share amounts)

For the three months ended March 31,	2014	2013
<b>Revenues</b>		
Premiums	\$ 5,823	\$ 5,517
Net investment income	736	670
Fee income	107	97
Net realized investment gains (1)	1	10
Other revenues	41	34
<b>Total revenues</b>	<b>6,708</b>	<b>6,328</b>
<b>Claims and expenses</b>		
Claims and claim adjustment expenses	3,315	3,153
Amortization of deferred acquisition costs	950	948
General and administrative expenses	881	915
Interest expense	92	92
<b>Total claims and expenses</b>	<b>5,238</b>	<b>5,108</b>
<b>Income before income taxes</b>	<b>1,470</b>	<b>1,220</b>
Income tax expense	418	324
<b>Net income</b>	<b>\$ 1,052</b>	<b>\$ 896</b>
<b>Net income per share</b>		
Basic	\$ 2.98	\$ 2.36
Diluted	\$ 2.95	\$ 2.33
<b>Weighted average number of common shares outstanding</b>		
Basic	350.9	377.7
Diluted	354.6	381.9

(1) Total other-than-temporary impairment (OTTI) gains (losses) were \$(7) million for the three months ended March 31, 2014 and \$0 million for the three months ended March 31, 2013. Of total OTTI, credit losses of \$(9) million and \$(5) million for the three months ended March 31, 2014 and 2013, respectively, were recognized in net realized investment gains. In addition, unrealized gains from other changes in total OTTI of \$2 million and \$5 million for the three months ended March 31, 2014 and 2013, respectively, were recognized in other comprehensive income (loss) as part of changes in net unrealized gains on investment securities having credit losses recognized in the consolidated statement of income.

The accompanying notes are an integral part of the consolidated financial statements.

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**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**

(in millions)

For the three months ended March 31,	2014	2013
<b>Net income</b>	<b>\$ 1,052</b>	<b>\$ 896</b>
<b>Other comprehensive income (loss):</b>		
Changes in net unrealized gains on investment securities:		
Having no credit losses recognized in the consolidated statement of income	537	(376)
Having credit losses recognized in the consolidated statement of income	2	9
Net changes in benefit plan assets and obligations	15	28
Net changes in unrealized foreign currency translation	(43)	(96)
<b>Other comprehensive income (loss) before income taxes</b>	<b>511</b>	<b>(435)</b>
Income tax expense (benefit)	194	(125)
<b>Other comprehensive income (loss), net of taxes</b>	<b>317</b>	<b>(310)</b>
<b>Comprehensive income</b>	<b>\$ 1,369</b>	<b>\$ 586</b>

The accompanying notes are an integral part of the consolidated financial statements.



Table of Contents**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET**

(in millions)

	March 31, 2014 (Unaudited)	December 31, 2013
<b>Assets</b>		
Fixed maturities, available for sale, at fair value (amortized cost \$61,995 and \$62,196)	\$ 64,271	\$ 63,956
Equity securities, available for sale, at fair value (cost \$660 and \$686)	938	943
Real estate investments	936	938
Short-term securities	4,034	3,882
Other investments	3,539	3,441
<b>Total investments</b>	<b>73,718</b>	<b>73,160</b>
Cash	260	294
Investment income accrued	686	734
Premiums receivable	6,302	6,125
Reinsurance recoverables	9,590	9,713
Ceded unearned premiums	851	801
Deferred acquisition costs	1,836	1,804
Deferred taxes		303
Contractholder receivables	4,361	4,328
Goodwill	3,624	3,634
Other intangible assets	339	351
Other assets	2,567	2,565
<b>Total assets</b>	<b>\$ 104,134</b>	<b>\$ 103,812</b>
<b>Liabilities</b>		
Claims and claim adjustment expense reserves	\$ 50,588	\$ 50,895
Unearned premium reserves	11,917	11,850
Contractholder payables	4,361	4,328
Payables for reinsurance premiums	370	298
Deferred taxes	54	
Debt	6,347	6,346
Other liabilities	5,110	5,299
<b>Total liabilities</b>	<b>78,747</b>	<b>79,016</b>
<b>Shareholders equity</b>		
Common stock (1,750.0 shares authorized; 347.5 and 353.5 shares issued and outstanding)	21,603	21,500
Retained earnings	25,167	24,291
Accumulated other comprehensive income	1,127	810
Treasury stock, at cost (410.0 and 401.5 shares)	(22,510)	(21,805)
<b>Total shareholders equity</b>	<b>25,387</b>	<b>24,796</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 104,134</b>	<b>\$ 103,812</b>

