TRAVELERS



# 2009 Employee Benefits Program

# Pension

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## Pension

# Important Information

## This Is Only A Summary

This is a summary of The Travelers Pension plan (the "plan"). The plan operates under detailed legal plan documents. A summary cannot deal with every set of circumstances. If this summary is incomplete in some respect or can be read to be inconsistent with the plan documents in any way, the plan documents will control.

Copies of the plan documents are available for review from the ESU.

## It Describes Current Plan Terms

This summary describes the plan in effect after January 1, 2009. The rights of participants generally are determined by the plan document in effect on the date their employment terminates, unless they are reemployed.

The plan covers several groups of people, including people who participated in The St. Paul Companies, Inc. Employees' Retirement Plan and the legacy Travelers Pension Plan prior to the merger of these plans on December 31, 2004. Certain rules for the "legacy plan" participants are found in the appendices to this summary plan description.

## Not An Employment Contract

This document is not a contract of employment or a guarantee of continued employment for any definite period of time.

## Right To Amend Or Terminate

The Travelers Companies, Inc. ("Travelers") can amend or terminate the plan at any time and for any reason, subject only to limitations that may be expressly imposed by law.

An amendment may apply to active participants, to persons who are on leave, to retirees or other former employees, or to others who are no longer active participants in the plan. Further, an amendment may apply to all participants or only to some participants. An amendment may even apply retroactively if permitted by law.

Refer also to the section entitled "Continuation of the plan."

## Right To Interpret

Travelers, its Administrative Committee and others have broad discretionary authority to make factual determinations and to interpret the plan. This is described in the section entitled "Applying for benefits."

## Administrative Committee

The "Administrative Committee" is a person or committee appointed to this position in accordance with the terms of the plan. Currently, the Administrative Committee consists of a single person — the Executive Vice President — Human Resources of Travelers.

## Oral Or Other Unofficial Modifications Are Not Permitted

The legal documents governing the plan cannot be modified by oral statements made by anyone, or by unofficial communications (such as e-mail or mailings) or other contracts (such as employment agreements or stock or asset purchase agreements). The plan can only be modified by official plan amendments. Amendments can only be adopted by authorized persons, such as the Board of Directors (in certain circumstances), the Chief Executive Officer, or others to whom the Chief Executive Officer has delegated amendment authority.

The "Company"

Travelers is the "sponsor" of the plan, and the plan covers employees of Travelers and the "participating affiliates" of Travelers. The participating affiliates are:

- Travelers Indemnity Company
- First Trenton Indemnity Company (also known as Travelers of New Jersey)
- The Premier Insurance Company of Massachusetts (also known as Travelers of Massachusetts)
- First Floridian Auto and Home Insurance Company (also known as Travelers of Florida)
- Discover Re Managers, Inc.
- TCI Global Services, Inc.

References in this summary to the "company" are to Travelers and the other participating affiliates. References to Travelers are to The Travelers Companies, Inc.

*If you were a participant in the St. Paul Companies, Inc. Employees' Retirement Plan or the legacy Travelers Pension Plan prior to January 1, 2005, refer to the appendices for special rules that may apply to you.*

# Overview

## Introduction

Your financial security at retirement is important to you and your family, as well as to the company. Benefits from the plan will help meet your retirement income needs if you work at the company until you retire or are vested.

The plan works with Social Security, other Travelers plans (such as the 401(k) Savings Plan), and your personal savings to provide your retirement income.

## Eligibility

You become eligible to participate in the plan after one (1) year of continuous employment, if you are a full-time employee. If you are a part-time employee, you become eligible to participate on the January 1 or July 1 following the first year in which you complete 1,000 hours of service.

## Cash Balance Formula

The plan determines your benefits under a cash balance formula, which provides pay and interest credits to a hypothetical account maintained for you.

The annual pay credit is:

| If your age and vesting service add up to: | Percent of your pensionable earnings: |
|---|---|
| Less than 30 | 2.0% |
| 30 to 39 | 2.5% |
| 40 to 49 | 3.0% |
| 50 to 59 | 4.0% |
| 60 to 69 | 5.0% |
| 70 or more | 6.0% |

Interest credits are given quarterly. The rate for each quarter will be 1/4th of the daily average of the 10-year Treasury constant maturity annual rate for the fourth, fifth and sixth month before the calendar quarter for which the interest credit is being determined. (There is a minimum interest crediting rate described later in this summary in the section titled “Credits to Your Account.”)

The interest rate is rounded to two decimal places.

## Traditional Pension Formula

Certain participants are grandfathered under traditional final average pay or other pension formulas. See the appendices to this Pension section for more details.

# Overview

## Vesting

You are 100% vested when you have three (3)  years of vesting service, or if you reach age 62 while an active participant in the plan with one (1) year of vesting service, or if you reach age 65 while an active participant in the plan.

## Survivor Benefits

If you are vested, the plan provides survivor benefits to your beneficiary.

## Leaves Of Absence (Including Disability)

You continue to earn vesting service during the full period of any authorized leave of absence (provided you remain an "employee" under the employment policies and practices of the company). Pay credits will continue to be added to your account during the first nine months of any authorized leave, but not beyond that (unless you are on military leave). Pay credits are determined by reference to amounts paid directly by the company during the absence (including sick pay and short-term disability pay), but not amounts paid by an insurance company (e.g., long-term disability) or other third party.

## Taxation vs. Direct Rollover To An IRA

Under current tax laws, any lump sum distribution from the plan will be subject to 20% federal income tax withholding unless you elect a direct rollover of the money to an IRA or another qualified plan.

# Participating In The Plan

## Eligibility

When you become eligible to participate in the plan depends upon whether you are a full-time or a part-time employee. Full-time employees are those employees who are regularly scheduled to work forty (40) hours per week (or the equivalent full-time schedule if your office's standard workweek is less than 40 hours per week).

**Full-time employees**

If you are a full-time employee, you become eligible to participate on the first day of the month coincident with or next following the date you complete one (1) year of continuous service.

**Part-time employees**

If you are a part-time employee, you become eligible to participate on the January 1 or July 1 following the first computation period in which you complete 1,000 hours of service. Your first computation period is the 12-month period beginning with your hire date. If you do not complete 1,000 hours of service in this first year, subsequent computation periods are measured by calendar years.

You earn an hour of service for each hour you:

- Receive pay for hours worked;
- Receive pay for time you are away from work due to:
  - Vacation or holiday;
  - Illness;
  - Jury duty;
  - Military duty (under certain circumstances);
  - Leaves of absence.
- Are entitled to backpay.

Hours credited for non-work periods are limited to 501.

