TRAVELERS COMPANIES, INC.
Form 11-K
June 19, 2012
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

or

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-10898

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The Travelers 401(k) Savings Plan

385 Washington Street

St. Paul, MN 55102

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

The Travelers Companies, Inc.

485 Lexington Avenue

New York, NY 10017

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REQUIRED INFORMATION

The Travelers 401(k) Savings Plan (the Plan) is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and for purposes of satisfying the requirements of Form 11-K has included for filing herewith the Plan financial statements and schedule prepared in accordance with the financial reporting requirements of ERISA.

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* Schedules required by Form 5500, which are not applicable, have not been included.

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Report of Independent Registered Public Accounting Firm

To the Plan Administrative Committee and Plan Participants of

The Travelers 401(k) Savings Plan:

We have audited the accompanying statements of net assets available for benefits of The Travelers 401(k) Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Travelers 401(k) Savings Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s administrator. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP
KPMG LLP

Minneapolis, Minnesota

June 19, 2012

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THE TRAVELERS 401(k) SAVINGS PLAN

Statements of Net Assets Available for Benefits

(in thousands)

At December 31,	**2011**	**2010**
Assets:		
Investments at fair value:		
Common stock	$ 338,616	$ 275,259
Preferred stock		92,387
Mutual funds	1,793,042	1,829,267
Collective/common trust funds	569,503	482,812
Fidelity BrokerageLink investments	74,933	72,456
Fully benefit-responsive investment contracts with financial institutions	629,665	606,342
Wrapper contract	41	663
Short-term investments	13,933	14,810
Total investments	3,419,733	3,373,996
Receivables:		
Employer contributions	89,078	93,900
Notes receivable from participants	74,811	69,988
Investments sold but not delivered	1,281	2,382
Total receivables	165,170	166,270
Cash	49	13
Total assets	3,584,952	3,540,279
Liabilities:		
Accrued expenses	867	822
Other payables	3,192	3,087
Total liabilities	4,059	3,909
Net assets available for benefits, before adjustment to contract value	3,580,893	3,536,370
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(9,993)	560
Net assets available for benefits	$ 3,570,900	$ 3,536,930

See accompanying notes to financial statements.

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THE TRAVELERS 401(k) SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

(in thousands)

For the year ended December 31,	**2011**	**2010**
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ (84,036)	$ 296,819
Interest	14,341	16,766
Preferred dividends	36	2,688
Common dividends	10,467	7,253
Mutual funds dividends	43,799	26,537
Total investment income (loss)	(15,393)	350,063
Contributions:		
Employer	89,078	93,900
Employee	197,878	194,634
Rollover	19,540	19,769
Total contributions	306,496	308,303
Total additions, net	291,103	658,366
Deductions from net assets attributed to:		
Paid to participants in cash	247,489	215,117
Common stock distributed at fair value	6,492	7,066
Administrative expenses	3,152	3,450
Total deductions	257,133	225,633
Net increase	33,970	432,733
Net assets available for benefits:		
Beginning of year	3,536,930	3,104,197
End of year	$ 3,570,900	$ 3,536,930

See accompanying notes to financial statements.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements

Note 1 Description of the Plan

The following brief description of The Travelers 401(k) Savings Plan (the Plan) is provided for general information purposes. Participants should refer to the Plan document and the summary plan description for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution 401(k) plan, which provides retirement and other benefits to eligible employees of participating companies. The Travelers Companies, Inc. (TRV) and participating affiliated employers (collectively, the Company) currently participate in the Plan. The Company has appointed the Administrative Committee as the delegated authority for administrative matters involving the Plan and the Benefit Plans Investment Committee as the delegated authority for management and control of the assets of the Plan (including the designation of investment funds). Fidelity Management Trust Company (FMTC) is the trustee for the trust maintained in connection with the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Participation

All U.S. employees of participating companies, as defined by the Plan, are eligible to participate immediately upon employment, subject to limited exclusions.

Employee Contributions

Eligible employees who elect to participate in the Plan may contribute up to 75% of their eligible compensation (as defined by the Plan) into the Plan subject to statutory limitations of $16,500 in both 2011 and 2010. A participant who is, or will be, age 50 or older by the end of the year, could make additional catch-up contributions of up to $5,500 in both 2011 and 2010. Employee contributions can be made pre-tax, after-tax through the Roth 401(k) or a combination of both up to the applicable limit. Newly hired eligible employees are automatically enrolled at a 5% pre-tax contribution rate, if they do not affirmatively make an election not to participate, to participate at a different rate or to contribute on an after-tax Roth 401(k) basis. Temporary status employees are eligible to participate in the Plan, however, they will not be automatically enrolled.