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (Unaudited)**

(in millions)

For the three months ended March 31,	2014	2013
<b>Common stock</b>		
Balance, beginning of year	\$ 21,500	\$ 21,161
Employee share-based compensation	45	76
Compensation amortization under share-based plans and other changes	58	63
Balance, end of period	21,603	21,300
<b>Retained earnings</b>		
Balance, beginning of year	24,291	21,352
Net income	1,052	896
Dividends	(177)	(176)
Other	1	
Balance, end of period	25,167	22,072
<b>Accumulated other comprehensive income, net of tax</b>		
Balance, beginning of year	810	2,236
Other comprehensive income (loss)	317	(310)
Balance, end of period	1,127	1,926
<b>Treasury stock (at cost)</b>		
Balance, beginning of year	(21,805)	(19,344)
Treasury stock acquired share repurchase authorization	(650)	(300)
Net shares acquired related to employee share-based compensation plans	(55)	(58)
Balance, end of period	(22,510)	(19,702)
<b>Total shareholders equity</b>	<b>\$ 25,387</b>	<b>\$ 25,596</b>
<b>Common shares outstanding</b>		
Balance, beginning of year	353.5	377.4
Treasury stock acquired share repurchase authorization	(7.8)	(3.7)
Net shares issued under employee share-based compensation plans	1.8	2.7
Balance, end of period	347.5	376.4

The accompanying notes are an integral part of the consolidated financial statements.

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**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**

(in millions)

For the three months ended March 31,	2014	2013
<b>Cash flows from operating activities</b>		
Net income	\$ 1,052	\$ 896
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized investment gains	(1)	(10)
Depreciation and amortization	227	219
Deferred federal income tax expense	153	131
Amortization of deferred acquisition costs	950	948
Equity in income from other investments	(139)	(74)
Premiums receivable	(189)	(155)
Reinsurance recoverables	106	390
Deferred acquisition costs	(986)	(954)
Claims and claim adjustment expense reserves	(209)	(751)
Unearned premium reserves	94	187
Other	(355)	(297)
<b>Net cash provided by operating activities</b>	<b>703</b>	<b>530</b>
<b>Cash flows from investing activities</b>		
Proceeds from maturities of fixed maturities	2,312	2,123
Proceeds from sales of investments:		
Fixed maturities	406	234
Equity securities	36	36
Real estate investments	1	
Other investments	167	174
Purchases of investments:		
Fixed maturities	(2,715)	(2,339)
Equity securities	(18)	(13)
Real estate investments	(9)	(6)
Other investments	(113)	(95)
Net (purchases) sales of short-term securities	(160)	109
Securities transactions in course of settlement	240	180
Acquisition, net of cash acquired	(12)	
Other	(60)	(100)
<b>Net cash provided by investing activities</b>	<b>75</b>	<b>303</b>
<b>Cash flows from financing activities</b>		
Payment of debt		(500)
Dividends paid to shareholders	(176)	(175)
Issuance of common stock    employee share options	57	98
Treasury stock acquired    share repurchase authorization	(650)	(300)
Treasury stock acquired    net employee share-based compensation	(54)	(58)
Excess tax benefits from share-based payment arrangements	13	21
<b>Net cash used in financing activities</b>	<b>(810)</b>	<b>(914)</b>

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Effect of exchange rate changes on cash		(2)		(6)
Net decrease in cash		(34)		(87)
Cash at beginning of year		294		330
<b>Cash at end of period</b>	<b>\$</b>	<b>260</b>	<b>\$</b>	<b>243</b>
<b>Supplemental disclosure of cash flow information</b>				
Income taxes paid	\$	93	\$	27
Interest paid	\$	34	\$	35

The accompanying notes are an integral part of the consolidated financial statements.