**Ineligible persons**

The following groups of people are not eligible to participate in the plan:

- Any employee classified as an "intern"
- Any employee who is:
  - Paid from a payroll system other than the U.S. payroll system of Travelers
  - A local national employee – that is, citizen of another country who is not working in the United States (including any such individual who has dual citizenship and thus is also a citizen of the United States, unless he or she is an expatriate on assignment from the United States)

# Participating In The Plan

- A citizen of a country other than the United States who is working on temporary assignment in the United States, as determined under the employment policies of Travelers; or
- A resident of Puerto Rico or any other territory or possession of the United States

- Individuals employed with, performing services through, or paid by a third-party (such as an employee leasing or staffing agency)
- Individuals performing services pursuant to a contract or agreement (whether verbal or written) which provides that he or she is an independent contractor or a consultant

For the purposes of this summary plan description, the term “participant” means any active participant, or any employee or former employee who has a vested benefit, but has not yet received full payment. An “active participant” is any current employee of the company who participates in the plan.

## Cost

The company pays the full cost of your plan benefits. Each year, an independent actuary determines the company’s contribution required to fund benefits that the plan provides. The company’s contributions are deposited into a trust and together with investment earnings constitute the trust fund. The trust fund is maintained for the sole purpose of paying benefits to the plan’s participants and beneficiaries, and for defraying reasonable plan expenses.

# Your Service Under The Plan

Your service with Travelers and its affiliates is important under the plan.

## Vesting Service

Your "vesting service" determines whether you are entitled to receive benefits under the plan. Your vesting service, together with your age, also determines the amount of your pay credit. Your vesting service is determined by measuring the number of days you worked from your first day of work with Travelers and its affiliates to your last day of work. The number of days in this period then is divided by 365 to determine your years of vesting service.

Only full years of vesting service count. So, for example, if you have worked for three (3) years and five (5) months, you have three (3) years of vesting service. If your employment ends, and you later return to work with Travelers or an affiliate within 12 months, the period of absence also counts toward vesting service. Otherwise it does not.

If you leave before you are vested and are gone for five (5) or more years, your prior service is disregarded in determining your vesting service and you start over as if you were a new hire.

In the case of an authorized leave of absence (including disability), you receive vesting service for so long as you remain on leave as an employee under the applicable leave policy of your employer. Except for military leaves, approved leaves generally are limited to nine months.  If you are away on military leave, you will continue to earn vesting service while your military leave of absence continues.  Your maximum period of military leave is determined by reference to Travelers' military leave policy.

# Your Pay Under The Plan

Your pay from the Company also is important under the plan.

## Pensionable Earnings

“Pensionable earnings” are used to determine your pay credits. Your pensionable earnings include:

- Regular base salary;
- Annual cash incentive bonuses;
- Reward & recognition awards;
- Account manager bonuses;
- Overtime pay;
- Shift differentials;
- Amounts characterized as “catastrophe” pay (generally paid as a differential to members of the CAT team);
- Foreign service pay (but not including extra or added compensation due to foreign assignment – relocation allowance, education allowances, etc.);
- Salary reduction contributions to the Travelers 401(k) Savings Plan;
- Pre-tax contributions for medical, dental, life insurance, health care and dependent care spending accounts, and for transportation and parking;
- The value of any “base share” restricted stock award on the date of the award under the Capital Accumulation Plan (not including match or premium shares);
- Short-term disability payments made directly by the company; and
- Commissions and other compensation based on a percentage of sales.

Your pensionable earnings do not include:

- Deferred bonuses and other deferred compensation;
- Any bonus payment not specifically referenced above, including (but not limited to):
  - Education awards
  - Suggestion awards
  - Recruitment awards
  - Holiday bonuses
  - Long-term incentive bonuses
  - Retention bonuses (stay pay)

# Your Pay Under The Plan

- Non-cash compensation (including stock options, the value of any “premium share” restricted stock award under the Capital Accumulation Plan, any other restricted stock award and any other equity award, including performance shares);
- Fringe benefits;
- Expense and other reimbursement allowances (including moving and relocation expenses);
- Severance and other payments made on account of termination of employment and accumulated vacation leave paid at termination of employment;
- Tuition reimbursement;
- Long-term disability payments from the company’s long-term disability carrier; and
- Worker’s compensation payments paid by an insurance carrier, by a state fund or by the company.

Pensionable earnings in excess of $245,000 per year (for 2009) are not taken into account under the plan – this is an IRS limit. The IRS will adjust the $245,000 limit for cost-of-living increases from time to time.

# Cash Balance Benefits

## Your Cash Balance Account

When you first become an active participant in the plan, a “cash balance account” will be established under the plan in your name. Your initial account balance will be zero.

**Hypothetical account**
Your cash balance account is a bookkeeping account only. The balance of this hypothetical account is used to measure the amount of benefit payable to you, but assets are not actually segregated into a separate investment account for you under the plan. When this summary refers to a “credit” to your account, that means that an amount is added to your account — it does not mean that a contribution of that amount is made to the plan. Company contributions to the plan as a whole are determined by an actuary based on many factors.

## Credits To Your Account

Your cash balance account will be credited with two types of credits — “pay credits” and “interest credits.”

**Pay credits**
A pay credit will be added to your cash balance account for each plan year in which you participate in the plan. The pay credit for each year will depend on three things:

- Your age (counting complete years only).
- Your vesting service (counting complete years only).
- Your actual pensionable earnings paid during the plan year.

| If your age and vesting service add up to: | Your pay credit will equal this percentage of your pensionable earnings: |
|---|---|
| Less than 30 | 2.0% |
| 30 to 39 | 2.5% |
| 40 to 49 | 3.0% |
| 50 to 59 | 4.0% |
| 60 to 69 | 5.0% |
| 70 or more | 6.0% |

If you first enter the plan mid-year, your first pay credit is calculated based on your pensionable earnings during the entire calendar year. For example, if you enter the plan on November 1, your pay credit for that year will be calculated based on the pensionable earnings you earned January 1 – December 31.

If you are an employee in the plan on the last day of the plan year, your pay credit for the year is added to your cash balance account as of the last day of the plan year — December 31st. It is calculated based on your age and vesting service as of the last day of the plan year, and your actual pensionable earnings paid during the plan year.

# Cash Balance Benefits

If your pension is paid during the plan year (for example, you terminate employment and elect to receive your benefit), your pay credit for the year is added to your cash balance account at the time of payment. It is calculated based on your age and vesting service as of the date your active participation in the plan ends, and your actual pensionable earnings paid during the portion of the plan year up to the point your active participation ends.

If you terminate employment during the plan year but elect to defer receipt of your benefit, your pay credit for the year is added to your account on the earlier of the date you do decide to receive your benefit or the last day of the plan year – December 31st. It is calculated based on your age and vesting service as of the date your active participation in the plan ended.