The Plan allows for rollover contributions to be made to the Plan by eligible participants. These rollover contributions are eligible distributions from other tax-qualified plans or individual retirement accounts or annuities that participants elect to have invested in the Plan either by a direct rollover to the Plan or by a distribution followed by a contribution within sixty days of receipt.

Employer Contributions

The Company matches 100% of the Plan participant s contributions, up to the first 5% of annual eligible pay, subject to a maximum annual match amount of $5,000. The Company matching contribution is made once a year and is invested according to the participant s current investment election for new contributions going into the Plan. Employer contributions totaling $88,320,738 for plan year 2011 and $93,071,038 for plan year 2010 were made into the Plan on January 26, 2012 and January 27, 2011, respectively. Except for cases of retirement or termination due to disability or death, the matching contribution was made only to participants employed on the last working day of December. Individuals whose base pay as of December 31, 2010 was $175,000 or more were not eligible for the matching contribution for the 2011 plan year, but are expected to be eligible for the 2012 plan year.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 1 Description of the Plan (continued)

The Aetna Supplemental Company Contribution (the Supplemental Contribution) was established under the Travelers 401(k) Plan in conjunction with the April 2, 1996 acquisition by Travelers Insurance Group Holdings Inc. (TIGHI) of the outstanding capital stock of Travelers Casualty and Surety Company (formerly Aetna Casualty and Surety Company) and The Standard Fire Insurance Company. TIGHI is a wholly-owned subsidiary of Travelers Property Casualty Corporation which is a wholly-owned subsidiary of TRV. The Supplemental Contribution provides a fixed annual contribution into the Plan for eligible employees (Aetna participants). The contribution amount for each Aetna participant is fixed for each year the employee remains actively employed with the Company. In the year an employee terminates employment, retires, becomes disabled or dies, the contribution will be prorated to reflect the number of full months worked. The Aetna participants are fully vested in this supplemental account. The Supplemental Contributions totaling $756,866 for plan year 2011 and $829,496 for plan year 2010 were made to the Plan on February 3, 2012 and February 2, 2011, respectively.

Participant Accounts

Each participant s account is credited with the participant s contributions, employer contributions and allocations of Plan earnings as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Participants may elect to have their contributions invested in the funds listed in the Plan s provisions as they choose and may generally also transfer their balances daily among these funds.

Vesting

Participants are 100% vested in their contributions, the Supplemental Contribution and related earnings. In general, Company matching contributions allocated to participants vest after three years of service. Participants also become vested in full if they reach age 62 while employed, terminate employment due to a disability, die prior to termination of employment or while in qualified military service, or upon termination of the Plan.

Forfeitures

Forfeitures are transferred to a forfeiture account, which is maintained for the benefit of the Plan as a whole and is not attributable to any given participant. The balance of the forfeiture account may be used to correct errors in the accounts of other participants, restore prior forfeitures, pay Plan administrative expenses or reduce matching contributions to the Plan, as directed by the Company. At December 31, 2011 and 2010, the forfeiture account totaled $3,657,055 and $1,599,173, respectively. Forfeitures used totaled $1,457,785 and $2,235,692 for 2011 and 2010, respectively.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares of Company stock allocated to his or her account and will be notified prior to the time that such rights are to be exercised. FMTC will vote shares for which no directions have been timely received, and shares not credited to any participant s account, in proportion to the vote cast by participants who have timely responded. The Plan holds shares of Citigroup, Inc. (Citigroup) common stock as a result of a prior spin-off of the Travelers 401(k) Plan from a plan maintained by Citigroup and such shares are voted in the same manner as described above for Company shares.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 1 Description of the Plan (continued)

Notes Receivable From Participants

Participants may request to receive a loan from the Plan subject to a minimum of $1,000 and a maximum of the lesser of 50% of the participant s vested account balance or $50,000 minus the highest outstanding loan balance during the past 12 months. Participants can only have two loans outstanding at a time. The interest rate established at the inception of a new loan is equal to the prime lending rate as reported by Reuters as of the last business day of the month prior to the month in which the loan originates, plus one percentage point. Generally, loans are repaid by payroll deduction over a maximum period of five years (twenty years if the loan is designated as a primary residence loan). A one-time set-up fee of $35 per loan is charged against the participant s account. In addition, ongoing quarterly loan maintenance fees of $3.75 per loan are charged against the participant s account for each calendar quarter in which a balance on such loan is outstanding. At December 31, 2011, there were 11,652 outstanding loans totaling $74,811,105. At December 31, 2010, there were 11,218 outstanding loans totaling $69,987,691.