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**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

**Basis of Presentation**

The interim consolidated financial statements include the accounts of The Travelers Companies, Inc. (together with its subsidiaries, the Company). These financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP) and are unaudited. In the opinion of the Company's management, all adjustments necessary for a fair presentation have been reflected. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been omitted. All material intercompany transactions and balances have been eliminated. The accompanying interim consolidated financial statements and related notes should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's 2013 Annual Report on Form 10-K.

The preparation of the interim consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and claims and expenses during the reporting period. Actual results could differ from those estimates.

On November 1, 2013, the Company acquired all of the issued and outstanding shares of The Dominion of Canada General Insurance Company (Dominion) for an aggregate purchase price of approximately \$1.034 billion. Dominion primarily markets personal lines and small commercial insurance business in Canada. At the acquisition date, the Company recorded at fair value \$3.91 billion of assets acquired and \$2.88 billion of liabilities assumed as part of purchase accounting, including \$16 million of identifiable intangible assets and \$273 million of goodwill. The operating income and the amount of assets acquired from Dominion were included in the Company's Financial, Professional & International Insurance segment effective at the acquisition date.

**Adoption of Accounting Standards Updates**

*Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date*

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In February 2013, the FASB issued updated guidance to resolve diversity in practice concerning the recognition, measurement, and disclosure of obligations resulting from certain joint and several liability arrangements for which the total amount under the arrangement is fixed at the reporting date. The guidance requires that the reporting entity measure joint and several liability arrangements as the amount the reporting entity agreed to pay on the basis of its arrangement among the co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The updated guidance was effective for the quarter ending March 31, 2014. The adoption of this guidance did not have any effect on the Company's results of operations, financial position or liquidity.

### *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*

In March 2013, the FASB issued updated guidance to resolve diversity in practice concerning the release of the cumulative foreign currency translation adjustment into net income when a parent sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets within a foreign entity. When a company ceases to have a controlling financial interest in a subsidiary within a foreign entity, the company should recognize any related cumulative translation adjustment into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary had resided. Upon the partial sale of an equity method investment that is a foreign entity, the company should release into earnings a pro rata portion of the cumulative translation adjustment. Upon the partial sale of an equity method investment that is not a foreign entity, the company should release into earnings the cumulative translation adjustment if the partial sale represents a complete or substantially complete liquidation of the foreign entity that holds the equity method investment. The updated guidance was effective for the quarter ending March 31, 2014. The adoption of this guidance did not have any effect on the Company's results of operations, financial position or liquidity.

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**THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES, Continued**

**Accounting Standard Not Yet Adopted**

*Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*

In April 2014, the FASB issued revised guidance to reduce diversity in practice for reporting discontinued operations. Under the previous guidance, any component of an entity that was a reportable segment, an operating segment, a reporting unit, a subsidiary, or an asset group was eligible for discontinued operations presentation. The revised guidance only allows disposals of components of an entity that represent a strategic shift (e.g., disposal of a major geographical area, a major line of business, a major equity method investment, or other major parts of an entity) and that have a major effect on a reporting entity's operations and financial results to be reported as discontinued operations. The revised guidance also requires expanded disclosure in the financial statements for discontinued operations as well as for disposals of significant components of an entity that do not qualify for discontinued operations presentation. The updated guidance is effective for the quarter ending March 31, 2015. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

**Nature of Operations**

The Company is organized into three reportable business segments: Business Insurance; Financial, Professional & International Insurance; and Personal Insurance. These segments reflect the manner in which the Company's businesses are currently managed and represent an aggregation of products and services based on type of customer, how the business is marketed and the manner in which risks are underwritten. The specific business segments are as follows:

**Business Insurance**

The Business Insurance segment offers a broad array of property and casualty insurance and insurance-related services to its clients primarily in the United States. Business Insurance is organized into the following six groups, which collectively comprise Business Insurance Core operations: Select Accounts; Commercial Accounts; National Accounts; Industry-Focused Underwriting; Target Risk Underwriting; and Specialized Distribution.