*Example*: John was born on August 13, 1969, and was hired on February 4, 2002. On December 31, 2009, John's age in complete years is 40. On December 31, 2004, John had three (3) years of vesting service under his legacy plan, and earns an additional five (5) years of vesting service for the period from January 1, 2005 to December 31, 2009 - for a total of eight (8) years. The sum of his age and service is 48. His pensionable earnings for 2009 is $58,343.

John's pay credit on December 31, 2009, is 3.0% of his pensionable earnings, or $58,343 x 3.0% = $1,750.29.

**Interest credits**

Interest credits also will be added to your cash balance account at the end of each calendar quarter - March 31, June 30, September 30 and December 31. The interest rate used for any quarter will be one-fourth (1/4) of the greater of:

- The daily average of the ten-year Treasury constant maturity annual rate, rounded to two decimal places, for the fourth, fifth and sixth month preceding the calendar quarter for which the interest rate is being determined, or
- Four and one-one hundredth percent (4.01%).

*For Example*: for the June 30, 2009 interest credit, the plan will use the minimum interest rate of 4.01% because it exceeds the average of the rates published for October, November and December 2008. The daily rates are published by the Federal Reserve in Statistical Release Bulletin H.15. You can find that statistical release online at www.federalreserve.gov/releases .

Example: John's account balance on April 1, 2009, is $6,299. The interest credit rate used for the calendar quarter ending on June 30, 2009, is ¼ of 4.01%, because 4.01% is greater than the daily average of the annual interest rates on 10-year Treasury constant maturities for the fourth, fifth and sixth month preceding the second calendar quarter of 2009.

| | |
|---|---|
| October 2008 rate: | 3.81% |
| November 2008 rate: | 3.53% |
| December 2008 rate: | 2.42% |
| Average (annual rate): | 3.25% / 4 |
| Minimum interest rate | 4.01 / 4 |
| Quarterly rate: | 1.0025% |

John's interest credit on June 30, 2009 will equal $6,299 x 1.0025% = $63.15. John's new balance is $6,299 + $63.15 = $6,362.15.

The average annual interest rate is rounded to two decimal places. The quarterly rate is not rounded.

# Cash Balance Benefits

If your pension benefit is paid during a quarter, the interest for that quarter will be credited before payment is made. The interest credit will be prorated to reflect the period of time your benefit remained in the plan (by dividing the number of days your benefit remained in the plan by the number of days in the quarter).

You will receive interest credits for so long as you have an account balance under the plan – regardless of whether you are an active participant in the plan.

**Leaves of absence (including disability)**
In the case of an authorized leave of absence (including a disability leave) during which you remain an employee under the payroll policies and practices of your employer, you will continue to receive pay credits, but only for the first nine months. Pay credits are based solely on pay (including sick pay and short-term disability pay) that you receive directly from the company. You will not receive pay credits for any unpaid leave, or pay credits based on disability payments from an insurance carrier. There is an exception for military leave – as long as you remain on an approved military leave from Travelers, you will continue to receive pay credits based on your imputed rate of pay – that is, the pay you received before your military leave.

## Vesting

Once you have completed three (3) years of vesting service, or you have attained age 62 with one (1) year of vesting service, you will be vested. That means you will be entitled to a benefit from the plan. If your employment with Travelers and its affiliates ends before you are vested, you will forfeit your cash balance account.

**Special vesting rules for grandfathered benefits**
Special vesting rules may apply to certain grandfathered benefits as described in the appendices to this section.

## Payment Of Your Account

If you are vested when your employment with Travelers and its affiliates ends, you can elect to receive your cash balance account benefit as soon as administratively practicable following your termination. Pension Administration will contact you following your termination with details about how to receive your benefit.

If your employment with Travelers and its affiliates ends before age 65 and your total benefit due from the plan is more than $1,000, you can defer your benefit to the first day of any later month, but you must receive your benefit no later than your "required beginning date," which is generally April 1 of the calendar year following the later of the date you attain age 70½ or the date your employment terminates. If your cash balance account is $1,000 or less, the entire value is paid as a lump sum as soon as administratively practicable and you cannot defer it.To elect your benefit, you must file a proper payment election form with Travelers.

The payment options for your cash balance pension account are described later in the section entitled "How benefits are paid." Keep in mind that once you receive the first payment under any payment option, your payment form election is irrevocable.

# Cash Balance Benefits

**Continued employment after 65**
If you continue working beyond age 65, your benefit usually will not be paid until you retire. However, if you are still working as of the April 1 of the calendar year following the calendar year you reach age 70½, you can elect to receive your benefit as of such April 1.

You will continue to receive pay credits and interest credits at the plan crediting rate after age 65, and if you choose an annuity when you retire or as of the April 1 date above, the annuity will be determined based on your life expectancy at that time. The continued interest credits (and the annuity conversion method) mean that the actuarial value of your pension will not decrease as a result of deferral of your pension beyond age 65. If your pension starts as of the April 1 date above and you continue working and continue receiving pay credits and interest credits, your benefit will be increased as of the first day of each subsequent plan year to account for the additional benefits you have accrued. The additional benefits will either be paid as a lump sum or by increasing your annuity, depending on what you had elected as of your commencement date.

## Survivor Benefit

The plan pays survivor benefits if you die before your pension begins. These are described later in the section entitled "Survivor benefits under the plan."

# How Benefits Are Paid

Your vested benefits from the plan are paid according to one of the automatic forms of payment described below, unless you choose one of the optional forms of payment. Whether you receive an automatic form of payment or select an optional form, your payment form is irrevocable after you receive your first payment.

## Automatic Form Of Payment

Your benefit automatically will be paid in the following form unless you choose another payment form.

**Automatic form for a single participant (if benefit over $5,000)**
If you do not have a spouse when your pension begins, your automatic payment method is a life annuity — that is, a monthly benefit paid for the rest of your lifetime. (If you have a domestic partner, you are considered single for this purpose, and your automatic form of payment is a life annuity. Keep in mind that optional forms of payment are available.)

**Automatic form for a married participant (if benefit over $5,000)**
If you have a spouse when your pension begins, the automatic payment method is a 50% joint and survivor annuity. This form of benefit pays a reduced monthly benefit to you for your lifetime, and a monthly benefit to your spouse after you die for his or her lifetime. The monthly benefit paid to your spouse equals 50% of your monthly benefit. Your retirement benefit will be reduced using this method because this form of payment often results in a benefit being paid over two lifetimes.

You will receive information before your pension starts as to the financial effect of the 50% joint and survivor benefit, and all optional forms of payment

**Automatic form for benefit up to $5,000**
If your benefit does not exceed $5,000, your automatic payment form is a lump-sum payment of your full benefit.

