

TRAVELERS COMPANIES, INC.

Form 10-Q

October 21, 2014

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2014

or

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

For the transition period from _____ to _____

Commission file number: 001-10898

The Travelers Companies, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

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

485 Lexington Avenue
New York, NY 10017

(Address of principal executive offices) (Zip Code)

(917) 778-6000

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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

The number of shares of the Registrant's Common Stock, without par value, outstanding at October 17, 2014 was 331,396,299.

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The Travelers Companies, Inc.

Quarterly Report on Form 10-Q

For Quarterly Period Ended September 30, 2014

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(in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues				
Premiums	\$ 5,983	\$ 5,666	\$ 17,734	\$ 16,786
Net investment income	719	657	2,150	2,014
Fee income	110	107	329	286
Net realized investment gains (losses) (1)	40	(22)	57	155
Other revenues	34	44	109	213
Total revenues	6,886	6,452	20,379	19,454
Claims and expenses				
Claims and claim adjustment expenses	3,520	3,297	10,661	9,980
Amortization of deferred acquisition costs	984	953	2,899	2,851
General and administrative expenses	1,031	934	2,913	2,780
Interest expense	93	91	277	269
Total claims and expenses	5,628	5,275	16,750	15,880
Income before income taxes	1,258	1,177	3,629	3,574
Income tax expense	339	313	975	889
Net income	\$ 919	\$ 864	\$ 2,654	\$ 2,685
Net income per share				
Basic	\$ 2.72	\$ 2.33	\$ 7.68	\$ 7.12
Diluted	\$ 2.69	\$ 2.30	\$ 7.60	\$ 7.05
Weighted average number of common shares outstanding				
Basic	335.1	368.9	342.9	374.1
Diluted	338.9	372.9	346.5	378.1

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(1) Total other-than-temporary impairment (OTTI) gains (losses) were \$(8) million and \$0 million for the three months ended September 30, 2014 and 2013, respectively, and \$(16) million and \$(1) million for the nine months ended September 30, 2014 and 2013, respectively. Of total OTTI, credit losses of \$(10) million and \$(3) million for the three months ended September 30, 2014 and 2013, respectively, and \$(20) million and \$(10) million for the nine months ended September 30, 2014 and 2013, respectively, were recognized in net realized investment gains (losses). In addition, unrealized gains from other changes in total OTTI of \$2 million and \$3 million for the three months ended September 30, 2014 and 2013, respectively, and \$4 million and \$9 million for the nine months ended September 30, 2014 and 2013, respectively, were recognized in other comprehensive income (loss) as part of changes in net unrealized gains on investment securities having credit losses recognized in the consolidated statement of income.

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

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

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net income	\$ 919	\$ 864	\$ 2,654	\$ 2,685
Other comprehensive income (loss):				
Changes in net unrealized gains on investment securities:				
Having no credit losses recognized in the consolidated statement of income	(154)	(204)	901	(2,370)
Having credit losses recognized in the consolidated statement of income	1	(2)	4	2
Net changes in benefit plan assets and obligations	15	24	45	78
Net changes in unrealized foreign currency translation	(203)	112	(149)	(57)
Other comprehensive income (loss) before income taxes	(341)	(70)	801	(2,347)
Income tax expense (benefit)	(79)	(55)	311	(816)
Other comprehensive income (loss), net of taxes	(262)	(15)	490	(1,531)
Comprehensive income	\$ 657	\$ 849	\$ 3,144	\$ 1,154

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(in millions)

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Fixed maturities, available for sale, at fair value (amortized cost \$61,043 and \$62,196)	\$ 63,622	\$ 63,956
Equity securities, available for sale, at fair value (cost \$609 and \$686)	949	943
Real estate investments	949	938
Short-term securities	5,033	3,882
Other investments	3,637	3,441
Total investments	74,190	73,160
Cash	367	294
Investment income accrued	663	734
Premiums receivable	6,439	6,125
Reinsurance recoverables	9,279	9,713
Ceded unearned premiums	848	801
Deferred acquisition costs	1,890	1,804
Deferred taxes		303
Contractholder receivables	4,367	4,328
Goodwill	3,621	3,634
Other intangible assets	316	351
Other assets	2,542	2,565
Total assets	\$ 104,522	\$ 103,812
Liabilities		
Claims and claim adjustment expense reserves	\$ 50,402	\$ 50,895
Unearned premium reserves	12,181	11,850
Contractholder payables	4,367	4,328
Payables for reinsurance premiums	491	298
Deferred taxes	122	
Debt	6,348	6,346
Other liabilities	5,290	5,299
Total liabilities	79,201	79,016
Shareholders equity		
Common stock (1,750.0 shares authorized; 331.4 and 353.5 shares issued and outstanding)	21,764	21,500
Retained earnings	26,394	24,291
Accumulated other comprehensive income	1,300	810
Treasury stock, at cost (427.6 and 401.5 shares)	(24,137)	(21,805)
Total shareholders equity	25,321	24,796
Total liabilities and shareholders equity	\$ 104,522	\$ 103,812

