

RISK COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of The St. Paul Travelers Companies, Inc. (the “Company”) is to assist the Board in exercising its oversight of the operational activities of the Company and the timely identification, mitigation, and management of those risks that could have a material impact on the Company.

Committee Membership

The Committee shall consist of three or more members of the Board.

The Committee members shall be appointed by the Board, upon the recommendation of its Governance Committee, and they shall serve at the pleasure of the Board.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

Committee Duties and Responsibilities

The following are the primary duties and responsibilities of the Committee:

1. Review the strategies, processes and controls pertaining to the underwriting of insurable risks and the pricing of such risks, including new insurance products or lines of business that are likely to have a material impact on the Company’s risk profile;
2. Review the strategies, processes and controls relating to the settlement of claims in ongoing and run-off businesses;
3. Review the strategies, processes and controls pertaining to the management of the Company’s catastrophe exposure and the determination of appropriate levels of retention of insured risk;
4. Review the strategies, processes and controls pertaining to the Company’s determination of appropriate levels of retention of insured risk and appropriate levels and types of reinsurance for its insurance subsidiaries, as well as the financial strength of the reinsurers with whom they conduct business;

5. Review the strategies, processes and controls pertaining to the credit risk exposure of the Company and its subsidiaries through their operations and investments;
6. Review the strategies, processes and controls pertaining to business continuity and executive crisis management for the Company and its business operations; and
7. On an ad hoc basis, review specific operational segments of the Company that may be posing unusual significant risks that could have a material impact on the risk profile of the Company.

Delegation to Subcommittee

The Committee may, in its discretion, delegate a portion of its duties and responsibilities to a subcommittee of the Committee.

Committee Reports

The Committee shall provide the following reports to the Board:

1. An annual performance evaluation of the Committee, which self-evaluation must, at a minimum, compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to this charter deemed necessary or desirable by the Committee.
2. A summary of the matters discussed and actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management.