StoneCastle Financial Corp.
Form N-2
July 29, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

x **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

o **Pre-Effective Amendment No.**

o **Post-Effective Amendment No.**

and

x **REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**

x **Amendment No. 6**

STONECASTLE FINANCIAL CORP.

(Exact Name of Registrant as Specified in Charter)

152 West 57th Street, 35th Floor, New York, New York 10019

(Address of Principal Executive Offices)

Registrant s Telephone Number, Including Area Code: **(212) 354-6500**

Joshua S. Siegel

StoneCastle Financial Corp.

152 West 57th Street, 35th Floor
New York, New York 10019

(Name and Address of Agent for Service)

Copies of communications to:

John P. Falco, Esq.
Pepper Hamilton LLP
3000 Two Logan Square
18th and Arch Streets
Philadelphia, PA 19103

Thomas Friedmann, Esq.
Dechert LLP
1900 K Street, NW
Washington, DC 20006

Approximate date of proposed public offering: **As soon as practicable after the effective date of this Registration Statement.**

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended, other than securities offered in connection with a dividend reinvestment plan, check the following box. o

It is proposed that this filing will become effective (check the appropriate box) o when declared effective pursuant to Section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Aggregate Offering Price (1) (2)	Amount of Registration Fee
	$ 50,000,000	$ 50,000,000	$ 6,440

Shares of Common Stock $0.001 par value per share	

(1) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(o) under the Securities Act of 1933.

(2) Includes the shares that may be offered to the Underwriters pursuant to an option to cover over-allotments.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated [, 2014]

PROSPECTUS

[ ] Shares

Common Stock

$ per share

Investment Company. StoneCastle Financial Corp. (we, us or our) is a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the Investment Company Act). We have [elected to be treated], and intend to comply with the requirements to qualify annually, as a regulated investment company (RIC) under Subchapter M of the Internal Revenue Code of 1986 (the Code). We are managed by StoneCastle Asset Management LLC (the Advisor), a subsidiary of Stone Castle Partners, LLC (StoneCastle Partners), a leading asset management firm that invests in community banks and related financial assets throughout the United States. StoneCastle Partners and its subsidiaries managed over $5 billion of assets focused on community banks, including approximately $1.7 billion of capital invested in more than 220 banking institutions and over $3.3 billion of institutional cash in over 500 banks as of March 31, 2014.

Investment Objectives. Our primary investment objective is to provide stockholders with current income, and to a lesser extent capital appreciation. There can be no assurance that we will achieve our investment objectives.

Investment Strategy. We attempt to achieve our investment objectives through investments in preferred equity, subordinated debt, convertible securities and, to a lesser extent, common equity primarily in the U.S. community bank sector. See Community Banking Sector Focus. We may also invest in similar securities of larger U.S. domiciled banks and companies that provide goods and/or services to banking companies. Together with banks, we refer to these types of companies as banking-related and intend, under normal circumstances, to invest at least 80% of the value of our net assets plus the amount of any borrowings for investment purposes in such businesses.

We expect to keep our portfolio of securities and investments focused on the bank sector, with an emphasis on community banks. We expect to continue to direct investments to numerous issuers differentiated by asset sizes, business models and geographies. In addition, we may

indirectly invest in securities issued by banks through structured securities and credit derivatives. We expect that these indirect investments would provide exposure to and focus on the same types of investments that we make in community banking companies and accordingly would be complementary to our overall strategy and enhance the diversity of our holdings. With the

proceeds of this equity offering and future equity offerings, we will seek to extend our existing portfolio. We may also incur leverage to the extent permitted by the Investment Company Act. See Leverage.

Our common stock has traded at a premium to its net asset value (NAV). We cannot predict whether our common stock will trade at a premium or discount to NAV in the future. The provisions of the Investment Company Act generally require that the public offering price of common shares (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company s common stock (calculated within 48 hours of pricing). Our issuance of common stock may have an adverse effect on prices for our common stock in the secondary market by increasing the number of common shares available, which may put downward pressure on the market price for our common stock**. Shares of closed-end management investment companies frequently trade at prices lower than their NAV (often referred to as a discount), which may increase investor risk of loss.** The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of this or any future offering of our common stock.

Investing in our common stock involves risks. See Risk Factors beginning on page of this prospectus.

	Per Share	Total(1)
Public Offering Price	$ []	$ []
Sales Load(2)	$ []	$ []
Estimated offering expenses	$ []	$ []
Proceeds, after expenses, to us	$ []	$ []

(1) The Underwriters named in this prospectus have the option to purchase up to additional shares of common stock at the public offering price, less the sales load, within 45 days from the date of this prospectus to cover over-allotments, if any. If the over-allotment option is exercised in full, the total public offering price, sales load and proceeds, after expenses, to us will be , and], respectively.

(2) The sales load, which is a one-time fee, represents the underwriting discounts and commissions for the common stock sold in this offering. We refer you to Underwriting on page for additional information regarding total underwriter compensation.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Underwriters expect to deliver the common stock to purchasers on or about , 2014.

Keefe, Bruyette & Woods
A Stifel Company

Baird

The date of this prospectus is , 2014.

Exchange Listing. Our common stock is listed on the NASDAQ Global Select Market under the symbol BANX .

Leverage. We currently incur leverage and expect to continue to do so to the extent permitted by the Investment Company Act. As a result, we currently limit (i) leverage from debt securities to one-third of our total assets, including the proceeds of such borrowings, at the time such borrowings are calculated and (ii) the total aggregate liquidation value and outstanding principal amount of any preferred stock and debt securities to 50% or less of the amount of our total assets (including the proceeds of debt securities and preferred stock) less liabilities and indebtedness not represented by our debt securities and preferred stock, each in accordance with the requirements of the Investment Company Act. We currently operate with recourse leverage and may operate with non-recourse collateralized financings, private or public offerings of debt, warehouse facilities, secured and unsecured bank credit facilities, repurchase agreements and other borrowings. We may also issue preferred stock.

Leverage is a speculative technique that may adversely affect our earnings or book value. If the return on assets acquired with borrowed funds or other leveraged proceeds does not exceed the cost of the leverage and our cost of operations, then the incurrence of such leverage could cause us to lose money. Because our Advisor s fee is based on total assets (including any assets acquired with the proceeds of leverage), our Advisor s fee will be higher when we utilize leverage. The use of such leverage involves significant risks. See Risk Factors Risks Related to Our Operations. We may utilize derivatives in order to hedge against interest rate changes associated with our use of leverage. See Derivative Transactions.

This prospectus sets forth information about us that a prospective investor should know before investing. You should read this prospectus and retain it for future reference. We have filed a Statement of Additional Information, dated , 2014, containing additional information about us with the Securities and Exchange Commission (the SEC) which is incorporated by reference in its entirety into this prospectus. You may request a free copy of the Statement of Additional Information or our annual and semi-annual reports or make shareholder inquiries or request other information about us by calling us collect at (212) 354-6500 or by writing to us at 152 West 57th Street, 35th Floor, New York, New York 10019. You can also obtain a copy of our Statement of Additional Information and our annual and semi-annual reports to stockholders on our website at www.stonecastle-financial.com. Information included on our website is not incorporated into this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-800-SEC-0330 for information. The SEC charges a fee for copies. You can obtain the same information free from the SEC s website (http://www.sec.gov), on which you may view our Statement of Additional Information, and other materials incorporated by reference in this prospectus and other information about us. You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC s Public Reference Section, 100 F Street N.E., Room 1580, Washington, D.C. 20549.