Distributions and withdrawals

Participants or beneficiaries may receive distributions from vested accounts under the Plan upon termination of employment, retirement, or death. Distributions are made in the form of a lump-sum payment, or, if the vested account balance is greater than $5,000, in installments. Beginning October 1, 2010, if a participant s vested account balance following termination of employment is at least $1,000 but not more than $5,000 and the participant does not provide distribution instructions, the account will automatically be rolled over to a Fidelity IRA.

Participants are allowed to take in-service withdrawals from vested accounts after age 59½. Prior to that age, withdrawals are allowed from selected accounts in the event of a defined financial hardship to satisfy the financial need. Any hardship withdrawal prior to age 59½ from an account that holds 401(k) contributions is generally limited to the amount of 401(k) contributions made to such account, reduced by prior withdrawals from the account. Withdrawals are also allowed for any reason from accounts funded by rollover contributions (defined above), as well as from certain after-tax accounts and predecessor accounts. The after-tax accounts relate to employee after-tax contributions made under prior rules of the legacy plans (these are separate from Roth 401(k) contributions). Other special withdrawal rights may apply to certain specified accounts or with respect to certain specified participants.

In-service withdrawals from accounts holding Roth 401(k) contributions are generally allowed under the same circumstances as withdrawals from accounts holding pre-tax 401(k) contributions, but Roth 401(k) contributions are generally withdrawn last. The plan also provides for an in-plan Roth conversion option for participants who are otherwise eligible to receive in-service withdrawals of amounts other than Roth 401(k) contributions. An in-plan Roth conversion permits the participant to pay income tax on pre-tax amounts and convert them to Roth status. The predecessor accounts eligible for early withdrawal are accounts that were established in various legacy plans that require separate

recordkeeping.

To the extent an account is invested in Company or Citigroup common shares, a withdrawal or distribution can be in the form of Company or Citigroup common shares, respectively, or cash. Any hardship withdrawal prior to age 59½ is in cash.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 1 Description of the Plan (continued)

Fidelity BrokerageLink Investments Fees

The Fidelity BrokerageLink investment option allows a participant to establish a brokerage account with Fidelity, which provides the opportunity to select from thousands of mutual funds, stocks, bonds, certificates of deposit, U.S. Treasury securities, mortgage-backed securities and other financial instruments. While there are no BrokerageLink annual account fees charged to participants, the investment options available through BrokerageLink have associated fees.

Administrative Expenses

Administrative expenses of the Plan are paid by the participants of the Plan to the extent not paid by the Company and allowable by the Plan.

Note 2 Significant Accounting Policies

Basis of Presentation

The accompanying Plan financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP).

Plan investments are stated at fair value as of December 31, 2011 and 2010 (see Note 4), except for short-term money market investments which are valued at cost plus accrued interest which approximates fair value.

With respect to the Plan s fully benefit-responsive investment contracts, the investment section of the Statements of Net Assets Available for Benefits includes the fair value of such contracts (based on the fair value of the underlying investments), as well as the fair value of the related wrapper contract. The Statements of Net Assets Available for Benefits also includes an adjustment to mark the fair value of the investment

contracts to contract value. The contract value of fully benefit-responsive investment contracts is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Notes receivable from participants are valued at their outstanding balances.

Adoption of Accounting Standards Updates

In September 2010, the FASB issued ASU No. 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, which indicates participant loans should be classified as notes receivable measured at their unpaid principal balance plus any accrued but unpaid interest and that such loans are exempt from the fair value and credit quality disclosure requirements. ASU 2010-25 was effective for periods ending after December 15, 2010 and was required to be adopted retrospectively.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 2 Significant Accounting Policies (continued)

Use of Estimates

The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and assumptions.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investment securities will occur in the near term that could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

The Plan provides for investment in the Company s common stock fund. The Plan also provided for investment in the Company s preferred stock fund until the conversion of that fund into the common stock fund, effective June 7, 2011. That conversion was executed upon the TRV Board of Directors decision to authorize the redemption of TRV s preferred stock after the increase in TRV s common stock dividend rate announced in April 2011 resulted in the common dividend rate exceeding the equivalent dividend rate on the preferred stock. The Plan had the right, at any time prior to redemption, to convert the preferred stock into eight shares of common stock. TRV and the Benefit Plans Investment Committee engaged an independent fiduciary to evaluate whether redemption or conversion was in the best interests of Plan participants and beneficiaries. The independent fiduciary determined that conversion was the appropriate course of action.

At December 31, 2011, approximately 9% of the Plan s total assets were invested in the common stock of the Company. At December 31, 2010, approximately 10% of the Plan s total assets were invested in the common stock and preferred stock of the Company. The underlying values of the Company common stock are entirely dependent upon the performance of the Company and the market s evaluation of such performance.

Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes gains and losses in investments sold during the year as well as appreciation and depreciation of the investments held at the end of the year.

Payment of Benefits

Benefit payments are recorded when paid.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 3 Investments

The following table presents investments that individually represent 5% or more of the Plan s net assets available for benefits at December 31, 2011 and 2010:

(in thousands)	2011	2010
Investments at Quoted Fair Value:		
The Travelers Companies, Inc., 5,528,853 and 4,511,243 common shares, respectively	$ 327,142	$ 251,321
Vanguard Institutional Index Fund Institutional Plus Class, 3,327,774 and 3,134,074 shares, respectively	382,860	360,450
American Funds Growth Fund of America Class R6, 9,872,317 and 10,950,591 shares, respectively	283,533	333,336
Vanguard Total Bond Market Index Fund Institutional Plus Shares, 21,445,577 and 20,925,242 shares, respectively	235,901	221,808
Thornburg International Value Fund Class R5, 6,987,236 shares		199,835
Investments at Estimated Fair Value:		
Monumental Life Insurance, Dwight Target Fund 2, MDA00987TR		192,023

Net Appreciation (Depreciation) in the Fair Value of Investments

Net appreciation (depreciation) in the fair value of investments as set forth in the table below, includes gains/(losses) on investments bought/sold during the year as well as unrealized appreciation (depreciation) on investments held at year end.

(in thousands)	2011	2010
Preferred stock	$ 8,693	$ 10,337
Common stock	1,956	34,883
Mutual and collective/common trust funds	(90,133)	245,155
Fidelity BrokerageLink investments	(4,552)	6,444
Net appreciation (depreciation) in fair value of investments	$ (84,036)	$ 296,819

Note 4 Fair Value Measurements

The Plan s estimates of fair value for financial assets are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in valuations when available.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 4 Fair Value Measurements (continued)

The disclosure of fair value estimates in the fair value accounting guidance hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Plan s significant market assumptions. The level in the fair value hierarchy within which the fair value measurement is reported is based on the lowest level input that is significant to the measurement in its entirety. The three levels of the hierarchy are as follows:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 - Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Plan s own assumptions about the inputs that market participants would use.

Valuation of Investments Reported at Fair Value in Financial Statements

The fair value of a financial instrument is the estimated amount at which the instrument could be exchanged in an orderly transaction between knowledgeable, unrelated, willing parties, i.e., not in a forced transaction. The estimated fair value of a financial instrument may differ from the amount that could be realized if the security was sold in an immediate sale, e.g., a forced transaction. Additionally, the valuation of investments is more subjective when markets are less liquid due to the lack of market based inputs, which may increase the potential that the estimated fair value of an investment is not reflective of the price at which an actual transaction would occur.

For investments that have quoted market prices in active markets, the Plan uses the unadjusted quoted market prices as fair value and includes these prices in the amounts disclosed in Level 1 of the hierarchy. The Plan receives the quoted market prices from a third party, nationally recognized pricing service (pricing service). When quoted market prices are unavailable, the Plan utilizes a pricing service to determine an estimate of fair value. The fair value estimates provided from this pricing service are included in the amounts disclosed in Level 2 of the hierarchy. If quoted market prices and an estimate from a pricing service are unavailable, the Plan produces an estimate of fair value based on

internally developed valuation techniques, which, depending on the level of observable market inputs, will render the fair value estimate as Level 2 or Level 3. The Plan bases all of its estimates of fair value for assets on the bid price as it represents what a third-party market participant would be willing to pay in an arm s length transaction.

Plan investments are stated at fair value, except for short-term money market investments which are valued at cost plus accrued interest which approximates fair value and are included in Level 1.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 4 Fair Value Measurements (continued)

Prior to its conversion to common stock on June 7, 2011, the value of Travelers preferred stock was based on a valuation model provided by an independent appraiser. The model took into consideration the available information on Travelers common stock, other publicly traded securities, economic conditions and the dividend rate per share. Due to the limited observable market information, the Plan included the fair value estimate for Travelers preferred stock at December 31, 2010 in Level 3.

Common stocks traded on national securities exchanges are valued at their closing market prices. Mutual funds are valued at their quoted net asset value. The Plan receives prices from a nationally recognized pricing service that are based on observable market transactions and includes these estimates in the amount disclosed in Level 1.

The unit interests in the collective/common trust funds are valued at the net asset value per unit as reported by the sponsor of the collective/common trust funds derived from the exchange where the underlying securities are primarily traded and are redeemable daily. The Plan includes the fair value estimates of these securities in Level 2.