## Optional Forms Of Payment

If your vested benefit is over $5,000, you may choose an optional form of payment instead of the automatic form if it better suits your needs. If you choose an optional form of payment, you must elect the option in writing using the forms and following the procedures established for the plan before your benefit begins. If you have a spouse and choose a payment option other than a 50%, 75% or 100% joint and survivor annuity with your spouse as the joint annuitant, your spouse must consent to your choice in writing and have his or her signature notarized. Your election of an optional form of payment (or your receipt of an automatic form of payment) is irrevocable after you receive your first payment. For this reason, you should consult with your financial advisor before you decide how to receive your benefit from the plan.

**Available optional forms (if benefit is over $5,000)**
Optional forms of payment for your benefit earned under the plan include:

- 100% joint and survivor annuity.

    This pays a reduced monthly benefit to you during your lifetime, with the same amount payable to your designated joint annuitant after you die, for his/her lifetime.

    You only need your spouse's consent for this payment form if the designated joint annuitant is someone other than your spouse.

- 75% joint and survivor annuity

  This pays a reduced monthly benefit to you during your lifetime, with 75% of your monthly benefit payable to your designated joint annuitant after you die, for his/her lifetime.

  You only need your spouse's consent for this payment form if the designated joint annuitant is someone other than your spouse.

- 50% joint and survivor annuity (with non-spouse joint annuitant).

  This pays a reduced monthly benefit to you during your lifetime, with 50% of your monthly benefit payable to your designated joint annuitant (other than your spouse) after you die, for his/her lifetime. This is the same benefit as the automatic form for a married participant except that someone other than your spouse is designated as your joint annuitant. You need your spouse's consent for this payment form.

- Life annuity.

  This is a monthly benefit paid for your lifetime, with no payments to anyone after your death.

  This is the same benefit as the automatic form for a single participant. You need your spouse's consent for this payment form.

- 10-year certain and life annuity.

  This pays a reduced monthly benefit for the longer of your lifetime or ten (10) years. If you die within ten (10) years after benefits begin, your designated beneficiary will receive payments for the balance of the ten (10)-year period. If you die more than ten (10) years after benefits begin, your beneficiary will not receive any benefits as payments will have continued for your lifetime only.

  You need your spouse's consent for this payment form.

- Lump sum payment.

  This pays your entire benefit in a single lump sum. You may elect to roll over your lump sum to an Individual Retirement Account (IRA), to another employer's qualified plan, or to the 401(k) Savings Plan (if you have a balance under that plan). Your lump sum will equal the balance of your cash balance account.

  You need your spouse's consent for this payment form.

If the value of your benefit is not more than $5,000, your benefit will be paid as a lump-sum and the annuity options are not available. In this case, your spouse's consent is not required.

**Value of annuity forms**
If you receive an annuity payment, the value of any annuity form will be the same on an actuarial basis as the balance of your account (see "Lump sum/annuity conversion" below).

**Additional options for preserved benefits**
Additional payment options are available for certain "preserved" benefits accrued under the legacy St. Paul and Travelers plans. These are described in the applicable appendix to this summary plan description.

## Lump Sum/Annuity Conversion

The plan uses interest rate and mortality assumptions to convert your cash balance account to an annuity, and to convert from one payment form to another. The assumptions are:

- Interest Rate: The interest rates published by the IRS for purposes of Code § 417(e)(3). The rates are determined by the IRS on the basis of the corporate bond yield curve applicable to three (3) time periods. The first is for payments to be paid within five (5) years, the second for payments to be paid in the next 15 years, and the third for payments to be paid more than 20 years in the future. The applicable rates are rates published by the IRS for August of the calendar year preceding the calendar year in which you receive your benefit.
- Mortality: The 2009 Applicable Mortality Table published by the IRS. The IRS constructs this mortality table under rules it establishes for this purpose. The table uses a blend of male and female static mortality rates.

## Small Amount Cash-Out

When your employment ends with Travelers and its affiliates, if the value of your total benefit is $1,000 or less at that time, the entire value is paid as a lump sum as soon as administratively possible following your termination. If your benefit is between $1,000 and $5,000, you can choose to take the lump-sum immediately or defer it to a later date (an annuity option is available only if your benefit is more than $5,000).

## You Must Apply For Benefits

To receive your benefit, you must complete an application packet. The packet is available by contacting the Employee Services Unit.

To ensure that your benefit is paid on your desired benefit commencement date, you should submit your application within the required timeframes. The earliest you can submit your application is 90 days before your desired benefit commencement date. If the application is received less than 30 days before your desired benefit commencement date, your payment may be delayed.

You cannot request a retroactive benefit commencement date.

## Deciding Whether To Defer A Distribution

In deciding when to receive a distribution from the plan, you may want to consider several factors. The tax treatment of distributions is complex, and certain factors other than taxation may impact your decision. The following is a brief discussion of what you might want to consider (more information about many of these topics is found throughout this summary):

**Interest Credits**
Your benefit under the plan is expressed as a cash balance account. While you are an active participant in the plan, your account receives yearly pay credits and quarterly interest credits. After your employment with Travelers ends, you

no longer get pay credits, but your account continues to receive quarterly interest credits at the same rate as active employees until you take your pension (either as a lump sum payment or by starting monthly payments). So, the longer you leave your account in the plan, the longer you will continue to receive interest credits. Interest is credited at the 10-year treasury rate (subject to the minimum interest crediting rate described earlier in this summary). You may or may not be able to achieve higher returns in an investment outside of the plan (for example, in an IRA).

**Plan Interest Rates In Effect**

When you elect to receive your plan benefit, you will be offered several optional annuity payment forms. These annuity payment forms are all actuarially equivalent – that is, the present value of the total expected payment stream to you, determined using mortality and interest assumptions, is the same, no matter which annuity payment form you elect. However, because the actuarial assumptions change from year to year, when you receive an annuity may impact the value of your expected payment stream. The interest and mortality assumptions change automatically each January. A lower interest rate generally will result in smaller monthly payments than a higher interest rate.

**Taxation**

Your benefit under the plan remains tax-deferred while in the plan. Distributions in any form are taxable to you. In addition, any lump sum distribution may be subject to a 10% penalty for early withdrawal if paid to you before age 59½ (subject to certain exceptions). You may be able to avoid taxes and penalties if you roll a lump sum distribution over to an eligible employer plan or eligible IRA. (For a detailed explanation of the taxation of distributions, see the "Special Tax Notice Regarding Plan Payments.")

**Assignment**

Generally, you cannot assign your plan accounts to anyone and your accounts are not subject to the claims of creditors – even in the case of bankruptcy. Once you take your money out of the plan, however, you can assign it to others and it may be subject to the claims of creditors.

# Survivor Benefits Under The Plan

(Prior to Payment of Your Pension)

The plan can provide important protection for your spouse and/or your designated beneficiary(ies) if you die after you become vested, but before you begin receiving plan benefits.