Business Insurance also includes the Special Liability Group (which manages the Company's asbestos and environmental liabilities) and the assumed reinsurance and certain other runoff operations, which collectively are referred to as Business Insurance Other.

#### **Financial, Professional & International Insurance**

The Financial, Professional & International Insurance segment includes surety and financial liability coverages, which primarily use credit-based underwriting processes, as well as property and casualty products that are primarily marketed on a domestic basis in Canada, the United Kingdom and the Republic of Ireland, and on an international basis through Lloyd's. The segment includes the Bond & Financial Products group as well as the International group. The International group includes Dominion, which the Company acquired in November 2013 and which writes personal lines and small commercial insurance business in Canada.

In addition, the Company owns 49.5% of the common stock of J. Malucelli Participações em Seguros e Resseguros S.A. (JMalucelli), its joint venture in Brazil. JMalucelli primarily writes surety business in Brazil, as well as other property and casualty insurance business in Brazil. The Company's investment in JMalucelli is accounted for using the equity method and is included in other investments on the consolidated balance sheet.

#### **Personal Insurance**

The Personal Insurance segment writes a broad range of property and casualty insurance covering individuals' personal risks. The primary products of automobile and homeowners insurance are complemented by a broad suite of related coverages.

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The following tables summarize the components of the Company's revenues, operating income and total assets by reportable business segments:

(for the three months ended March 31, in millions)	Business Insurance	Financial, Professional & International Insurance	Personal Insurance	Total Reportable Segments
<b>2014</b>				
Premiums	\$ 3,016	\$ 1,045	\$ 1,762	\$ 5,823
Net investment income	530	106	100	736
Fee income	107			107
Other revenues	8	8	26	42
Total operating revenues (1)	\$ 3,661	\$ 1,159	\$ 1,888	\$ 6,708
Operating income (1)	\$ 653	\$ 195	\$ 268	\$ 1,116
<b>2013</b>				
Premiums	\$ 2,942	\$ 735	\$ 1,840	\$ 5,517
Net investment income	487	92	91	670
Fee income	97			97
Other revenues	13	5	18	36
Total operating revenues (1)	\$ 3,539	\$ 832	\$ 1,949	\$ 6,320
Operating income (1)	\$ 590	\$ 163	\$ 197	\$ 950

(1) Operating revenues for reportable business segments exclude net realized investment gains (losses). Operating income for reportable business segments equals net income excluding the after-tax impact of net realized investment gains (losses).

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## THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

## 2. SEGMENT INFORMATION, Continued

## Business Segment Reconciliations

(in millions)	Three Months Ended March 31,	
	2014	2013
<b>Revenue reconciliation</b>		
Earned premiums		
Business Insurance:		
Workers compensation	\$ 908	\$ 847
Commercial automobile	468	475
Commercial property	428	409
General liability	447	437
Commercial multi-peril	755	765
Other	10	9
Total Business Insurance	3,016	2,942
Financial, Professional & International Insurance:		
Fidelity and surety	222	220
General liability	237	213
International	542	258
Other	44	44
Total Financial, Professional & International Insurance	1,045	735
Personal Insurance:		
Automobile	815	872
Homeowners and other	947	968
Total Personal Insurance	1,762	1,840
Total earned premiums	5,823	5,517
Net investment income	736	670
Fee income	107	97
Other revenues	42	36
Total operating revenues for reportable segments	6,708	6,320
Other revenues	(1)	(2)
Net realized investment gains	1	10
Total consolidated revenues	\$ 6,708	\$ 6,328
<b>Income reconciliation, net of tax</b>		
Total operating income for reportable segments	\$ 1,116	\$ 950
Interest Expense and Other (1)	(64)	(63)
Total operating income	1,052	887

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Net realized investment gains				9
Total consolidated net income	\$	1,052	\$	896

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(1) The primary component of Interest Expense and Other was after-tax interest expense of \$60 million in each of the three months ended March 31, 2014 and 2013.