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

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

(in millions)

For the nine months ended September 30,	2014	2013
Common stock		
Balance, beginning of year	\$ 21,500	\$ 21,161
Employee share-based compensation	120	122
Compensation amortization under share-based plans and other changes	144	142
Balance, end of period	21,764	21,425
Retained earnings		
Balance, beginning of year	24,291	21,352
Net income	2,654	2,685
Dividends	(553)	(552)
Other	2	
Balance, end of period	26,394	23,485
Accumulated other comprehensive income, net of tax		
Balance, beginning of year	810	2,236
Other comprehensive income (loss)	490	(1,531)
Balance, end of period	1,300	705
Treasury stock (at cost)		
Balance, beginning of year	(21,805)	(19,344)
Treasury stock acquired share repurchase authorization	(2,275)	(1,400)
Net shares acquired related to employee share-based compensation plans	(57)	(60)
Balance, end of period	(24,137)	(20,804)
Total shareholders equity	\$ 25,321	\$ 24,811
Common shares outstanding		
Balance, beginning of year	353.5	377.4
Treasury stock acquired share repurchase authorization	(25.4)	(17.0)
Net shares issued under employee share-based compensation plans	3.3	3.7
Balance, end of period	331.4	364.1

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

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

(in millions)

For the nine months ended September 30,	2014	2013
Cash flows from operating activities		
Net income	\$ 2,654	\$ 2,685
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized investment gains	(57)	(155)
Depreciation and amortization	653	642
Deferred federal income tax expense	93	132
Amortization of deferred acquisition costs	2,899	2,851
Equity in income from other investments	(412)	(247)
Premiums receivable	(334)	(242)
Reinsurance recoverables	403	1,102
Deferred acquisition costs	(2,993)	(2,862)
Claims and claim adjustment expense reserves	(298)	(1,684)
Unearned premium reserves	379	483
Other	181	184
Net cash provided by operating activities	3,168	2,889
Cash flows from investing activities		
Proceeds from maturities of fixed maturities	7,975	5,917
Proceeds from sales of investments:		
Fixed maturities	927	1,160
Equity securities	128	57
Real estate investments	5	
Other investments	612	545
Purchases of investments:		
Fixed maturities	(8,237)	(6,492)
Equity securities	(47)	(50)
Real estate investments	(41)	(65)
Other investments	(406)	(312)
Net purchases of short-term securities	(1,163)	(1,893)
Securities transactions in course of settlement	119	280
Acquisition, net of cash acquired	(12)	
Other	(262)	(254)
Net cash used in investing activities	(402)	(1,107)
Cash flows from financing activities		
Payment of debt		(500)
Issuance of debt		494
Dividends paid to shareholders	(549)	(549)
Issuance of common stock employee share options	154	158
Treasury stock acquired share repurchase authorization	(2,275)	(1,400)
Treasury stock acquired net employee share-based compensation	(56)	(60)
Excess tax benefits from share-based payment arrangements	38	43
Net cash used in financing activities	(2,688)	(1,814)

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Effect of exchange rate changes on cash	(5)	(3)
Net increase (decrease) in cash	73	(35)
Cash at beginning of year	294	330
Cash at end of period	\$ 367	\$ 295
Supplemental disclosure of cash flow information		
Income taxes paid	\$ 785	\$ 724
Interest paid	\$ 217	\$ 206

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Basis of Presentation

The interim consolidated financial statements include the accounts of The Travelers Companies, Inc. (together with its subsidiaries, the Company). These financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP) and are unaudited. In the opinion of the Company's management, all adjustments necessary for a fair presentation have been reflected. Certain financial information that is normally included in annual financial statements prepared in accordance with GAAP, but that is not required for interim reporting purposes, has been omitted. All material intercompany transactions and balances have been eliminated. The accompanying interim consolidated financial statements and related notes should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's 2013 Annual Report on Form 10-K as updated by the Company's Form 8-K filed on September 10, 2014.