Our common stock does not represent a deposit or obligation of, and is not guaranteed or endorsed by, any bank or other insured depository institution and is not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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APPENDIX A: CURRENT REPORT ON FORM 8-K DATED MAY 13, 2014 A-130

APPENDIX B: PRESS RELEASE DATED JUNE 30, 2014 B-1

You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the Underwriters have not, authorized any other person to provide you with any different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition and prospects may have changed since that date. We will amend or supplement this prospectus to reflect material changes to the information contained in this prospectus to the extent required by applicable law.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus, including Risk Factors, before making a decision to invest in our common stock. This summary may not contain all of the information that you should consider before investing in shares of common stock of StoneCastle Financial Corp. In the prospectus, unless the context suggests otherwise, references to we, us, Company, our company or our refer to StoneCastle Financial Corp., a Delaware corporation and its subsidiaries; references to Advisor mean StoneCastle Asset Management LLC, a Delaware limited liability company; references to StoneCastle Partners mean Stone Castle Partners, LLC, the parent of StoneCastle Asset Management LLC, our Advisor; and references to common stock or shares mean the common stock of StoneCastle Financial Corp.

The Company

StoneCastle Financial Corp. was organized on February 7, 2013 as a Delaware corporation established to continue and expand the business of StoneCastle Partners, which commenced operations in 2003, making investments in the community banking sector throughout the United States. Our primary investment objective is to provide stockholders with current income and, to a lesser extent, capital appreciation. We expect to continue to focus our investments on preferred equity, subordinated debt, convertible securities and, to a lesser extent, common equity that will generally be expected to pay us dividends and interest on a current basis and generate capital gains over time. We may seek to enhance our returns through the use of warrants, options and other equity conversion features.

We have [elected to be treated], and intend to comply with the requirements to qualify annually, as a RIC under Subchapter M of the Code.

Investment Objectives

Our primary investment objective is to provide stockholders with current income, and to a lesser extent, capital appreciation. There can be no assurance that we will achieve our investment objectives.

We attempt to achieve our investment objectives through investment in preferred equity, subordinated debt, convertible securities and common equity in the U.S. community bank sector. See Community Banking Sector Focus. To a lesser extent, we also invest in similar securities of larger U.S. domiciled banks and companies that provide goods and/or services to banking companies. Together with banks, we refer to these types of companies as banking-related businesses and intend, under normal circumstances, to invest at least 80% of the value of our net assets plus the amount of any borrowings for investment purposes in such businesses.

We expect to continue to focus our portfolio of securities and investments on the bank sector, with an emphasis on community banks. We intend to continue to direct investments in numerous issuers differentiated by asset size, business models and geographies. In addition, we may indirectly invest in securities issued by banks through structured securities and credit derivatives. We expect that these indirect investments will provide exposure to and focus on the

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same types of investments that we make in banking companies, and accordingly, will be complementary to our overall strategy and enhance the diversity of our holdings. With the proceeds of this equity offering and future equity offerings we will seek to grow and further diversify our portfolio of investments. We may also incur additional leverage to the extent permitted by the Investment Company Act. See Leverage. Although we normally seek to invest substantially all of our assets in banking-related securities, we reserve the ability to invest up to 20% of our assets in other types of securities and instruments.

Additionally, we may take temporary defensive positions that are inconsistent with our investment strategy in attempting to respond to adverse market, economic, political or other conditions. If we do so, we may not achieve our investment objective. We may also choose not to take defensive positions.

Our Advisor

StoneCastle Asset Management LLC, an SEC-registered investment adviser dedicated to the community banking sector that was formed on November 14, 2012, manages our assets. Our Advisor is registered with the SEC under the Investment Advisers Act of 1940, as amended (the Investment Advisers Act). Our Advisor is staffed with investment professionals from its affiliates, which collectively manage one of the largest portfolios of assets dedicated to the U.S. community bank sector, with over a ten-year history of investing in trust preferred capital securities issued by, or, other obligations of, community, regional and money center banks. As of March 31, 2014, StoneCastle Partners and its subsidiaries managed over $5 billion of assets focused on community banks, including approximately $1.7 billion of capital invested in more than 220 banking institutions and over $3.3 billion of institutional cash in over 500 banks. Our Advisor s investment philosophy is grounded in disciplined, fundamental, bottom-up credit and investment analysis. We intend to continue to use our Advisor s existing community banking infrastructure to identify attractive investment opportunities and to underwrite and monitor our investment portfolio.

Our Advisor is wholly-owned by StoneCastle Partners. StoneCastle Partners is managed by its two managing partners: Joshua S. Siegel (founder & CEO) and George Shilowitz (each, a Managing Partner and, together, the Managing Partners). Charlesbank Capital Partners, LLC, a leading private equity investment manager, and CIBC Capital Corporation (CIBC Capital), a subsidiary of Canadian Imperial Bank of Commerce, own minority interests in StoneCastle Partners.

Each of our Advisor s investment decisions is reviewed and approved for us by our Advisor s investment committee, the members of which may also act as the investment committee for other investment vehicles managed by our Advisor or its affiliates. Our Advisor s two senior officers, Messrs. Siegel and Shilowitz, each have 19 years of experience advising and investing in financial institutions, investing in financial assets and building financial services companies.

Our Advisor has entered into a staffing agreement with StoneCastle Partners and several of its affiliates. Under the staffing agreement, these companies make experienced investment professionals available to our Advisor and provide our Advisor access to the senior investment

personnel of StoneCastle Partners and its affiliates. Our Advisor intends to capitalize on the significant deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of StoneCastle Partners investment professionals. Biographical information for key members of our Advisor s investment team is set forth below under Management Biographical Information. As our investment adviser, our Advisor is obligated to allocate investment opportunities among us and its other clients in accordance with its allocation policy; however, there can be no assurance that our Advisor will allocate such opportunities to us fairly or equitably in the short-term or over time.

Community Banking Sector Focus

We intend to pursue our investment objective by continuing to invest principally in public and privately-held community banks located throughout the United States. For the purpose of our investment objectives and this prospectus, we define community bank to mean banks, savings associations and their holding companies with less than $10 billion in consolidated assets that serve local markets. As of March 31, 2014, the community banking sector is a highly fragmented $2.9 trillion industry, comprised of over 6,600 banks located throughout the United States, including underserved rural, semi-rural, suburban and other niche markets. Community banks generally have simple, straightforward business models and geographically concentrated credit exposure. Community banks typically do not have exposure to non-U.S. credit and are focused on lending to borrowers in their distinct communities. As a result, we believe that community banks frequently have a better understanding of the local businesses they finance than larger banking organizations. Many of these community banks are well established, having been in business on average for more than 75 years, and having survived many economic cycles, including the most recent financial crisis. We expect to continue to focus our investments in the bank sector with an emphasis on community banks. We intend to continue to direct investments in numerous issuers differentiated by asset sizes, business models and geographies. To a lesser extent, we may also invest in similar securities of larger U.S. domiciled banks and companies that provide goods and/or services to banking companies.

Market Opportunity

We believe that the community banking sector is attractive due to the strong long-term performance of community banks and the general lack of investment competition from institutional investors. The Company was formed to invest in the ongoing capital needs of community banks. We believe that the environment for investing in community banks is attractive for the following reasons:

- *Long-Term Resiliency of Community Banks.* The community banking industry has a long history of resiliency and historically has exhibited a low rate of failure. According to data from the Federal Deposit Insurance Company (FDIC), since 1934, FDIC insured banks and thrifts have failed at an annual rate of 0.37%, with peak cycle one-year failure rates of 3.22% in 1989 (S&L crisis), 1.96% in 2010 (Great Recession) and 0.54% in 1938 (Great Depression). We believe that these figures are comparable with Baa and Ba Moody s rated corporate bond default rates, which experienced an average annual default rate since 1920 of approximately

0.27% for Moody s Baa-rated corporate bonds and 1.07% for Ba-rated bonds, with the highest one year default rates of 1.99% and 11.69%, for Baa-rated and Ba-rated corporate bonds, respectively, as reported in Annual Default Study: Corporate Default and Recovery Rates, 1920-2013 released on February 28, 2014.

