

The Travelers Promise

An Interview with Alan D. Schnitzer, Chairman and Chief Executive Officer, The Travelers Companies, Inc.

EDITORS' NOTE Alan Schnitzer became CEO and a member of the company's Board of Directors in 2015 and was elected Chairman of the Board in 2017. He joined Travelers in April 2007 as Vice Chairman and Chief Legal Officer. He then went on to lead the company's Financial, Professional and International Insurance segment and subsequently the company's Business and International Insurance segment. He also oversaw Travelers' Field Management, Corporate Communications and Public Policy organizations. Before joining Travelers, Schnitzer served as the company's lead outside counsel as a partner in the law firm of Simpson Thacher & Bartlett LLP, where he advised corporate clients on a variety of transactions and general corporate law matters. Schnitzer is a member of the Board of Trustees of the University of Pennsylvania and serves on the Board of Directors of the New York City Ballet and Memorial Sloan Kettering Cancer Center. He earned his undergraduate degree in finance and accounting from The Wharton School of the University of Pennsylvania and his JD from Columbia Law School.



Alan D. Schnitzer

COMPANY BRIEF Travelers (travelers.com) has been around for more than 165 years and has earned a reputation as one of the best property casualty insurers in the industry. It is a leader in personal, business and specialty insurance and the only property casualty company in the Dow Jones Industrial Average. Its approximately 30,000 employees and 13,500 independent agents and brokers in the United States, Canada, the United Kingdom and Ireland help provide its customers with both peace of mind and the confidence to reach higher and do more.

How do you define the Travelers culture, and how critical is that culture to the success of the company?

It is impossible to overstate the importance of culture, especially in a business where success depends on thousands of people balancing risk and reward every day in the process of making underwriting decisions. Culture is a tough thing to define. I often use the phrase “pixie dust” to describe the intangible qualities that define our culture. I’m not sure exactly what’s in the pixie dust but, over the years, I’ve called out a few ingredients: collaboration, long-term thinking, putting The Place first, and a commitment to everyone else’s success. Embedded in each of those is a commitment to doing the right thing.

We talk a lot about our “Travelers Family,” and it’s more than a metaphor. We’re fortunate to work with people who genuinely care about each other, and it’s not just that they care – they find meaningful ways to show it. This year, I received dozens of stories from members of the Travelers Family describing how colleagues went out of their way to help them during moments of need, from hand-delivering food and basic supplies to dropping off medicine.

The strength of our culture was on full display last year. We transitioned to a remote work environment, shifted to virtual processes for nearly every aspect of our business and effectively managed the company through a global health crisis. We not only made our way through a difficult year – we came through it stronger by nearly every measure. That’s in large part a credit to our culture. The dedication, ingenuity and compassion of our workforce are second to none. Our employees continually step up to meet the moment, doing so because they care deeply about our company, their colleagues, our customers and our agent and broker partners.

Travelers has said that maintaining a diverse and inclusive workforce is a business priority. What impact does it have on your business?

You might notice a theme here. If you look at all of our competitive advantages, there’s one thing they have in common: our people.

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They are our greatest asset. That’s why we focus on attracting, retaining and promoting the very best from the broadest possible pool of talent. We know that having a diverse workforce enables us to make the best decisions for our business and our stakeholders, and inclusion goes hand in hand with that. Supporting a culture that embraces differences and empowers people to share their unique perspectives creates an environment where everyone feels comfortable bringing their whole self to work, sharing new ideas and contributing to the flow of innovation.

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Travelers places a major focus on sustainability. What does sustainability mean for the company?

We take a comprehensive approach to sustainability. Our long-term value creation depends not only on our financial strategy, but also on the way we manage various economic, environmental and social factors. When we think about our continued success, we have to do three things really well: perform, transform and keep the Travelers Promise.

Performing means successfully executing our long-term financial strategy to generate industry-leading returns on equity over time. In each of the past 10 years, we’ve outperformed the industry in terms of average return on equity. Those results reflect the value of our competitive advantages and are a testament to the discipline with which we run our business.

That said, we also understand that some of the competitive advantages and capabilities that have fueled our achievements over the past decade won’t necessarily be the same advantages and capabilities we’ll need to lead for the next decade. That’s why we’re focused on transformation – to ensure that we maintain our leadership position for the next decade and beyond.

The final piece I mentioned is the Travelers Promise – our commitment to taking care of our customers, our communities and each other. It’s about providing our customers with the security they need to invest in their families and businesses and being there to help them recover after a disaster; caring for the communities in which we live and work, through good times and bad; and making Travelers the employer of choice for the best talent in the industry and a great partner for our agents and brokers.

For us, sustainability comes down to this: Only by successfully delivering on our Perform and Transform agenda will we earn

the resources we need to keep the Travelers Promise, and only by faithfully keeping the Travelers Promise will we earn the support of key stakeholders essential to our Perform and Transform success.

What do you see as Travelers’ responsibility to be engaged in the communities it serves and to be good corporate citizens?

In addition to focusing on the sustainability and profitability of our business, we’re investing more broadly in the sustainability and well-being of the communities we call home. Over the last decade, we have contributed more than \$225 million toward important causes generally aligned with academic and career success, thriving neighborhoods and culturally enriched communities. We’re investing more than money; we’re investing our time. Over the last five years, our employees logged more than 500,000 volunteer hours, in many cases as part of initiatives that advance inclusive prosperity.

This all connects back to the Travelers Promise and to our performance. Our long-term success is dependent on the long-term strength and prosperity of the communities in which we live and work. We see good corporate citizenship as both the right thing to do and a smart financial move. To do well, we have to do good. At Travelers, as I touched on in my last answer, we believe those obligations are intertwined. ●

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