Survivor benefits are payable only if you are vested at the time of your death and you die prior to the start of your pension benefit. If you are not vested, no benefits will be payable to anyone after your death. If you die after your pension benefit starts (including a pension that you elect to start while employed after you reach 70½), the benefit payable after your death (if any) will be determined by the form of payment you elected when your pension started.

## Naming A Beneficiary

When you become a participant, you will be asked to designate a beneficiary on the Travelers Beneficiary Online Designation Tool, which can be accessed online through myHR. If you die after you are vested and prior to the start of your pension benefit, a survivor benefit is paid to the individual(s) you designate as your beneficiary(ies). Keep in mind the following when you name a beneficiary:

- If you are married, your spouse is your automatic beneficiary unless your spouse consents to your designation of someone else. However, if you are married, a designation made prior to the first day of the plan year in which you attain age 35 will automatically be revoked as of the first day of such plan year. You may then file a new designation (with your spouse's consent) that will remain effective indefinitely.
- Your beneficiary may be one or more persons.
- You may change your beneficiary (with your spouse's consent) whenever you want by accessing the Travelers Beneficiary Online Designation Tool.
- In order to be effective, your beneficiary designation form must be submitted and confirmed through the Beneficiary Online Designation Tool before your death. If you have made arrangements to, or are required to, submit a paper beneficiary designation form, your form must be received by the Company at the address specified for submitting beneficiary designation forms before your death, or, if you send your beneficiary designation form by mail, the form must be postmarked before your death.

## Default Beneficiary

If you have not filed a beneficiary designation before you die, or if your designated beneficiary dies before you, the survivor benefit is payable to the first of the following who survives you:

- Your legal spouse
- Your estate

Your "legal spouse" under federal tax law and the plan is a person of the opposite sex to whom you are legally married (including a common-law spouse in those states that recognize common-law marriage, if you provide acceptable proof to the company).

If you name a beneficiary by the person's relationship to you and the relationship ends before you die, that person will be treated as having predeceased you. For instance, if you are married to John Smith and you designate "John Smith, my husband" as your beneficiary, and if you and John get divorced, your beneficiary will be the person or person who would have been your beneficiary if John died before you did. If, however, your beneficiary designation just reads "John Smith" without indicating that he is your husband, John Smith will remain your beneficiary until you file a new beneficiary designation even if you and John get divorced.

# Survivor Benefits Under The Plan

(Prior to Payment of Your Pension)

## Default Rule for Multiple Beneficiaries

If you name more than one (1) primary beneficiary, but not all of your primary beneficiaries survive you, then your benefit will be paid to your surviving primary beneficiaries in proportion to the shares you designated.  No amount will be paid to your contingent beneficiary,(ies) if any primary beneficiary survives you.

## When Benefits Begin

The survivor benefit is payable as soon as administratively practicable after your death and the entitlement of your beneficiary has been determined. If your spouse or your domestic partner is your beneficiary, and the benefit payable is more than $1,000, your spouse or domestic partner can elect to defer the survivor benefit to any later date, but not later than the first day of the month after you would have reached age 65 (subject to the cash-out rule for small benefits described below). If your spouse or domestic partner elects to defer and he or she dies prior to commencement, the benefit will be paid to his or her estate.

## Amount Of Survivor Benefit

The cash balance survivor benefit is equal to the balance of your cash balance account at the time it is paid to your beneficiary.

Survivor benefits are paid in the form of a lump sum. However, if your spouse or domestic partner is your beneficiary, he or she can instead elect to receive the survivor benefit as an annuity. (See "Benefit payment forms" below.)

## Benefit Payment Forms

The survivor benefit will be paid to a non-spouse beneficiary in a lump-sum.

A spouse or domestic partner beneficiary can elect to receive any of the following payment forms if the benefit payable exceeds $5,000:

- Life annuity - a monthly benefit paid for your spouse or domestic partner's lifetime
- Lump sum - a one-time payment of your spouse or domestic partner's entire survivor benefit
- 10 year certain and life annuity - a reduced monthly benefit payable for the longer of your spouse or domestic partner's lifetime or ten (10) years.  If your spouse or domestic partner dies within ten (10) years after benefits begin, your spouse or domestic partner's beneficiary will receive payments for the balance of the 10-year period.

Any benefit of $5,000 or less will be paid in a lump-sum (although a spouse or domestic partner can defer payment if it is more than $1,000).

# Survivor Benefits Under The Plan

(Prior to Payment of Your Pension)

## Non-Spouse Beneficiary Transfers

Your non-spouse beneficiary may transfer his or her lump sum survivor benefit to a traditional IRA. If you die before your required beginning date (generally, April 1 of the calendar year following the calendar year in which you attain age 70½), the following rules apply:

- If your beneficiary makes the transfer in the calendar year of your death, your beneficiary may transfer his or her entire survivor benefit to the IRA. Your beneficiary can also elect to receive future payments from the IRA measured over his or her life expectancy. (Payments may be required to be measured over the life expectancy of another beneficiary if you have more than one (1) non-spouse beneficiary.)
- If your beneficiary makes the transfer in the calendar year following your death, your beneficiary may transfer his or her entire survivor benefit, less the required minimum distribution for that year, to the IRA. Your beneficiary can also elect to receive future payments from the IRA measured over his or her life expectancy. (Payments may be required to be measured over the life expectancy of another beneficiary if you have more than one (1) non-spouse beneficiary.)

In general, only an individual is considered a "non-spouse beneficiary." Your estate is not considered a non-spouse beneficiary.

## Spouse Beneficiaries

The tax consequences of a survivor benefit payment to your spouse is generally the same as a payment to you. See the Taxation of Distributions Section for more information.

## Domestic Partners

As described in this section, if your domestic partner is your beneficiary, he or she is entitled to certain survivor benefit payment forms under the plan. For this purpose, a person is your domestic partner if:

- You and this person have a long-term, intimate, committed relationship with each other, which is demonstrated to be one of mutual caring, affection, and responsibility for each other's common welfare;
- You and this person hold yourselves out as in a relationship similar to marriage;
- You and this person intend to continue your relationship with each other indefinitely;
- You and this person meet the following marital status requirements:
    - If you and this person are of the opposite sex, both you and this person are unmarried to each other or anyone else; or
    - If you and this person are of the same sex, both you and this person are unmarried to anyone else;
- You and this person are each other's sole domestic partner;
- Both you and this person are at least 18 years of age;
- Both you and this person are capable to enter into a contract;

# Survivor Benefits Under The Plan

(Prior to Payment of Your Pension)

- You and this person are not related by blood closer than permitted by marriage law in your state of residence;
- You and this person share a principal residence and have lived together for at least six (6) consecutive months (and this six-month period immediately precedes the date you complete the domestic partnership affidavit);
- You and this person are jointly responsible to each other for basic living expenses; and
- The following timing requirements are met (as applicable):
    - At least six (6) months has elapsed since (i) the later of your divorce or this person's divorce from a previous spouse or (ii) the later of the death of your previous spouse or this person's previous spouse; and
    - At least six (6) months has elapsed since the date you notified the company that your previous domestic partnership ended (or the date your previous domestic partner was removed from your active coverage under this plan, if later).