- *Greater Equity Cushions.* While community banks are generally subject to the same regulations as their larger competitors, community banks have historically maintained significantly larger amounts of equity capital. Given that community banks do not typically have access to different forms of capital from the public markets, most equity in community banks is comprised of common equity, a form considered of the highest quality by federal and state banking regulators. As of March 31, 2014, banks with less than $10 billion of assets maintained Tier 1 risk-based capital ratios 21% higher than banks with more than $10 billion of assets. Given that banks over $10 billion have 39% higher non-current loans to loans (2.62% vs. 1.88%), community banks generally have significantly better equity cushions than their larger competitors.

- *Large Fragmented Market.* Community banks collectively controlled nearly $2.9 trillion of financial assets as of March 31, 2014. Despite significant industry consolidation since 1980, as of March 31, 2014 there were still more than 6,600 FDIC-insured banks in the United States. As of such date, more than 98% of these banks had less than $10 billion of assets and many only service their local communities. The highly fragmented nature of the industry poses significant challenges for potential investors seeking to implement a diversified investment strategy.

- *Robust Demand for Capital.* Regulatory changes are requiring all banks to hold increased levels of capital. This requirement creates what we believe to be strong demand for capital in the form of preferred equity, subordinated debt, convertible securities and common equity. Further, capital is needed to facilitate ongoing consolidation within the banking industry, including acquisitions of failed banks from the FDIC. Lastly, organic growth of well-positioned institutions also supports demand. Our Advisor estimates that the community banking sector will require more than $50 billion of capital over the next several years to facilitate (i) compliance with heightened regulatory capital ratios, (ii) acquisition of competitors and failed banks and (iii) organic asset growth. This estimate is in part based on the size of the trust preferred CDO market and the phase out of trust preferred securities from the definition of Tier 1 capital.

- *Constrained Supply of Capital.* We believe that the supply of new capital available to community banks is extremely constrained and will remain so for many years. We also believe that there are many community banks with well-established franchises and cash flow characteristics that are not attracting capital from private equity or other institutional investors because: (i) they are perceived by such investors as risky due to their size; (ii) the companies are located in rural or niche markets that are unfamiliar to institutional investors; or (iii) the investments in these companies are

too small given (a) the size of the target companies and (b) limitations on majority ownership dictated by certain banking regulations. We believe that these companies represent attractive investment candidates for us. We believe that this lack of institutional investor interest and the inability of most community banks to access the capital markets will enable us to invest at attractive pricing levels.

- *Sector Overlooked by Institutional Capital Providers.* We believe that many investors historically have avoided investing in community banks due to the small size of these banks, their heavy regulation, the Bank Holding Company Act of 1956, as amended (the Bank Holding Company Act) which imposes ownership restrictions and the perception that community banks are riskier than larger financial institutions. In addition, many capital providers lack the necessary technical expertise to evaluate the quality of the small- and mid-sized privately- held community banks and lack a network of relationships to identify attractive opportunities.

- *Favorable Market Conditions.* We believe that the substantial re-pricing of risk resulting from the recent financial crisis along with significantly improved bank balance sheets since the worst period of the crisis has created an ideal environment for us to continue our investment activities. Bank failures and unprecedented losses by large money-center banks and investment banks related to sub-prime mortgages and other higher risk financial products have negatively affected the view of all banks, including smaller banks not engaged in such activities. As a consequence, valuations of financial institutions have declined substantially, allowing potential investors to dictate favorable terms.

Competitive Advantages

We believe that our significant focus on the community banking sector provides us with a strong competitive advantage relative to non-specialized investors. We believe that we are well-suited to meet the capital needs of the community banking sector for the following reasons:

- *Experience in the Community Banking Sector.* The current investment platform of our Advisor s affiliate, StoneCastle Partners, provides us with significant advantages in sourcing, evaluating, executing and managing investments. StoneCastle Partners and its subsidiaries currently manage over $5 billion of assets focused on community banks, including approximately $1.7 billion of capital invested in more than 220 banking institutions and over $3.3 billion of institutional cash in over 500 banks.

- *Substantial Access to Deal Flow.* In order to execute our business strategy, we currently rely on what we believe to be our Advisor s and its affiliates strong reputations and deep relationships with issuers, underwriters, financial intermediaries and sponsors, as well as our exclusive investment referral and endorsement relationships with CAB Marketing, LLC and CAB, L.L.C. (collectively referred to as CAB), subsidiaries of the American Bankers Association (ABA). Pursuant to the agreements governing these relationships, CAB assists us with the

promotion and identification of potential investment opportunities through marketing campaigns, placements at ABA events and introductions to banks seeking capital. In addition, CAB has granted to us a license to use the CAB name, Corporation for American Banking, in connection with our investment program. We may use this name in connection with the promotion and identification activities, including emails, press releases, events and due diligence questionnaires targeting ABA members. Most capital raising activities by community banks are conducted through privately-negotiated transactions that occur outside of traditional institutional investment channels, including the capital markets. We believe that StoneCastle Partners and CAB s large network of relationships will help us to identify attractive investment opportunities and will provide us with a competitive advantage. The ABA and its subsidiaries have not endorsed this offering, and you should not construe references to them in this prospectus as such an endorsement.

- *Experienced Management Team.* StoneCastle Partners and its affiliates are led by StoneCastle Partners two Managing Partners, Joshua S. Siegel and George Shilowitz, and as of March 31, 2014, had approximately 50 employees. Our investment team is comprised of professionals who have substantial expertise investing in community banks, and includes former senior bankers, credit officers, private equity investors, rating agency analysts, bank examiners, fixed income specialists and attorneys.

- *Specialized / Proprietary Systems.* During the past decade, StoneCastle Partners has invested substantial funds and resources into the development of its proprietary analytic systems/database that is dedicated to analyzing banks (the RAMPART systems). RAMPART currently tracks and analyzes every bank in the United States and provides our investment professionals with significant operational leverage, allowing our team to sort through vast amounts of data to screen for potential investments. We believe that few institutional investors have developed infrastructure comparable to that of StoneCastle Partners and its affiliates.

- *Disciplined Investment Philosophy and Risk Management.* Our Advisor s senior investment professionals have substantial experience structuring investments that balance the needs of community banks with appropriate levels of risk control. Our Advisor s investment approach for us emphasizes current income and, to a lesser extent, capital appreciation through common equity, warrants, options and conversion features. Given that a significant portion of our investments are fixed income-like (including preferred stock), preservation of capital is our priority and we seek to minimize downside risk by investing in banks that exhibit the potential for long-term stability (See The Company Investment Process and Due Diligence).

- *Few Organized Competitors.* We believe that several factors render many U.S. investors and financial institutions ill-suited to lend to or invest in community banks. Historically, the relatively small size of individual community banks and certain regulatory requirements limiting control

have deterred many institutional investors, including private equity investors, from making those investments. As a consequence, few institutional investors have developed and possess the specialized skills and infrastructure to efficiently analyze and monitor investments in community banks on a large scale. Based on the experience of our management team, investing in community banks requires specialized skills and infrastructure, including: (i) the ability to analyze small community banking institutions and the local economies in which they do business; (ii) specialized systems to analyze and track vast amounts of bank performance data; (iii) a deep understanding and working relationship with state and federal regulators that oversee community banks; and (iv) brand awareness within the community banking industry and a strong reputation as a long-term partner that understands the needs of community banks to originate investment opportunities successfully.

