

TRAVELERS COMPANIES, INC.
Form 8-K
June 15, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 10, 2010**

The Travelers Companies, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation)

001-10898
(Commission File Number)

41-0518860
(IRS Employer Identification
Number)

485 Lexington Avenue
New York, New York
(Address of principal executive offices)

10017
(Zip Code)

(917) 778-6000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Edgar Filing: TRAVELERS COMPANIES, INC. - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement.

On June 10, 2010, The Travelers Companies, Inc. (the "Company") entered into a \$1.0 Billion Three-Year Revolving Credit Agreement (the "Credit Agreement") with a syndicate of financial institutions, including Bank of America, N.A., as administrative agent, Banc of America Securities LLC, Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC as joint lead arrangers, Citicorp USA, Inc., JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association as co-syndication agents and U.S. Bank National Association as documentation agent. The Credit Agreement replaced the Company's existing \$1.0 Billion Five-Year Revolving Credit Agreement, dated as of June 10, 2005.

The Credit Agreement provides for up to \$1.0 billion of credit. The interest rates applicable to loans under the Credit Agreement are generally based on a base rate plus a specified margin or the Eurodollar rate plus a specified margin. In addition, the Company will pay a facility fee on each lender's commitment irrespective of usage. The applicable margin and the amount of the facility fee vary based upon the Company's long-term senior unsecured non-credit-enhanced debt ratings.

Pursuant to covenants in the Credit Agreement, the Company must maintain an excess of consolidated net worth over goodwill and other intangible assets of not less than (i) \$16.1 billion minus (ii) 70.0% of actual stock repurchases made after March 31, 2010 up to a maximum deduction of \$1.75 billion. The Company must also maintain a ratio of total consolidated debt to the sum of total consolidated debt plus consolidated net worth of not greater than 0.40 to 1.00. In addition, the Credit Agreement contains other customary restrictive covenants as well as certain customary events of default, including with respect to a change in control. Unless terminated earlier by the Company, the Credit Agreement is scheduled to expire on June 10, 2013, subject to extension with lender consent according to the terms of the Credit Agreement. Borrowings under the Credit Agreement may be used for general corporate purposes of the Company and its subsidiaries.

Pursuant to the terms of the Credit Agreement, the Company has an option to request an increase of the credit available under the facility up to a maximum facility amount of \$1.5 billion, subject to the consent of lenders and the satisfaction of certain conditions.

Certain of the lenders under the Credit Agreement, or their affiliates, have provided, and may in the future from time to time provide, certain commercial and investment banking, financial advisory and other services in the ordinary course of business for the Company and its subsidiaries, for which they have in the past and may in the future receive customary fees and commissions.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 15, 2010

THE TRAVELERS COMPANIES, INC.

By: /s/ Matthew S. Furman
Name: Matthew S. Furman
Title: Senior Vice President