*In order to be considered your "domestic partner" for plan purposes, you and your domestic partner must complete the required domestic partner affidavit and agreement.

# Taxation of Distributions

## Federal Income Taxes

You will have to pay federal income tax on any distribution you receive unless, in the case of a lump-sum distribution, you make a "rollover" to an eligible employer plan or to an IRA. Distributions will be taxed as ordinary income. However, if you receive a lump-sum distribution, you may be eligible for the special tax treatment described below.

## 10% Penalty Tax on Early Distributions (Lump Sum Only)

You will be subject to a penalty tax of 10% on the taxable amount of any lump-sum distribution, or small amount cash-out, made before you reach age 59½. However, this penalty tax does not apply if the distribution:

- Is paid to you because you separate from service with Travelers during or after the year you reach age 55;
- Is paid to your beneficiary after your death;
- Is paid to an alternate payee under a qualified domestic relations order ("QDRO"); or
- Does not exceed the amount of any unreimbursed medical expenses that would be deductible if you itemized your taxes. Normally, to be deductible, medical expenses must exceed 7.5% of your adjusted gross income. Consult a tax advisor with questions.

See IRS Form 5329 (or other applicable form) for additional information on this tax.

## Mandatory Tax Withholding on Distribution

If you receive a lump-sum distribution, 20% federal income tax will be withheld from the distribution – you cannot waive this withholding.

If you receive an annuity, federal tax law requires the plan to automatically withhold based on an assumption that you have a spouse and three (3) withholding exemptions, unless you make an election on Form W4-P not to have taxes withheld or to have taxes withheld at a different rate.

## Rollovers (Lump Sum Only)

You can avoid current income tax on a lump-sum distribution you receive (and also avoid the 10% penalty tax) by making a "rollover" to an eligible employer plan or to an IRA. An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit-sharing plan and others); a section 403(a) annuity plan; a section 403(b) tax–sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer.

If you have an account in the Travelers 401(k) Savings Plan, you may roll over your pension benefit to the 401(k) Plan. Most lump-sum distributions are eligible for rollover. However, minimum distributions required by the tax laws when you reach age 70½ cannot be rolled over.

# Taxation of Distributions

You may be eligible to roll over a distribution into a Roth IRA and make a Roth "conversion." You may not make such a conversion if you are not otherwise eligible to make a Roth conversion within a Roth IRA. You generally are not eligible to make a Roth conversion within a Roth IRA if: you are married, lived with your spouse at some point during the tax year, and filed separate tax returns; or if, regardless of your tax filing status, your modified adjusted gross income for the year of the distribution from the plan exceeds $100,000. (For the purpose of determining your adjusted gross income, required minimum distributions that you receive from an IRA or an eligible retirement plan are disregarded.)

The conversion eligibility rules are currently set to expire after 2009, at which point you will be able to make a Roth conversion without regard to income limits. For a conversion that occurs after 2009, you may be allowed to spread the tax impact over a two-year period.

The amount of the conversion is taxable as ordinary income in the year the conversion occurs (the year that you make the rollover). The 10% penalty tax on early withdrawals does not apply to the conversion amount. However, if you withdraw conversion amounts from your Roth IRA within the five (5)-calendar-year holding period beginning on the first day of the taxable year in which your first Roth IRA contributions were made, that withdrawal will be subject to the 10% penalty tax (unless an exception applies). (Other rules apply to distributions from Roth IRAs that are beyond the scope of this summary.)

If a distribution is eligible for rollover, the rollover can be made in two ways:

- Direct rollover. You select one (1) eligible employer plan or one (1) IRA to receive the rollover. (A rollover is allowed only to one (1) plan, institution or IRA.) A check made out to the custodian or trustee of the eligible employer plan or IRA is sent to you for deposit. Federal tax withholding does not apply when direct rollovers are to an eligible employer plan or a traditional IRA. If your direct rollover is to a Roth IRA, you are taxed on the taxable portion of your payment in the conversion to Roth treatment. Prior to requesting a direct rollover, you should verify that the IRA or eligible employer plan will accept rollovers from this plan.
- Distribution followed by rollover. The check is made out to you, and 20% must be withheld for federal taxes. You then have 60 days to rollover the lump-sum distribution to another eligible employer plan or IRA. It is important to remember that the amount of your distribution includes the 20% that was withheld for taxes. If you wish to rollover the full amount of your distribution, you must find other money (for example, personal savings) within the 60-day period to contribute to the other plan or IRA to replace the 20% amount that was withheld for taxes. If you rollover only the amount you actually received net of the taxes, then you did not rollover your full distribution and the amount you did not rollover is included in your taxes and possibly subject to the 10% tax penalty.

A Special Tax Notice Regarding Payments explains the rollover rules in greater detail. This notice will be provided to you along with the distribution request form.

# Special Rules For Rehires

The following special rules may apply to you if you terminate employment and are later rehired.

## Service After Rehire

**Eligibility**
If you were participating in the plan when your employment terminated, you will again become an active participant when you are rehired (assuming you are in an eligible employment class). If you had not yet entered the plan when your employment terminated, your eligibility will depend on whether you are rehired as a full-time or a part-time employee.

If you are rehired as a full-time employee, the following rules apply:

- The plan will disregard any period of absence that lasted less than one (1) year, and you will enter the plan on the one-year anniversary of your original hire date (or your date of reemployment, if later).
- If your absence was for more than one (1) year (but less than five (5)), your first period of service will be counted toward the one (1)-year wait, but the period of absence will not.
- If your period of absence was for more than five (5) years, then your prior service will be lost and you must work for a full year after your reemployment before entering the plan.

If you are rehired as a part-time employee, and you had completed a computation period with 1,000 hours before your employment ended, you will enter the plan at rehire (or as of the later date you would have entered as a part-time employee had there been no absence). Otherwise, you will enter once you have satisfied the hours of service requirement during a subsequent computation period as described in the section of this summary titled “Participating in the plan”.

**Vesting**
If you were vested when your employment terminated, your prior vesting service will be restored once you are rehired and again become an active participant in the plan.

If you terminated employment before you were vested and return to employment within five (5) years, your prior vesting service will be restored. You lose your prior service if you do not return within five (5) years, and you will be treated as a new hire on your date of reemployment.