- *Extended Investment Horizon.* Unlike private equity investors, we are not subject to standard periodicze:10pt; font-family:Times New Roman"**>Legal Ownership**

Street Name and Other Indirect Holders

Investors who hold debt securities in accounts at banks or brokers will generally not be recognized by us as legal holders of debt securities. This is called holding in street name . Instead, we would recognize only the bank or broker or the financial institution the bank or broker uses to hold its debt securities. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the debt securities, either because they agree to do so in their customer agreements or because they are legally required to do so. If you hold debt securities in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if ever required;

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whether and how you can instruct it to send you debt securities registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustees and those of any third parties employed by us or the trustees, run only to persons or entities who are the direct holders of debt securities (*i.e*., those who are registered as holders of debt securities). As noted above, we do not have obligations to you if you hold in street name or through other indirect means, either because you choose to hold debt securities in that manner or because the debt securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that registered holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Securities

What Is a Global Security? A global security is a special type of indirectly held security, as described above under Street Name and Other Indirect Holders .

If we choose to issue debt securities in the form of global securities, the ultimate beneficial owners can only be indirect holders. We do this by requiring that the global security be registered in the name of a financial institution we select and by requiring that the debt securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global security is called the depositary.

Any person wishing to own a debt security included in the global security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depositary. The prospectus supplement indicates whether your series of debt securities will be issued only in the form of global securities.

Special Investor Considerations for Global Securities. As an indirect holder, an investor s rights relating to a global security will be governed by the account rules of the investor s financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize this type of investor as a registered holder of debt securities and instead deal only with the depositary that holds the global security.

If you are an investor in debt securities that are issued only in the form of global securities, you should be aware that:

you cannot get debt securities registered in your own name;

you cannot receive physical certificates for your interest in the debt securities;

you will be a street name holder and must look to your own bank or broker for payments on the debt securities and protection of your legal rights relating to the debt securities. See Street Name and Other Indirect Holders ;

you may not be able to sell interests in the debt securities to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates;

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the depositary s policies will govern payments, transfers, exchange and other matters relating to your interest in the global security. We and the trustee have no responsibility for any aspect of the depositary s actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary in any way; and

the depositary will require that interests in a global security be purchased or sold within its system using same-day funds for settlement.

Special Situations When Global Security Will Be Terminated. In a few special situations described later, the global security will terminate and interests in it will be exchanged for physical certificates representing debt securities. After that exchange, the choice of whether to hold debt securities directly or in street name will be up to you. You must consult your own bank or broker to find out how to have your interests in debt securities transferred to your own name, so that you will be a direct holder. The rights of street name investors and direct holders in the debt securities have been previously described in the subsections entitled, Street Name and Other Indirect Holders and Direct Holders .

The special situations for termination of a global security are:

when the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary;

when we notify the trustee that we wish to terminate the global security; or

when an event of default on the debt securities has occurred and has not been cured.

Defaults are discussed below under Default and Related Matters .

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of debt securities covered by the prospectus supplement. When a global security terminates, the depositary (and not we or the applicable trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

Euroclear and Clearstream

If the depositary for a global security is The Depository Trust Company, which we refer to as DTC , you may hold interests in the global security through Clearstream Banking, société anonyme, which we refer to as Clearstream, or Euroclear Bank SA/NV, as operator of the Euroclear System, which we refer to as Euroclear, in each case, as a participant in DTC. Euroclear and Clearstream will hold interests, in each case, on behalf of their participants through customers securities accounts in the names of Euroclear and Clearstream on the books of their respective depositaries, which in turn will hold such interests in customers securities in the depositaries names on DTC s books.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the debt securities made through Euroclear or Clearstream must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants, and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, on one hand, and other participants in DTC, on the other hand, would also be subject to DTC s rules and procedures.

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

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In addition, because of time-zone differences, U.S. investors who hold their interests in the debt securities through these systems and wish on a particular day to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream may need to make special arrangements to finance any purchase or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

In the remainder of this description, you means direct holders and not street name or other indirect holders of debt securities. Indirect holders should read the previous subsection entitled Street Name and Other Indirect Holders .

Overview of the Remainder of this Description The remainder of this description summarizes:

Additional Mechanics relevant to the debt securities under normal circumstances, such as how you transfer ownership and where we make payments;

your rights under several **Special Situations**, such as if we merge with another company or if we want to change a term of the debt securities;

Subordination Provisions in the subordinated debt indenture and the junior subordinated debt indenture that may prohibit us from making payments on those securities;

a **Restrictive Covenant** contained in the senior debt indenture that restricts our ability to incur liens and other encumbrances on the voting stock of some of our subsidiaries. A particular series of debt securities may have additional restrictive covenants, which will be described in the prospectus supplement;

situations in which we may invoke the provisions relating to **Defeasance**;

your rights if we **Default** or experience other financial difficulties; and

our Relationship With the Trustee.

Additional Mechanics

Form, Exchange and Transfer

The debt securities will be issued:

only in fully registered form;

without interest coupons; and

unless otherwise indicated in the prospectus supplement, in denominations of $2,000 and any integral multiple of $1,000 in excess of $2,000.

You may have your debt securities broken into more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed. This is called an exchange.

You may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. We may change this appointment to another entity or perform the service ourselves. The entity performing the role of maintaining the list of registered direct holders is called the security registrar. It will also register transfers of the debt securities.

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You will not be required to pay a service charge to transfer or exchange debt securities, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if the security registrar is satisfied with your proof of ownership.

If we designate additional transfer agents, they will be named in the prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the issuance, transfer or exchange of debt securities during the period beginning at the opening of business 15 days before the day we mail the notice of redemption and ending at the close of business on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

Payment and Paying Agents

We will pay interest to you if you are a direct holder listed in the trustee s records at the close of business on a particular day in advance of each due date for interest, even if you no longer own the debt security on the interest due date. That particular day, usually about two weeks in advance of the interest due date, is called the regular record date and is stated in the prospectus supplement. Holders buying and selling debt securities must work out between them how to compensate for the fact that we will pay all the interest for an interest period to the one who is the registered holder on the regular record date. The most common manner is to adjust the sales price of the debt securities to prorate interest fairly between buyer and seller. This prorated interest amount is called accrued interest.

We will pay interest, principal and any other money due on the debt securities at the corporate trust office of the trustee. You must make arrangements to have your payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments.

We may also arrange for additional payment offices and may cancel or change these offices, including our use of the trustee s corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify you of changes in the paying agents for any particular series of debt securities.

Notices

We and the trustee will send notices regarding the debt securities only to direct holders, using their addresses as listed in the trustee s records.

Regardless of who acts as paying agent, all money paid by us to a paying agent that remains unclaimed at the end of one year after the amount is due to direct holders will be repaid to us. After that one-year period, you may look only to us for payment and not to the trustee, any other paying agent or anyone else.

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Special Situations

Mergers and Similar Events

We are generally permitted to consolidate or merge with another company or firm. We are also permitted to sell or lease substantially all of our assets to another firm, or to buy or lease substantially all of the assets of another firm. However, we may not take any of these actions unless the following conditions (among others) are met:

Either we must be the continuing entity or where we merge out of existence or sell or lease substantially all our assets, the other firm must be a corporation, partnership, trust, limited liability company or other similar entity organized under the laws of a State of the United States or the District of Columbia or under federal law, and it must agree to be legally responsible for the debt securities.