Fully benefit-responsive investment contracts with financial institutions consist of synthetic guaranteed investment contracts (Synthetic GICs) which are reported at fair value. Synthetic GICs are valued at the fair value of the underlying assets of the master trust derived from the exchange where the securities are primarily traded. The Plan includes the fair value estimates of the Synthetic GICs in Level 2. The fair value of the wrapper contracts associated with the Synthetic GICs are based on the wrap contract fees provided by insurance companies and are disclosed in Level 3 due to the significant inputs being unobservable. The Statements of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value.

The BrokerageLink investments are reported at fair value. For the majority of BrokerageLink investments the Plan receives prices from a nationally recognized pricing service that are based on observable market transactions and includes these estimates in the amount disclosed in Level 1 (equities, mutual funds and government bonds). The corporate bonds are disclosed in Level 2 since significant inputs are market observable. The certificates of deposits are valued at their certificate balances, which approximates fair value and are disclosed in Level 3 due to the significant inputs being unobservable.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 4 Fair Value Measurements (continued)

Fair Value Hierarchy

The following tables present the level within the fair value hierarchy at which the Plan s financial assets are measured on a recurring basis at December 31, 2011 and 2010:

At December 31, 2011, in thousands	Total	Level 1	Level 2	Level 3
Invested assets:				
Common stock	$ 338,616	$ 338,616	$	$
Mutual funds:				
Blended funds	544,799	544,799		
Growth funds	472,761	472,761		
Bond funds	275,086	275,086		
Value funds	203,589	203,589		
International fund	156,146	156,146		
Balanced fund	85,948	85,948		
Money market fund	54,713	54,713		
Collective/common trust funds:				
Target funds	391,797		391,797	
International funds	139,986		139,986	
Stable value fund	31,079		31,079	
International emerging markets fund	6,641		6,641	
Fidelity BrokerageLink investments	74,933	73,166	456	1,311
Fully benefit-responsive investment contracts	629,665		629,665	
Wrapper contract	41			41
Short-term investments	13,933	13,933		
Total	$ 3,419,733	$ 2,218,757	$ 1,199,624	$ 1,352

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 4 Fair Value Measurements (continued)

At December 31, 2010, in thousands	Total	Level 1	Level 2	Level 3
Invested assets:				
Common stock	$ 275,259	$ 275,259	$	$
Preferred stock	92,387			92,387
Mutual funds:				
Growth funds	535,288	535,288		
Blended funds	487,020	487,020		
Bond funds	247,388	247,388		
Value funds	218,953	218,953		
International fund	199,835	199,835		
Balanced fund	88,456	88,456		
Money market fund	52,327	52,327		
Collective/common trust funds:				
Target funds	335,915		335,915	
International funds	106,496		106,496	
Stable value fund	35,456		35,456	
International emerging markets fund	4,945		4,945	
Fidelity BrokerageLink investments	72,456	70,319	404	1,733
Fully benefit-responsive investment contracts	606,342		606,342	
Wrapper contract	663			663
Short-term investments	14,810	14,810		
Total	$ 3,373,996	$ 2,189,655	$ 1,089,558	$ 94,783

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 4 Fair Value Measurements (continued)

The following tables present the changes in the Level 3 fair value category for the years ended December 31, 2011 and 2010:

(in thousands)	Preferred Stock	Fidelity BrokerageLink Investments	Wrapper Contract	Total
Balance at December 31, 2010	$ 92,387	$ 1,733	$ 663	$ 94,783
Net appreciation (depreciation) in fair value of investments	8,460	(29)	(622)	7,809
Purchases		181		181
Sales	(7,739)	(574)		(8,313)
Conversion of preferred stock to common stock	(93,108)			(93,108)
Balance at December 31, 2011	$	$ 1,311	$ 41	$ 1,352
Amount of net depreciation for the period attributable to changes in fair value of assets still held at the reporting date	$	$ (21)	$ (622)	$ (643)

(in thousands)	Preferred Stock	Fidelity BrokerageLink Investments	Wrapper Contract	Total
Balance at December 31, 2009	$ 96,116	$ 2,597	$ 330	$ 99,043
Net appreciation (depreciation) in fair value of investments	10,056	(4)	333	10,385
Purchases		269		269
Sales	(13,785)	(1,129)		(14,914)
Balance at December 31, 2010	$ 92,387	$ 1,733	$ 663	$ 94,783
	$ 1,077	$ 13	$ 333	$ 1,423

Amount of net appreciation for the period attributable to changes in fair value of assets still held at the reporting date	

The Plan had no financial assets that were measured at fair value on a non-recurring basis during the years ended December 31, 2011 and 2010.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 5 Fully Benefit-Responsive Investment Contracts with Financial Institutions

The Plan s Stable Value Fund (the Fund) is comprised of investments held in the Dwight funds listed below as well as Synthetic GICs held in the SEI Stable Value Fund.