## Cash Balance Account

Your cash balance account will be treated as follows upon your reemployment:

- If you received your cash balance account in the form of a lump-sum payment, your cash balance account upon reemployment will have an initial balance of zero.
- If you are currently receiving your cash balance account in the form of an annuity, that annuity will continue upon your reemployment. Your cash balance account upon reemployment will have an initial balance of zero.
- If your cash balance account remains in the plan upon your reemployment — that is, you did not receive a lump sum or an annuity — your account will have continued to earn interest credits during your period of severance. Upon your reemployment, you will again earn annual pay credits.

- If you were not vested when you terminated employment, and your period of absence was for more than five (5) years, your cash balance account was forfeited when your period of absence reached five (5) years. Upon your reemployment, your cash balance account will be zero, and you will begin earning a new benefit attributable only to your service after your reemployment.

## Traditional Formula Participants

If you were a legacy St. Paul plan participant who was participating in the traditional pension formula described in Appendix B of the Pension appendices when your employment terminated, and you returned to employment within one (1) year, you will continue to participate in the traditional pension formula. Otherwise, if you return to employment after one (1) year, you will enter the cash balance formula. Your prior traditional formula accrued benefit (that is, your normal retirement age benefit) is converted to an opening account balance using the interest rate and mortality assumptions in effect under the plan at the time your opening account balance is established.

# Other Important Information

## Maximum Benefits

Federal regulations limit the maximum amount payable from the plan for certain employees with relatively high compensation. Also, regulations limit the amount of annual salary that can be included in your benefit calculation. You may request further information regarding the limits from ESU.

## Special Rules For "Top-Heavy" Plans

The Internal Revenue Service has issued special rules establishing minimum vesting and benefit formulas for plans that become "top-heavy." In general, the plan would become top-heavy if the value of the benefits earned by certain "key employees" under the plan (or any other pension, profit sharing, or stock bonus plan in combination with the plan) is more than 60% of the value of the benefits earned by all covered employees.

It is unlikely this plan will ever become top-heavy. If this should happen, however, you will receive complete information on any required vesting and benefit formula adjustments.

## Reporting Errors

You are responsible for reviewing your information that is provided to you relating to the plan (for example, letters, summaries, and benefit calculations). You must report any errors contained in any of these documents to the company within thirty (30) days after the information is provided to you.

# Pension Benefit Guaranty Corporation

Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- normal and early retirement benefits;
- disability benefits if you become disabled before the plan terminates; and
- certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates;
- some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than five (5) years at the time the plan terminates;
- benefits that are not vested because you have not worked long enough for the company;
- benefits for which you have not met all of the requirements at the time the plan terminates;
- certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and
- non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202.326.4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1.800.877.8339 and ask to be connected to 202.326.4000.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

# Claims And Appeal Procedures

## Information Regarding Your Plan Benefits

Benefit statements that you may receive from time to time and other communications (including benefit estimates) will contain information regarding the benefits you are entitled to receive and how those benefits were calculated. The calculation information will include, for example, information regarding your service and compensation and current and past formulas used to calculate your benefit. If you disagree with how your benefits were calculated or with any of the information used to calculate those benefits, you may ask that the calculation or information be reviewed, and your request may be treated as a "claim" for benefits. If treated as a claim for benefits, the claim will receive a full review under these claim and appeal procedures, and your rights will be governed by the outcome of the claim and appeal process.

## Claims Procedure

To receive a distribution or other benefit, you must follow the established procedures. You, your beneficiary or your surviving spouse must apply for benefits in writing. You can obtain an application by contacting the ESU at 800.441.4378. You can submit your payment election form no more than 90 days prior to the scheduled payment date.

If you do not receive a benefit you think you are entitled to or if you believe that your instructions have not been followed or that the plan's terms or procedures have been violated in any way, you (or your authorized representative) must file a written claim with Travelers at the following address:

Travelers Administrative Committee
c/o Employee Services Unit
The Travelers Companies, Inc.
385 Washington Street, 9275-SBO2L
St. Paul, MN 55102
Or by e-mail: 4-esu@travelers.com

Travelers makes a form available for your use in preparing and submitting your claim. Claims can be most meaningfully reviewed when you understand the plan and clearly express why you believe you are entitled to the benefit you are claiming, taking the plan's terms into consideration. The claim form assists you in this process. Travelers strongly recommends that you use the claim form, which is available on myHR or by calling the ESU, when you submit your claim.

You will not be considered to have filed your claim until Travelers receives, at the address above, your written explanation of why you believe you are entitled to a benefit. Your written explanation must contain a certification and statement that read as follows:

> "By my signature, I certify that to the best of my knowledge, the information set out in my written claim is true and correct. I understand that false statements made in this claim could lead to disciplinary action, up to and including termination of my employment with Travelers. I understand that my claim will be reviewed under the terms of the plan documents and will be processed according to the plan's claims procedures."

Your certification and statement must be accompanied by your handwritten or electronic signature. Again, you are strongly encouraged to use Travelers' claim form (which includes the required certification language).

# Claims And Appeal Procedures

## Initial Review Procedure

Your formal request for benefits is considered a “claim for benefits” and will be fully and fairly reviewed by the Administrative Committee. If your request is wholly or partially denied, you will be furnished with a written notice of this denial which will cover:

- Specific reasons for the denial
- Plan provisions on which the denial is based
- Additional material or information needed to make the request for benefits acceptable and the reason it is necessary
- The procedure for appealing the denied request for benefits

The Administrative Committee has 90 days to respond to your written claim. This deadline may be extended for an additional 90 days if necessary. If the Administrative Committee determines that an extension is necessary, you will be furnished with a written notice of the extension prior to the end of the initial 90-day response period. This notice will indicate the special circumstances requiring an extension of time and the date by which the Administrative Committee expects to make a determination.

## Appeal Procedure

If your claim is denied, in whole or in part, and you want to pursue the matter further, you or your authorized representative must appeal the decision and request further review. You must file your written appeal with the Administrative Committee at the address above no later than 60 days after you receive written notification of the denial of your claim. Your written appeal must describe all reasons why you believe the claim denial was in error, and should include all written comments, documents, records, and other information that you have relating to your claim and that you want to have considered in support of your appeal. Your appeal will be decided based on all available information, and the information you submit will be considered even if it wasn’t considered in the initial determination. Therefore, it is important that you make sure that your submission is complete.

Travelers makes a form available for your use in preparing and submitting your appeal. Appeals can be most meaningfully reviewed when you understand the plan and clearly express why you believe your claim was incorrectly denied, taking the plan’s terms into consideration. The appeal form assists you in this process. Travelers strongly recommends that you use the appeal form, which is available on myHR or by calling the ESU, when you submit your appeal.