The merger, sale of assets or other transaction must not cause a default on the debt securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured. A default for this purpose would also include any event that would be an event of default if the requirements for giving us notice of our default or our default having to exist for a specific period of time were disregarded.

It is possible that the merger, sale of assets or other transaction would cause some of our property to become subject to a mortgage or other legal mechanism giving lenders preferential rights in that property over other lenders, including the direct holders of the senior debt securities, or over our general creditors if we fail to pay them back. We have promised in our senior debt indenture to limit these preferential rights on voting stock of any designated subsidiaries, called liens, as discussed under Restrictive Covenants Limitation on Liens and Other Encumbrances on Voting Stock of Designated Subsidiaries . If a merger or other transaction would create any liens on the voting stock of our designated subsidiaries, we must comply with that restrictive covenant, subject to certain exceptions. We would do this either by deciding that the liens were permitted, or by following the requirements of the restrictive covenant to grant an equivalent or higher-ranking lien on the same voting stock to the direct holders of the senior debt securities.

Modification and Waiver

There are four types of changes we can make to each indenture and the debt securities issued under that indenture.

Changes Requiring Your Approval. First, there are changes that cannot be made to your debt securities without your specific approval. The following is a list of those types of changes:

change the payment due date of the principal or interest on a debt security;

reduce any amounts due on a debt security;

reduce the amount of principal payable upon acceleration of the maturity of a debt security (including the amount payable on an original issue discount security) following a default;

change the place, the coin or currency in which the principal of, premium, if any, or interest on any debt security is payable;

impair your right to sue for payment of any amount due on your debt security;

impair any right that you may have to exchange or convert the debt security for or into securities or other property;

reduce the percentage of direct holders of debt securities whose consent is needed to modify or amend the applicable indenture;

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reduce the percentage of direct holders of debt securities whose consent is needed to waive our compliance with certain provisions of the applicable indenture or to waive certain defaults; and

modify any other aspect of the provisions dealing with modification and waiver of the applicable indenture.

Changes Requiring a Majority Vote. The second type of change to a particular indenture and the debt securities is the kind that requires a vote in favor by direct holders of debt securities owning a majority of the principal amount of all series affected thereby, voting together as a single class. Most changes, including waivers, as described below, fall into this category, except for changes noted above as requiring the approval of the holders of each security affected thereby, and, as noted below, changes not requiring approval.

Each indenture provides that a supplemental indenture which changes or eliminates any covenant or other provision of the applicable indenture which has expressly been included solely for the benefit of one or more particular series of securities, or which modifies the rights of the holders of securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the applicable indenture of the holders of securities of any other series.

Changes Not Requiring Approval. The third type of change does not require any vote by holders of debt securities. This type is limited to clarifications and certain other changes that would not adversely affect holders of the debt securities; provided that any amendment made solely to conform the provisions of an indenture or any series of debt securities to the corresponding description of such debt securities contained in this prospectus, any applicable prospectus supplement or other offering document shall be deemed to not adversely affect the interests of the holders of the debt securities.

Changes by Waiver Requiring a Majority Vote. Fourth, we need a vote by direct holders of senior debt securities owning a majority of the principal amount of the particular series affected to obtain a waiver of certain of the restrictive covenants, including the one described later under Restrictive Covenants Limitation on Liens and Other Encumbrances on Voting Stock of Designated Subsidiaries . We also need such a majority vote to obtain a waiver of any past default, except a payment default listed in the first category described later under Default and Related Matters Events of Default .

Modification of Subordination Provisions. In addition, we may not modify the subordination provisions of the subordinated debt indenture or the junior subordinated debt indenture in a manner that would adversely affect the outstanding subordinated debt securities or junior subordinated debt securities, as the case may be, of any one or more series in any material respect, without the consent of the direct holders of a majority in aggregate principal amount of all affected series, voting together as one class.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default;

for debt securities whose principal amount is not known (for example, because it is based on an index) we will use a special rule for that debt security described in the prospectus supplement; or

for debt securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent.

Debt securities will not be considered outstanding, and therefore will not be eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described under Defeasance Full Defeasance or if they are owned by us or any of our affiliates.

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We will generally be entitled to set any day as a record date for the purpose of determining the direct holders of outstanding debt securities that are entitled to vote or take other action under the applicable indenture. In some circumstances, the trustee will be entitled to set a record date for action by direct holders. If we or the trustee set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are direct holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

Street name and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change an indenture or the debt securities or request a waiver.

Subordination Provisions

Direct holders of subordinated debt securities or junior subordinated debt securities should recognize that contractual provisions in the subordinated debt indenture and junior subordinated debt indenture may prohibit us from making payments on those securities. Subordinated debt securities are subordinate and junior in right of payment, to the extent and in the manner stated in the subordinated debt indenture, to all of our senior indebtedness, as defined in the subordinated debt indenture, including all debt securities we have issued and will issue under the senior debt indenture. Junior subordinated debt securities are subordinate and junior in right of payment, to the extent and in the manner stated in the junior subordinated debt indenture, to all of our senior indebtedness, as defined in the junior subordinated debt indenture, including all debt securities we have issued and will issue under the senior debt indenture and subordinated debt indenture.

Subject to the qualifications described below, the term senior indebtedness is defined in the subordinated debt indenture to include principal of, and interest and premium (if any) on, and any other payment due pursuant to any of the following, whether incurred prior to, on or after the date of this prospectus:

- all of our obligations (other than obligations pursuant to the subordinated debt indenture, the subordinated debt securities, the junior subordinated debt indenture and the junior subordinated debt securities) for borrowed money;
- all of our obligations evidenced by notes, debentures, bonds or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses;
- all of our obligations under leases required or permitted to be capitalized under U.S. generally accepted accounting principles;
- all of our reimbursement obligations with respect to letters of credit, bankers acceptances or similar facilities issued for our account;
- all of our obligations issued or assumed as the deferred purchase price of property or services, including all obligations under master lease transactions pursuant to which we or any of our subsidiaries have agreed to be treated as owner of the subject property for federal income tax purposes (but excluding trade accounts

payable or accrued liabilities arising in the ordinary course of business);

all of our payment obligations under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements at the time of determination, including any such obligations we incurred solely to act as a hedge against increases in interest rates that may occur under the terms of other outstanding variable or floating rate indebtedness of ours;

all obligations of the types referred to in the preceding bullet points of another person and all dividends of another person the payment of which, in either case, we have assumed or guaranteed or for which we are responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise;

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all compensation and reimbursement obligations of ours to the trustee pursuant to the subordinated debt indenture and the junior subordinated debt indenture; and

all amendments, modifications, renewals, extensions, refinancings, replacements and refundings of any of the above types of indebtedness.

Notwithstanding anything to the contrary in the foregoing, under the subordinated debt indenture, senior indebtedness will not include:

indebtedness we owe to a subsidiary of ours or our employees;

indebtedness which, by its terms, expressly provides that it does not rank senior to the subordinated debt securities;

indebtedness incurred for the purchase of goods, materials or property, or for services obtained in the ordinary course of business or for other liabilities arising in the ordinary course of business; and

indebtedness we may incur in violation of the subordinated debt indenture.