Synthetic GICs. A Synthetic GIC, also known as a wrap contract, is an investment contract issued by an insurance company or other financial institution, backed by a portfolio of bonds or other fixed income securities that are owned by the Fund. The assets underlying the contract are maintained separate from the issuer s general assets, usually by the Fund s trustee or a third party custodian. The contracts are obligated to provide an interest rate not less than zero.

The assets underlying the contracts consist of commingled trust funds sponsored by Dwight Asset Management. The fair value of those funds at December 31, 2011 and 2010 (see Note 4) was as follows:

(in thousands)	2011	2010
Dwight 2011 Term Fund	$ 25,270	$
Dwight 2012 Term Fund	88,004	
Dwight 2013 Term Fund	132,862	
Dwight 2014 Term Fund	129,619	
Dwight 2015 Term Fund	120,090	
Dwight Intermediate Core Fund	133,820	125,993
Dwight Target Fund 2		321,346
Dwight Target Fund 5		159,003
Total	$ 629,665	$ 606,342

Primary variables impacting future crediting rates of the Synthetic GICs include current yield of the assets within the contract, duration of the assets covered by the contract, and existing difference between the fair value and contract value of the assets within the contract. Synthetic GICs are designed to reset the respective crediting rate, typically on a quarterly basis. These contracts provide that realized and unrealized gains and losses on the underlying assets are not reflected immediately in the assets of the fund, but rather are amortized, over the duration of the underlying assets or other agreed upon period, through adjustments to the future interest crediting rates. The issuer guarantees that all qualified participant withdrawals will occur at contract value, which represents contributions made under the contract, plus credited interest, less withdrawals made under the contract and administrative expenses.

Events Limiting Ability to Receive Contract Value. Certain events limit the ability of the Plan to transact at contract value with the issuer. While the events may differ from contract to contract, the events typically include: (i) amendments to the Plan documents; (ii) changes to the Plan s prohibition on competing investment options or deletion of equity wash provisions; (iii) complete or partial termination of the Plan or its merger with another plan; (iv) the failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA; (v) unless made in accordance with the withdrawal provisions of the Plan, the withdrawal from the wrap contract at the direction of the Company, including withdrawals due to the removal of a specifically identifiable group of employees from coverage under the Plan (such as a group layoff or early retirement incentive program), or the closing or sale of a subsidiary, employing unit or affiliate, the bankruptcy or insolvency of the Company, or

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 5 Fully Benefit-Responsive Investment Contracts with Financial Institutions (continued)

the Company s establishment of another tax qualified defined contribution plan; (vi) any change in law, regulation, ruling, administrative or judicial position or accounting requirement, in any case applicable to the Plan or Fund; and (vii) the delivery of any communication to Plan participants designed to influence a participant not to invest in the Fund. At this time, the Company does not believe that the occurrence of any events, such as those described above, which would limit the Plan s ability to transact at contract value with participants, are probable.

Contract Termination. Synthetic GICs generally are evergreen contracts that permit termination upon notice at any time, and provide for automatic termination if the contract value or the fair value of the contract equals zero. If the fair value of the contract equals zero, the issuer of the Synthetic GICs is obligated to pay the difference between the fair value and the contract value.

If the Plan defaults in its obligations under the contract and the default is not cured within a cure period, the issuer may terminate the contract and the Plan will receive the fair value as of the date of termination. The Synthetic GICs generally permit the issuer or investment manager to convert the wrapped portfolio to a declining duration strategy, in which case the contract would terminate at a date that corresponds to the duration of the underlying fixed income portfolio on the date of an amortization election (Amortization Election). After the effective date of an Amortization Election, the fixed income portfolio must conform to the guidelines agreed upon by the issuer and the investment manager for the Amortization Election period. Such guidelines are intended to result in contract value equaling fair value of the wrapped portfolio by such termination date. The Plan may make an Amortization Election if the contract permits the issuer to terminate at fair value, the issuer terminates the contract, and the contract provides for such an Amortization Election.

The Synthetic GICs are placed with or guaranteed by a financial institution whose Standard & Poor s credit rating is AA- or higher.

Average Yield. The average yield of the contracts is as follows:

	2011	2010
Based on actual earnings	1.16%	2.01%
Based on interest rate credited to participants	1.62%	2.04%

Note 6 Party-in-Interest Transactions

Transactions resulting in Plan assets being transferred to or used by a related party are prohibited under ERISA unless a specific exemption applies. The following transactions with related parties are specifically exempted from the prohibited transactions provisions of ERISA and the Internal Revenue Code:

- The Plan invests in funds managed by an affiliate of FMTC, a party-in-interest as defined by ERISA as a result of being trustee of the Plan.