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

On November 1, 2013, the Company acquired all of the issued and outstanding shares of The Dominion of Canada General Insurance Company (Dominion) for an aggregate purchase price of approximately \$1.035 billion. Dominion primarily markets personal lines and small commercial insurance business in Canada. At the acquisition date, the Company recorded at fair value \$3.91 billion of assets acquired and \$2.88 billion of liabilities assumed as part of purchase accounting, including \$16 million of identifiable intangible assets and \$273 million of goodwill. Dominion is included in the Company's Business and International Insurance segment.

Adoption of Accounting Standards Updates

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

In February 2013, the Financial Accounting Standards Board (FASB) issued updated guidance to resolve diversity in practice concerning the recognition, measurement and disclosure of obligations resulting from certain joint and several liability arrangements for which the total amount

under the arrangement is fixed at the reporting date. The guidance requires that the reporting entity measure joint and several liability arrangements as the amount the reporting entity agreed to pay on the basis of its arrangement among the co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The updated guidance was effective for the quarter ending March 31, 2014. The adoption of this guidance did not have any effect on the Company's results of operations, financial position or liquidity.

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

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES, Continued

Accounting Standards Not Yet Adopted

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

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

Revenue from Contracts with Customers

In May 2014, the FASB issued updated guidance to clarify the principles for recognizing revenue. While insurance contracts are not within the scope of this updated guidance, the Company's fee income related to providing claims and policy management services as well as claim and loss prevention services will be subject to this updated guidance.

The updated guidance requires an entity to recognize revenue as performance obligations are met, in order to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration the entity is entitled to receive for those goods or services. The following steps are applied in the updated guidance: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the entity satisfies a performance obligation.

The updated guidance is effective for the quarter ending March 31, 2017. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period

In June 2014, the FASB issued updated guidance to resolve diversity in practice concerning employee share-based payments that contain performance targets that could be achieved after the requisite service period. Many reporting entities account for performance targets that could be achieved after the requisite service period as performance conditions that affect the vesting of the award and, therefore, do not reflect the performance targets in the estimate of the grant-date fair value of the award. Other reporting entities treat those performance targets as nonvesting conditions that affect the grant-date fair value of the award.

The updated guidance requires that a performance target that affects vesting and that can be achieved after the requisite service period be treated as a performance condition. As such, the performance target that affects vesting should not be reflected in estimating that fair value of the award at the grant date. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which service has been rendered. If the performance target becomes probable of being achieved before the end of the service period, the remaining unrecognized compensation cost for which requisite service has not yet been rendered is recognized prospectively over the remaining service period. The total amount of compensation cost recognized during and after the service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest.

The updated guidance is effective for annual and interim periods beginning after December 15, 2015, with early adoption permitted. The adoption of this guidance is not expected to have a material effect on the Company's results of operations, financial position or liquidity.

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES, Continued

Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

In August 2014, the FASB issued guidance to address the diversity in practice in determining when there is substantial doubt about an entity's ability to continue as a going concern and when an entity must disclose certain relevant conditions and events. The new guidance requires an entity to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued). The new guidance allows the entity to consider the mitigating effects of management's plans that will alleviate the substantial doubt and requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans. If conditions or events raise substantial doubt that is not alleviated, an entity should disclose that there is substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or available to be issued), along with the principal conditions or events that raise substantial doubt, management's evaluation of the significance of those conditions or events in relation to the entity's ability to meet its obligations and management's plans that are intended to mitigate those conditions.

The guidance is effective for annual periods ending after December 15, 2016, and interim and annual periods thereafter.

Nature of Operations

On June 10, 2014, the Company announced a realignment of its management team, effective July 1, 2014, that gave rise to a realignment of two of its three reportable business segments, as follows:

- The Company's International Insurance group, which had previously been included in the Financial, Professional & International Insurance segment, was combined with the Company's previous Business Insurance segment to create a new Business and International Insurance segment.
- The Bond & Financial Products group, which comprised the remaining businesses in the Financial, Professional & International Insurance segment, now comprises the new Bond & Specialty Insurance segment.
- The Personal Insurance segment was not impacted by these changes.

The realignment of segments described above was made to reflect the realignment of the Company's senior management responsibilities and the manner in which the Company's businesses have been managed starting July 1, 2014, and the aggregation of products and services based on the type of customer, how the business is marketed and the manner in which risks are underwritten.