You will not be considered to have filed your appeal until Travelers receives, at the address above, your written explanation of why you believe the decision to deny your claim was not correct. Your written explanation must contain a certification and statement that read as follows:

> “By my signature, I certify that to the best of my knowledge, the information set out in my written appeal is true and correct. I understand that false statements made in this appeal could lead to disciplinary action, up to and including termination of my employment with Travelers. I understand that my appeal will be reviewed under the terms of the plan documents and will be processed according to the plan’s claims procedures.”

Your certification and statement must be accompanied by your handwritten or electronic signature. Again, you are strongly encouraged to use Travelers’ claim form (which includes the required certification language).

During the 60-day period you have to file your appeal, you will have the opportunity, upon request, to review and request copies (free of charge) of documents, records and other information relevant to your claim for benefits.

A decision on the appeal will normally be made within 60 days of the date your appeal is received. You will receive a written decision including the specific reason(s) and plan references on which the decision is based. If special circumstances require a review period longer than 60 days, the time for making a final decision may be extended. If the Administrative Committee determines that an extension is necessary, you will be furnished with a written notice of the extension prior to the end of the initial 60-day period. The total review period on an appeal cannot be longer than 120 days.

## Legal Action

If your appeal is denied in whole or in part, you have the right to file a lawsuit challenging the denial. The claims procedures described above are required by federal law and are designed to ensure that disputes regarding the plan are decided by the Administrative Committee. Therefore, courts almost always require that a claimant exhaust a plan's claims procedures before filing suit (both filing the initial claim and appealing a denied claim). If you fail to do so, the court will likely dismiss your lawsuit. In a lawsuit, the court generally will review the decision the Administrative Committee made based on the evidence and arguments that were presented. Except in rare circumstances, the court will not allow you to introduce new evidence or arguments to support your claim. Thus, you should make sure that everything that you believe supports your position is submitted to the Administrative Committee during the claims process.

You may pursue legal action only after you have completed the claims process described above. In addition, if you have completed the claims process above and want to bring a lawsuit, you must do so within one (1) year of the final denial of your claim. Failure to file a lawsuit within one (1) year will cause your rights to expire.

## Travelers Has The Authority To Determine Whether You Are Eligible And Entitled To Benefits Under The Plan

Travelers is the administrator of the plan, generally acting through its Administrative Committee and ESU. As administrator, Travelers and its Administrative Committee have the discretionary authority to interpret all terms of the plan and make factual determinations as to whether you or your beneficiary are eligible and entitled to any benefits and if so, the amount. The decisions made by Travelers and its Administrative Committee are final and binding, subject to your rights to file a lawsuit under ERISA. The decision-making authority is very broad and is limited only by the duties under ERISA, and the decisions of Travelers and the Administrative Committee are intended to be given deference by courts to the maximum extent allowed under ERISA.

# Your Rights Under ERISA

As a participant in the plan, you are entitled to certain rights and protections under ERISA - the Employee Retirement Income Security Act of 1974. ERISA provides that all plan participants shall be entitled to:

## Receive Information About Your Plan And Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement of your total benefits that would be payable under the plan if you stop working now. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

## Prudent Actions By Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, and you have exhausted the claims procedures outlined in this publication, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court.

The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

# Your Rights Under ERISA

## Assistance With Your Questions

If you have any questions about your plan, you should contact the ESU at 800.441.4378. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

# Continuation Of The Plan

Travelers reserves the right to amend or discontinue the plan at any time. If the plan is discontinued in its entirety for any reason, you automatically will become 100% vested in the benefit you earned as of the plan's termination date to the extent the plan is funded. This is true regardless of how much service you have earned under the plan at that time.

If the plan is merged or consolidated or plan assets are transferred to another plan, your benefit accrued at the time of the merger, consolidation or transfer will be protected to the extent benefits are funded. The amount you would be entitled to receive under the new plan, if the plan were to terminate immediately after the change, would equal at least the amount you would be entitled to receive if the current plan had terminated just before the change.

If the plan is terminated, whether you eventually receive all or part of your plan benefit depends upon whether there are sufficient assets in the plan fund and whether the benefit is insured by the Pension Benefit Guaranty Corporation (as described previously). The law establishes priorities as to how the fund's assets will be used to provide benefits after a plan termination. Assets are used to pay for the following benefits in the following order, until the assets are depleted.

Benefits for:

- Those who have received benefits from the plan for at least three (3) years before the termination date.
- Those who could have started to receive benefits at least three (3) years before the termination date.
- Benefits in these instances will be based on any plan provision in effect during the five (5) years before termination that would produce the lowest amount. In addition, the maximum for those who have received benefits for at least three (3) years would be based on the lowest benefit payment received during that three (3)-year period.
- All other benefits the Pension Benefit Guaranty Corporation insures.
- Vested benefits the Pension Benefit Guaranty Corporation does not insure.
- Any other benefits earned under the plan. This includes those benefits that become vested only because of the plan's termination.

# General Information

## Plan Name

The name of the plan is The Travelers Pension Plan.

## Type Of Plan

The plan is a qualified defined benefit plan under section 401(a) of the Internal Revenue Code. Travelers can deduct contributions to the plan to the extent permitted by section 404 of the Internal Revenue Code.

## Plan Sponsor And Administrator

Travelers is the "sponsor" and the "administrator" of the plan for purposes of ERISA. Travelers acts as administrator through its Administrative Committee, which is responsible for the general management and administration of the plan. The Benefit Plans Investment Committee is responsible for investment matters relating to the plan. Day-to-day administrative functions are performed by Travelers' Pension Administration Team and the Employee Services Unit.

## Plan Year

The plan year is the calendar year.

## Plan Number

The plan has been assigned the following identification number: 001.

## Employer Identification Number

Travelers' federal employer identification number is 41-0518860.

## Trustee

The trustee of the plan is:

JPMorgan Chase
3 Metrotech Center
Brooklyn, NY 11245

# General Information

## Agent For Service Of Legal Process

Legal process may be served on Travelers at the following address:

The Travelers Companies, Inc.
c/o Corporate Secretary
385 Washington Street, 9275-NB16A
St. Paul, MN 55102

## No Assignment Of Benefits

You cannot assign your benefits to anyone else and your benefits are generally not subject to the claims of creditors. However, the plan must comply with certain court orders or property settlement agreements known as “qualified domestic relations orders” that assign all or part of your benefits to a former spouse or to your dependents. The plan may also be forced to comply with tax liens imposed by the Internal Revenue Service on your benefit payments from the plan.

## Qualified Domestic Relations Orders

The plan has specific procedures in place to determine whether a court order or property settlement agreement made in connection with a divorce is a “qualified domestic relations order.” You can obtain a copy of those procedures free of charge from Travelers QDRO Processing at 1.800.328.4393, ext. 1628.

The Travelers Indemnity Company
and its property casualty affiliates
One Tower Square
Hartford, CT 06183

**travelers.com**