- The Plan also engages in transactions involving the acquisition or disposition of common stock of the Company, a party-in-interest with respect to the Plan.

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 7 Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon such termination, the Plan administrator may direct the Plan trustee to distribute participant account balances. Upon termination of the Plan, participant account balances would vest in full.

Note 8 Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by letter dated December 31, 2003, that the Plan as designed is qualified under Section 401(a) of the Internal Revenue Code and the Trust is qualified under Section 501(a) of the Internal Revenue Code. The Plan has been amended and restated since receiving the determination letter. The Plan administrator and the Plan s legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan s financial statements. At December 31, 2011 and 2010, the Plan had no uncertain tax positions.

Note 9 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements at December 31, 2011 and December 31, 2010 to Form 5500:

(in thousands)		**December 31, 2011**		**December 31, 2010**
Net assets available for benefits per the financial statements	$	3,570,900	$	3,536,930
Adjustment from contract value to fair value for fully benefit-responsive investment contracts		9,993		(560)
Net assets available for benefits per the Form 5500	$	3,580,893	$	3,536,370

The following is a reconciliation of investment income per the financial statements to the Form 5500:

(in thousands)	Year Ended December 31, 2011	Year Ended December 31, 2010
Total investment income(loss) per the financial statements	$ (15,393)	$ 350,063
Adjustment from contract value to fair value for fully benefit-responsive investment contracts current year	9,993	(560)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts prior year	560	20,200
Total investment income(loss) per the Form 5500	$ (4,840)	$ 369,703

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THE TRAVELERS 401(k) SAVINGS PLAN

Notes to Financial Statements, continued

Note 10 Legal and Other Matters

Securities Settlement

In November, 2004, two purported class actions were brought in the U.S. District Court for the District of Minnesota by certain shareholders of the Company against the Company and certain of its current and former officers and directors. These two actions were consolidated as In re St. Paul Travelers Securities Litigation II. An amended consolidated complaint was filed alleging violations of federal securities laws in connection with (i) the Company s alleged failure to make disclosure relating to the practice of paying brokers commissions on a contingent basis, (ii) the Company s alleged involvement in a conspiracy to rig bids and (iii) the Company s allegedly improper use of finite reinsurance products. On January 17, 2008, the parties in In re St. Paul Travelers Securities Litigation II entered into a stipulation of settlement resolving the case. On July 11, 2008, the District Court approved the settlement. On January 22, 2010 the Plan s share of the settlement of $674,820 was determined. On July 30, 2010, the Plan received the proceeds from the settlement, in the amount of $674,820. Of the settlement amount, $651,959 was allocated to participant s accounts on October 13, 2010 after adjusting for fees paid and interest received.

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THE TRAVELERS 401(k) SAVINGS PLAN

Schedule H, Line 4i-Schedule of Assets (Held at End of Year)

December 31, 2011

Identity of Issue	Rate	Maturity Date	Number of Shares/Units	Current Value
Common Stock				
*Travelers Companies, Inc.			5,528,853	$ 327,142,232
Citigroup, Inc.			436,100	11,473,791
Total Common Stock				338,616,023
Mutual Funds				
American Beacon Large Cap Value Fund Institutional Class			5,542,152	102,973,188
American Funds Growth Fund of America Class R6			9,872,317	283,532,941
Baron Growth Fund Institutional Class			1,104,396	56,710,719
*Fidelity Puritan Fund Class K			4,861,342	85,948,534
Goldman Sachs Mid Cap Value Fund Institutional Class			1,666,359	55,939,686
Morgan Stanley Institutional Fund Trust: Mid Cap Growth Portfolio Class I			4,025,446	132,517,683
Neuberger Berman Genesis Fund Institutional Class			2,727,406	126,633,460
Pimco Total Return Fund Institutional Class			3,604,814	39,184,325
Target Small Cap Value Portfolio Class T			2,281,717	44,676,023
Thornburg International Value Fund Class R5			6,362,914	156,145,903
Vanguard Institutional Index Fund Institutional Plus Class			3,327,774	382,860,373
Vanguard Mid-Cap Index Fund Institutional Shares			1,560,307	30,722,455
Vanguard Prime Money Market Fund Institutional Class			54,712,941	54,712,941
Vanguard Small-Cap Index Fund Institutional Shares			137,244	4,582,561
Vanguard Total Bond Market Index Fund Institutional Plus Shares			21,445,577	235,901,346
Total Mutual Funds				1,793,042,138
Collective/Common Trust Funds				
SEI Stable Value Fund			31,078,726	31,078,726
SSgA World ex. U.S. Index Non-Lending Series Fund Class C			13,372,716	139,985,590
SSgA Emerging Markets Index Non-Lending Series Fund Class C			441,815	6,641,368
Vanguard Target Retirement Income Trust I			659,782	24,431,717
Vanguard Target Retirement 2010 Trust I			429,830	14,549,745
Vanguard Target Retirement 2015 Trust I			2,000,317	64,670,261
Vanguard Target Retirement 2020 Trust I			1,355,878	42,330,519