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## THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

## 2. SEGMENT INFORMATION, Continued

(in millions)	March 31, 2014	December 31, 2013
<b>Asset reconciliation:</b>		
Business Insurance	\$ 74,225	\$ 73,746
Financial, Professional & International Insurance	16,585	16,691
Personal Insurance	12,841	12,870
Total assets for reportable segments	103,651	103,307
Other assets (1)	483	505
Total consolidated assets	\$ 104,134	\$ 103,812

(1) The primary components of other assets at both dates were other intangible assets and accrued over-funded benefit plan assets related to the Company's qualified domestic pension plan.

## 3. INVESTMENTS

**Fixed Maturities**

The amortized cost and fair value of investments in fixed maturities classified as available for sale were as follows:

(at March 31, 2014, in millions)	Amortized Cost	Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	\$ 2,192	\$ 40	\$ 9	\$ 2,223
Obligations of states, municipalities and political subdivisions:				
Pre-refunded	8,320	380	1	8,699
All other	25,699	1,168	174	26,693

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Total obligations of states, municipalities and political subdivisions	34,019	1,548	175	35,392
Debt securities issued by foreign governments	2,539	35	3	2,571
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	2,202	174	15	2,361
All other corporate bonds	20,914	846	173	21,587
Redeemable preferred stock	129	8		137
Total	\$ 61,995	\$ 2,651	\$ 375	\$ 64,271

(at December 31, 2013, in millions)	Amortized Cost	Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	\$ 2,288	\$ 39	\$ 12	\$ 2,315
Obligations of states, municipalities and political subdivisions:				
Pre-refunded	9,074	445	1	9,518
All other	25,414	991	361	26,044
Total obligations of states, municipalities and political subdivisions	34,488	1,436	362	35,562
Debt securities issued by foreign governments	2,552	33	8	2,577
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities	2,263	179	18	2,424
All other corporate bonds	20,472	767	299	20,940
Redeemable preferred stock	133	6	1	138
Total	\$ 62,196	\$ 2,460	\$ 700	\$ 63,956

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Pre-refunded bonds of \$8.70 billion and \$9.52 billion at March 31, 2014 and December 31, 2013, respectively, were bonds for which states or municipalities have established irrevocable trusts, almost exclusively comprised of U.S. Treasury securities, which were created to satisfy their responsibility for payments of principal and interest.

**Equity Securities**

The cost and fair value of investments in equity securities were as follows:

(at March 31, 2014, in millions)	Cost		Gross Unrealized			Fair Value		
			Gains	Losses				
Common stock	\$	385	\$	248	\$	2	\$	631
Non-redeemable preferred stock		275		34		2		307
Total	\$	660	\$	282	\$	4	\$	938

(at December 31, 2013, in millions)	Cost		Gross Unrealized			Fair Value		
			Gains	Losses				
Common stock	\$	385	\$	226	\$	1	\$	610
Non-redeemable preferred stock		301		34		2		333
Total	\$	686	\$	260	\$	3	\$	943

**Unrealized Investment Losses**

The following tables summarize, for all investments in an unrealized loss position at March 31, 2014 and December 31, 2013, the aggregate fair value and gross unrealized loss by length of time those securities have been continuously in an unrealized loss position. The fair value amounts reported in the tables are estimates that are prepared using the process described in note 4.

(at March 31, 2014, in millions)	Less than 12 months		12 months or longer		Total	
	Fair Value	Gross Unrealized	Fair Value	Gross Unrealized	Fair Value	Gross Unrealized

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	Losses		Losses		Losses	
<b>Fixed maturities</b>						
U.S. Treasury securities and obligations of U.S. government and government agencies and authorities	\$	158	\$	9	\$	9
Obligations of states, municipalities and political subdivisions		3,143		105		175
Debt securities issued by foreign governments		520		3		3
Mortgage-backed securities, collateralized mortgage obligations and pass-through securities		508		14		15
All other corporate bonds		4,875		132		173
<b>Total fixed maturities</b>		<b>9,204</b>		<b>263</b>		<b>375</b>
<b>Equity securities</b>						
Common stock		53		2		53