Subject to the qualifications described below, the term senior indebtedness is defined in the junior subordinated debt indenture to include principal of, and interest and premium (if any) on, and any other payment due pursuant to any of the following, whether incurred prior to, on or after the date of this prospectus:

all of our obligations (other than obligations pursuant to the junior subordinated debt indenture and the junior subordinated debt securities) for money borrowed;

all of our obligations evidenced by notes, debentures, bonds or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses and including all other debt securities issued by us to any trust or a trustee of such trust, or to a partnership or other affiliate that acts as a financing vehicle for us, in connection with the issuance of securities by such vehicles (including but not limited to the junior subordinated debentures, series A, issued pursuant to the indenture dated as of December 24, 1996, between USF&G Corporation and The Bank of New York, as amended, the junior subordinated debentures, series C, issued pursuant to the indenture dated as of July 8, 1997, between USF&G Corporation and The Bank of New York, as amended and the junior subordinated deferrable interest debentures, issued pursuant to the indenture dated as of December 23, 1997 between MMI Companies, Inc. and The Bank of New York, as amended);

all of our obligations under leases required or permitted to be capitalized under U.S. generally accepted accounting principles;

all of our reimbursement obligations with respect to letters of credit, bankers acceptances or similar facilities issued for our account;

all of our obligations issued or assumed as the deferred purchase price of property or services, including all obligations under master lease transactions pursuant to which we or any of our subsidiaries have agreed to be treated as owner of the subject property for federal income tax purposes (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business);

all of our payment obligations under interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements at the time of determination, including any such obligations we incurred solely to act as a hedge against increases in interest rates that may occur under the terms of other outstanding variable or floating rate indebtedness of ours;

all obligations of the types referred to in the preceding bullet points of another person and all dividends of another person the payment of which, in either case, we have assumed or guaranteed or for which we are responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise;

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all compensation and reimbursement obligations of ours to the trustee pursuant to the junior subordinated debt indenture; and

all amendments, modifications, renewals, extensions, refinancings, replacements and refundings of any of the above types of indebtedness.

The junior subordinated debt securities will rank senior to all of our equity securities.

The senior indebtedness will continue to be senior indebtedness and entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of the senior indebtedness or extension or renewal of the senior indebtedness.

Notwithstanding anything to the contrary in the foregoing, under the junior subordinated debt indenture, senior indebtedness will not include:

indebtedness incurred for the purchase of goods, materials or property, or for services obtained in the ordinary course of business or for other liabilities arising in the ordinary course of business;

any indebtedness which by its terms expressly provides that it is not superior in right of payment to the junior subordinated debt securities; or

any of our indebtedness owed to a person who is our subsidiary or our employees.

Each of the subordinated debt indenture and junior subordinated debt indenture provides that no payment or other distribution may be made in respect of any subordinated debt securities or junior subordinated debt securities, as the case may be, in the following circumstances:

in the event of any default in the payment of principal of (or premium, if any) or interest on any senior indebtedness (as defined in the applicable indenture) when due, whether at the stated maturity of any such payment or by declaration of acceleration, call for redemption, mandatory payment or prepayment or otherwise (senior payment default), unless and until such senior payment default has been cured or waived; or

in the event of any senior nonmonetary default (as defined below), during the period commencing on the date of receipt by us and the trustee of written notice of such senior nonmonetary default from the holder of such senior indebtedness and ending (subject to any blockage of payments that may then or thereafter be in effect as the result of any senior payment default) on the earlier of (i) the date on which the senior indebtedness to which such senior nonmonetary default relates is discharged or such senior nonmonetary default has been cured or waived in writing or has ceased to exist and any acceleration of senior indebtedness to which such senior nonmonetary default relates has been rescinded or annulled or (ii) the 179th day after the date of such receipt of such written notice. Senior nonmonetary default is defined as the occurrence and continuance of any default (other than a senior payment default) or any event which, after

notice or lapse of time (or both), would become an event of default (other than a senior payment default), under the terms of any instrument or agreement pursuant to which any senior indebtedness is outstanding, permitting a holder of such senior indebtedness (or a trustee or agent on behalf of the holder) to declare such senior indebtedness due and payable prior to the date on which it would otherwise become due and payable.

If the trustee under the subordinated debt indenture or junior subordinated debt indenture, as the case may be, or any direct holders of the subordinated debt securities or junior subordinated debt securities, as the case may be, receive any payment or distribution that is prohibited under the subordination provisions, then the trustee or the direct holders will have to repay that money to the direct holders of the senior indebtedness.

Even if the subordination provisions prevent us from making any payment when due on the subordinated debt securities or junior subordinated debt securities, as the case may be, of any series, we will be in default on our obligations under that series if we do not make the payment when due. This means that the trustee under the

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subordinated debt indenture or the junior subordinated debt indenture, as the case may be, and the direct holders of that series can take action against us, but they will not receive any money until the claims of the direct holders of senior indebtedness have been fully satisfied.

Restrictive Covenants

General

We have made certain promises in each indenture called covenants where, among other things, we promise to maintain our corporate existence and all licenses and material permits necessary for our business. In addition, in the senior debt indenture, we have made the promise described in the next paragraph. The subordinated debt indenture and junior subordinated debt indenture do not include the promise described in the next paragraph.

Limitation on Liens and Other Encumbrances on Voting Stock of Designated Subsidiaries

Some of our property may be subject to a mortgage or other legal mechanism that gives our lenders preferential rights in that property over other lenders, including the direct holders of the senior debt securities, or over our general creditors if we fail to pay them back. These preferential rights are called liens. In the senior debt indenture, we promise not to create, issue, assume, incur or guarantee any indebtedness for borrowed money that is secured by a mortgage, pledge, lien, security interest or other encumbrance on any voting stock of a designated subsidiary, unless we also secure all the senior debt securities that are deemed outstanding under the senior debt indenture equally and ratably with, or prior to, the indebtedness being secured, together with, at our election, any of our or any designated subsidiary s other indebtedness. This promise does not restrict our ability to sell or otherwise dispose of our interests in any designated subsidiary. Furthermore, this restriction does not apply to any indebtedness secured by:

- liens on any shares of stock or indebtedness of or acquired from an entity merged or consolidated with or into, or otherwise acquired by us or any of our subsidiaries; and

- any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any lien referred to in the bullet point immediately above.

As used here:

- voting stock means all classes of stock (including any interest in such stock) outstanding of a designated subsidiary that are normally entitled to vote in elections of directors;

- designated subsidiary means any of our subsidiaries that, together with its subsidiaries, has assets exceeding 20% of our consolidated assets. As of the date of this prospectus, St. Paul Fire and Marine Insurance Company, Travelers Property Casualty Corp and its wholly-owned subsidiaries, Travelers Insurance Group Holdings Inc. and The Travelers Indemnity Company, are the only subsidiaries satisfying this 20% test. For purposes of applying the 20% test, the assets of a subsidiary and our consolidated assets are both determined as of the last day of the most recent calendar quarter ended at least 30 days prior to the date of the 20% test and in accordance with generally accepted accounting principles as in effect on the last day of such calendar

quarter; and

subsidiary means a corporation in which we and/or one or more of our other subsidiaries owns more than 50% of the voting stock, which is a kind of stock that ordinarily permits its owners to vote for election of directors.

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Defeasance

The following discussion of full defeasance and covenant defeasance will be applicable to your series of debt securities unless we choose to have them not apply to that series. If we do so choose, we will state that in the prospectus supplement.