In connection with these changes, the Company has realigned and revised the names of several businesses that comprise the Business and International Insurance segment. The new reportable business segments are as follows:

Business and International Insurance

The Business and International Insurance segment offers a broad array of property and casualty insurance and insurance related services to its clients, primarily in the United States, as well as in Canada, the United Kingdom, the Republic of Ireland and throughout other parts of the world as a corporate member of Lloyd's.

Business and International Insurance is comprised of: Select Accounts; Middle Market; National Accounts; First Party; Specialized Distribution; and International. International includes Dominion, which the Company acquired in November 2013 and which writes personal lines and small commercial insurance business in Canada.

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES, Continued

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

Bond & Specialty Insurance

The Bond & Specialty Insurance segment includes surety and financial liability coverages, which primarily use credit-based underwriting processes, and provide a wide range of primarily domestic customers with bond and insurance products and risk management services.

Personal Insurance

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

2. SEGMENT INFORMATION

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

(for the three months ended September 30, in millions)	Business and International Insurance	Bond & Specialty Insurance	Personal Insurance	Total Reportable Segments
2014				
Premiums	\$ 3,660	\$ 527	\$ 1,796	\$ 5,983
Net investment income	557	64	98	719
Fee income	110			110
Other revenues	10	5	19	34
Total operating revenues (1)	\$ 4,337	\$ 596	\$ 1,913	\$ 6,846
Operating income (1)	\$ 552	\$ 165	\$ 239	\$ 956
2013				
Premiums	\$ 3,325	\$ 506	\$ 1,835	\$ 5,666
Net investment income	504	63	90	657
Fee income	107			107
Other revenues	8	5	34	47
Total operating revenues (1)	\$ 3,944	\$ 574	\$ 1,959	\$ 6,477
Operating income (1)	\$ 566	\$ 120	\$ 262	\$ 948

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

(for the nine months ended September 30, in millions)	Business and International Insurance	Bond & Specialty Insurance	Personal Insurance	Total Reportable Segments
2014				
Premiums	\$ 10,849	\$ 1,554	\$ 5,331	\$ 17,734
Net investment income	1,666	192	292	2,150
Fee income	329			329
Other revenues	32	15	62	109
Total operating revenues (1)	\$ 12,876	\$ 1,761	\$ 5,685	\$ 20,322
Operating income (1)	\$ 1,717	\$ 511	\$ 582	\$ 2,810
2013				

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Premiums	\$	9,801	\$	1,476	\$	5,509	\$	16,786
Net investment income		1,544		195		275		2,014
Fee income		286						286
Other revenues		135		15		67		217
Total operating revenues (1)	\$	11,766	\$	1,686	\$	5,851	\$	19,303
Operating income (1)	\$	1,773	\$	399	\$	601	\$	2,773

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

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THE TRAVELERS COMPANIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited), Continued

2. SEGMENT INFORMATION, Continued

Business Segment Reconciliations

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue reconciliation				
Earned premiums				
Business and International Insurance:				
Domestic:				
Workers compensation	\$ 928	\$ 896	\$ 2,759	\$ 2,640
Commercial automobile	481	476	1,422	1,425
Commercial property	442	432	1,310	1,259
General liability	472	452	1,376	1,333
Commercial multi-peril	774	779	2,292	2,320
Other	10	11	31	29
Total Domestic	3,107	3,046	9,190	9,006
International	553	279	1,659	795
Total Business and International Insurance	3,660	3,325	10,849	9,801
Bond & Specialty Insurance:				
Fidelity and surety	240	235	700	683
General liability	243	227	721	661
Other	44	44	133	132
Total Bond & Specialty Insurance	527	506	1,554	1,476
Personal Insurance:				
Automobile	835	855	2,471	2,591
Homeowners and other	961	980	2,860	2,918
Total Personal Insurance	1,796	1,835	5,331	5,509
Total earned premiums	5,983	5,666	17,734	16,786
Net investment income	719	657	2,150	2,014
Fee income	110	107	329	286
Other revenues	34	47	109	217
Total operating revenues for reportable segments	6,846	6,477	20,322	19,303
Other revenues		(3)		(4)
Net realized investment gains (losses)	40	(22)	57	155
Total consolidated revenues	\$ 6,886	\$ 6,452	\$ 20,379	\$ 19,454