(continued)

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THE TRAVELERS 401(k) SAVINGS PLAN

Schedule H, Line 4i-Schedule of Assets (Held at End of Year)

December 31, 2011

Identity of Issue	Rate	Maturity Date	Number of Shares/Units	Current Value
Collective/Common Trusts Funds (continued)				
Vanguard Target Retirement 2025 Trust I			2,914,845	$ 87,299,605
Vanguard Target Retirement 2030 Trust I			870,274	25,142,204
Vanguard Target Retirement 2035 Trust I			1,626,567	45,950,517
Vanguard Target Retirement 2040 Trust I			624,343	17,668,908
Vanguard Target Retirement 2045 Trust I			1,958,483	55,248,791
Vanguard Target Retirement 2050 Trust I			510,715	14,483,867
Vanguard Target Retirement 2055 Trust I			594	20,582
Total Collective/Common Trust Funds				569,502,400
*Fidelity BrokerageLink Investments				74,932,960
Fully Benefit-Responsive Investments with Financial Institutions				
Monumental Life Insurance, MDA00987TR				
Dwight 2011 Term Fund	1.68%	Various	3,593,394	3,593,394
Dwight 2012 Term Fund	1.68%	Various	29,229,852	29,229,852
Dwight 2013 Term Fund	1.68%	Various	58,873,671	58,873,671
Dwight 2014 Term Fund	1.68%	Various	54,668,716	54,668,716
Dwight 2015 Term Fund	1.68%	Various	51,662,573	51,662,573
Total Monumental Life Insurance, MDA00987TR				198,028,206
NATIXIS Financial Products, Inc., 1923-01				
Dwight 2011 Term Fund	2.06%	Various	10,833,459	10,833,459
Dwight 2012 Term Fund	2.06%	Various	29,374,306	29,374,306
Dwight 2013 Term Fund	2.06%	Various	36,977,891	36,977,891
Dwight 2014 Term Fund	2.06%	Various	37,458,333	37,458,333
Dwight 2015 Term Fund	2.06%	Various	34,198,654	34,198,654
Dwight Intermediate Core Fund	2.06%	Various	4,756,383	66,880,198
Total NATIXIS Financial Products, Inc., 1923-01				215,722,841
Pacific Life Insurance Company, G-26926.01.0001				
Dwight 2011 Term Fund	2.06%	Various	10,843,068	10,843,068
Dwight 2012 Term Fund	2.06%	Various	29,400,362	29,400,362
Dwight 2013 Term Fund	2.06%	Various	37,010,690	37,010,690

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THE TRAVELERS 401(k) SAVINGS PLAN

Schedule H, Line 4i-Schedule of Assets (Held at End of Year)

December 31, 2011

Identity of Issue	Rate	Maturity Date	Number of Shares/Units	Current Value
Pacific Life Insurance Company, G-26926.01.0001, (continued)				
Dwight 2014 Term Fund	2.06%	Various	37,491,559	$ 37,491,559
Dwight 2015 Term Fund	2.06%	Various	34,228,988	34,228,988
Dwight Intermediate Core Fund	2.06%	Various	4,760,602	66,939,522
Total Pacific Life Insurance Company, G-26926.01.0001				215,914,189
Total Fully Benefit-Responsive Investments with Financial Institutions				629,665,236
Wrapper Contract				
Monumental Life Insurance, MDA00987TR	1.68%	Evergreen		41,402
Short-Term Investments				
*Fidelity Management Trust Company, Institutional Cash Portfolio, MM Fund Class 1 Shares	0.19%	Due on demand		13,933,141
*Notes receivable from participants	11,652 loans, 4.25% to 10.50%, 5 year maximum term with the exception of home loans (20 years)			74,811,105
Total Investments				$ 3,494,544,405

See accompanying report of independent registered public accounting firm.

* Parties-in-interest as defined by ERISA.

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

THE TRAVELERS 401(k) SAVINGS PLAN
(The Plan)

Date: June 19, 2012

By: /s/ John P. Clifford Jr.
John P. Clifford Jr.
Executive Vice President, Human Resources and Plan Administrator
Member of the Administrative Committee for The Travelers 401(k) Savings Plan