Full Defeasance

If there is a change in federal tax law, as described below, we can legally release ourselves from any payment or other obligations on the debt securities, called full defeasance, if we put in place the following arrangements for you to be repaid:

we must deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and government obligations, which has the meaning set forth below, that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates;

there must be a change in current federal tax law or a U.S. Internal Revenue Service ruling that lets us make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and such defeasance had not occurred. (Under current federal tax law, the deposit and our legal release from the debt securities would be treated as though we took back your debt securities and gave you your share of the cash and notes or bonds deposited in trust. In that event, you could recognize gain or loss on the debt securities you give back to us.);

we must deliver to the trustee a legal opinion of our counsel confirming the tax law change described above; and

in the case of the subordinated debt securities and junior subordinated debt securities, the following requirements must also be met:

no event or condition may exist that, under the provisions described above under Subordination Provisions , would prevent us from making payments of principal, premium or interest on those subordinated debt securities or junior subordinated debt securities, as the case may be, on the date of the deposit referred to above or during the 90 days after that date; and

we must deliver to the trustee an opinion of counsel to the effect that (a) the trust funds will not be subject to any rights of direct holders of senior indebtedness and (b) after the 90-day period referred to above, the trust funds will not be subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors rights generally, except that if a court were to rule under any of those laws in any case or proceeding that the trust funds remained our property, then the relevant trustee and the direct holders of the subordinated debt securities or junior subordinated debt securities, as the case

may be, would be entitled to some enumerated rights as secured creditors in the trust funds.

If we accomplished full defeasance, as described above, you would have to rely solely on the trust deposit for repayment on the debt securities. In addition, in the case of subordinated debt securities and junior subordinated debt securities, the provisions described above under Subordination Provisions will not apply. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

The term government obligations means securities that are, in the case of a series of debt securities denominated in U.S. dollars, direct obligations of, or obligations guaranteed on an unconditional basis by, the United States of America and in the case of a series of debt securities denominated in a foreign currency, direct obligations of, or obligations guaranteed on an unconditional basis by, a national government that has issued or adopted such foreign currency as its currency for legal tender, and with respect to each such series of debt securities earlier described in this sentence, direct obligations of a person controlled or supervised by and acting as an agency or instrumentality of such government, to the extent applicable, where, in each case, any payments

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thereunder are unconditionally guaranteed as a full faith and credit obligation by such government and such government securities are not callable or redeemable at the option of the issuer thereof.

Covenant Defeasance

Under current federal tax law, we can make the same type of deposit described above and be released from some of the restrictive covenants in the debt securities. This is called covenant defeasance. In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- we must deposit in trust for your benefit and the benefit of all other direct holders of the debt securities a combination of money and government obligations that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and

- we must deliver to the trustee a legal opinion of our counsel confirming that under current federal income tax law we may make the above deposit without causing you to be taxed on the debt securities any differently than if we did not make the deposit and such covenant defeasance had not occurred.

If we accomplish covenant defeasance, the following provisions, among others, of the indentures and the debt securities would no longer apply:

- our promises regarding conduct of our business previously described under Restrictive Covenants Limitation on Liens and Other Encumbrances on Voting Stock of Designated Subsidiaries and any other covenants applicable to the series of debt securities described in the prospectus supplement;

- the condition regarding the treatment of liens when we merge or engage in similar transactions, as described under Special Situations Mergers and Similar Events ; and

- the events of default relating to breach of covenants, described under Default and Related Matters Events of Default What Is an Event of Default? .

In addition, in the case of subordinated debt securities and junior subordinated debt securities, the provisions described above under Subordination Provisions will not apply if we accomplish covenant defeasance.

If we accomplish covenant defeasance, you could still look to us for repayment of the debt securities if there were a shortfall in the trust deposit. In fact, if one of the remaining events of default occurs, such as our bankruptcy, and the debt securities become immediately due and payable, there may be a shortfall in the trust deposit. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Default and Related Matters

Ranking With Our Other Unsecured Creditors

The debt securities are not secured by any of our property or assets. Accordingly, your ownership of debt securities means that you are one of our unsecured creditors. The senior debt securities are not subordinated to any of our debt obligations, and therefore, they rank equally with all of our other unsecured and unsubordinated indebtedness. The subordinated debt securities and the junior subordinated debt securities are subordinate and junior in right of payment to all of our senior indebtedness, as defined in the subordinated debt indenture and the junior subordinated debt indenture, as the case may be.

Events of Default

You will have special rights if an event of default occurs and is not cured, as described later in this subsection.

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What Is an Event of Default? The term event of default generally means any of the following:

- we do not pay the principal or any premium on a debt security on its due date;
- we do not pay interest on a debt security within 30 days of its due date;
- we do not deposit money into a separate custodial account, known as sinking fund, when such deposit is due, if we agree to maintain any such sinking fund;
- we remain in breach of the restrictive covenant described previously under Restrictive Covenants Limitation on Liens and Other Encumbrances on Voting Stock of Designated Subsidiaries or any other covenant or warranty of the applicable indenture for 90 days after we receive a notice of default stating we are in breach. The notice must be sent by either the trustee or direct holders of at least 25% in aggregate principal amount of debt securities of the affected series;
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur; or
- any other event of default described in the prospectus supplement occurs.

However, unless otherwise specified in the applicable prospectus supplement, under the terms of the junior subordinated debt indenture, a covenant default and failure to deposit money into a sinking fund when required are not an event of default.

Remedies If an Event of Default Occurs. If you are a holder of a subordinated debt or junior subordinated debt security, all remedies available upon the occurrence of an event of default under the applicable indenture will be subject to the restrictions on the subordinated debt securities and junior subordinated debt securities, as the case may be, described above under Subordination Provisions . If an event of default has occurred and has not been cured, the trustee or the direct holders of 25% in aggregate principal amount of the debt securities of the affected series may declare the entire principal amount (or, in the case of original issue discount securities, the portion of the principal amount that is specified in the terms of the affected debt security) of all the debt securities of that series to be due and immediately payable. This is called a declaration of acceleration of maturity. However, a declaration of acceleration of maturity may be canceled by the direct holders of at least a majority in principal amount of the debt securities of the affected series.

Reference is made to the prospectus supplement relating to any series of debt securities which are original issue discount securities for the particular provisions relating to acceleration of the maturity of a portion of the principal amount of original issue discount securities upon the occurrence of an event of default and its continuation.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indentures at the request of any holders unless the direct holders offer the trustee reasonable protection from expenses and liability, called an indemnity. If reasonable indemnity is provided, the direct holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method and place of

conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. These majority direct holders may also direct the trustee in performing any other action under the applicable indenture with respect to the debt securities of that series.

Before you bypass the trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the debt securities, the following must occur:

you must give the trustee written notice that an event of default has occurred and remains uncured;

the direct holders of 25% in aggregate principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;

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the trustee must have not received from direct holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with the written notice; and

the trustee must have not taken action for 90 days after receipt of the above notice and offer of indemnity.

However, you are entitled at any time to bring a lawsuit for the payment of money due on your debt security on or after its due date.

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and to make or cancel a declaration of acceleration.

We will furnish to the trustee every year a written statement of certain of our officers certifying that to their knowledge we are in compliance with the applicable indenture and the debt securities issued under it, or else specifying any default.

Our Relationship With the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee under the senior debt indenture, the subordinated debt indenture and the junior subordinated debt indenture. The Bank of New York Mellon is also a lender under a revolving credit agreement among us and certain banks named therein providing for aggregate borrowing by us of a maximum of $1.0 billion. No borrowings under this facility were outstanding at June 17, 2016. The Bank of New York Mellon or its affiliates are also the trustee under other indentures pursuant to which we or our subsidiaries have issued debt securities and have provided, and may in the future provide, commercial and investment banking services to us from time to time.

DESCRIPTION OF PREFERRED STOCK WE MAY OFFER

We may issue preferred stock in one or more series, as described below. The following briefly summarizes the provisions of our amended and restated articles of incorporation that would be important to holders of our preferred stock. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our amended and restated articles of incorporation which is an exhibit to the registration statement which contains this prospectus.

The description of most of the financial and other specific terms of your series will be in the prospectus supplement accompanying this prospectus. Those terms may vary from the terms described here.

As you read this section, please remember that the specific terms of your series of preferred stock as described in your prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are differences between your prospectus supplement and this prospectus, your prospectus supplement will control. Thus, the statements we make in this section may not apply to your series of preferred stock.

Reference in this prospectus to a series of preferred stock means all of the shares of preferred stock issued as part of the same series under a certificate of designation filed as part of our amended and restated articles of incorporation. Reference to your prospectus supplement means the prospectus supplement describing the specific terms of the preferred stock you purchase. The terms used in your prospectus supplement will have the meanings described in this prospectus, unless otherwise specified.

Our Authorized Preferred Stock

Our amended and restated articles of incorporation authorize 1,755,000,000 shares of capital stock consisting of 1,745,000,000 shares of common stock, 5,000,000 undesignated shares and 5,000,000 preferred shares.

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Under our amended and restated articles of incorporation, our board of directors is authorized, without further action by our shareholders, to establish from the 5,000,000 undesignated shares one or more classes and series of shares, to designate each such class and series, to fix the relative rights and preferences of each such class and series and to issue such shares; provided that in no event shall our board of directors fix a preference with respect to a distribution in liquidation in excess of $100 per share plus accrued and unpaid dividends, if any. In addition, under our amended and restated articles of incorporation, our board of directors is authorized, without further action by our shareholders, to establish from the 5,000,000 preferred shares authorized by our amended and restated articles of incorporation one or more classes and series of preferred shares, to designate each such class and series, to fix the relative rights and preferences of each such class and series without any restrictions and to issue such shares. Such rights and preferences may be superior to common stock as to dividends, distributions of assets (upon liquidation or otherwise) and voting rights. Undesignated shares and preferred shares may be convertible into shares of any other series or class of stock, including common stock, if our board of directors so determines.

Our board of directors will fix the terms of the series of preferred stock it designates by resolution adopted before we issue any shares of the series of preferred stock.

The prospectus supplement relating to the particular series of preferred stock will contain a description of the specific terms of that series as fixed by our board of directors, including, as applicable:

- the offering price at which we will issue the preferred stock;
- the title, designation of number of shares and stated value of the preferred stock;
- the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to cumulate;
- any conversion or exchange rights;
- whether the preferred stock will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
- any liquidation rights;
- any sinking fund provisions;
- any voting rights; and

any other rights, preferences, privileges, limitations and restrictions that are not inconsistent with the terms of our amended and restated articles of incorporation.

When we issue and receive payment for shares of preferred stock, the shares will be fully paid and nonassessable, which means that its holders will have paid their purchase price in full and that we may not ask them to surrender additional funds. Unless otherwise specified in the prospectus supplement relating to a particular series of preferred stock, holders of preferred stock will not have any preemptive or subscription rights to acquire more of our stock. Unless otherwise specified in the prospectus supplement relating to a particular series of preferred stock, each series of preferred stock will rank on a parity in all respects with each other series of preferred stock and prior to our common stock as to dividends and any distribution of our assets.

Unless otherwise specified in the prospectus supplement relating to a particular series of preferred stock, the rights of holders of the preferred stock offered may be adversely affected by the rights of holders of any shares of preferred stock that may be issued in the future. Our board of directors may cause shares of preferred stock to be issued in public or private transactions for any proper corporate purposes, which may include issuances to obtain additional financing in connection with acquisitions and issuances to officers, directors and employees pursuant to benefit plans. Our board of directors ability to issue shares of preferred stock may discourage attempts by others to acquire control of us without negotiation with our board of directors, as it may make it difficult for a person to acquire us without negotiating with our board of directors.

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Redemption

If so specified in the applicable prospectus supplement, a series of preferred stock may be redeemable at any time, in whole or in part, at our option or the holder s and may be mandatorily redeemed.

Any restriction on the repurchase or redemption by us of our preferred stock while we are in arrears in the payment of dividends will be described in the applicable prospectus supplement.

Any partial redemptions of preferred stock will be made in a way that our board of directors decides is equitable and will be described in the applicable prospectus supplement.

Unless we default in the payment of the redemption price, dividends will cease to accrue after the redemption date on shares of preferred stock called for redemption, and all rights of holders of these shares will terminate except for the right to receive the redemption price.

Dividends

Holders of each series of preferred stock will be entitled to receive dividends when, as and if declared by our board of directors from funds legally available for payment of dividends. The rates and dates of payment of dividends will be set forth in the applicable prospectus supplement relating to each series of preferred stock. Dividends will be payable to holders of record of preferred stock as they appear on our books on the record dates fixed by the board of directors. Dividends on any series of preferred stock may be cumulative or noncumulative, as set forth in the applicable prospectus supplement.

We may not declare, pay or set apart funds for payment of dividends on a particular series of preferred stock unless full dividends on any other series of preferred stock that ranks equally with or senior to the series of preferred stock have been paid or sufficient funds have been set apart for payment for either of the following:

- all prior dividend periods of the other series of preferred stock that pay dividends on a cumulative basis; or
- the immediately preceding dividend period of the other series of preferred stock that pay dividends on a noncumulative basis.

Partial dividends declared on shares of any series of preferred stock and other series of preferred stock ranking on an equal basis as to dividends will be declared pro rata. A pro rata declaration means that the ratio of dividends declared per share to accrued dividends per share will be the same for each series of preferred stock.

Conversion or Exchange Rights

The prospectus supplement relating to any series of preferred stock that is convertible, exercisable or exchangeable will state the terms on which shares of that series are convertible into or exercisable or exchangeable for shares of common stock, another series of our preferred stock or any other securities.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding-up, holders of each series of our preferred stock will have the right to receive distributions upon liquidation in the amount described in the applicable prospectus supplement relating to each series of preferred stock, plus an amount equal to any accrued and unpaid dividends. These distributions will be made before any distribution is made on the common stock or on any securities ranking junior to the preferred stock upon liquidation, dissolution or winding-up.

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If the liquidation amounts payable relating to the preferred stock of any series and any other securities ranking on a parity regarding liquidation rights are not paid in full, the holders of the preferred stock of that series and the other securities will have the right to a ratable portion of our available assets, up to the full liquidation preference of each security. Holders of these series of preferred stock or other securities will not be entitled to any other amounts from us after they have received their full liquidation preference.

Voting Rights

The holders of shares of preferred stock will have no voting rights, except:

- as otherwise stated in the applicable prospectus supplement;
- as otherwise stated in the certificate of designation establishing the series; or
- as required by applicable law.

Transfer Agent and Registrar

The transfer agent, registrar and dividend disbursement agent for the preferred stock will be stated in the applicable prospectus supplement. The registrar for shares of preferred stock will send notices to shareholders of any meetings at which holders of the preferred stock have the right to elect directors or to vote on any other matter.

DESCRIPTION OF DEPOSITARY SHARES WE MAY OFFER

The following briefly summarizes the provisions of the depositary shares and depositary receipts that we may issue from time to time and which would be important to holders of depositary receipts, other than pricing and related terms which will be disclosed in the applicable prospectus supplement. The prospectus supplement will also state whether any of the generalized provisions summarized below do not apply to the depositary shares or depositary receipts being offered and provide any additional provisions applicable to the depositary shares or depositary receipts being offered. The following description and any description in a prospectus supplement may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the form of deposit agreement, which will be filed or incorporated by reference as an exhibit to the registration statement which contains this prospectus.

Description of Depositary Shares

We may offer depositary shares evidenced by depositary receipts. Each depositary share represents a fraction or a multiple of a share of the particular series of preferred stock issued and deposited with a depositary. The fraction or the multiple of a share of preferred stock which each depositary share represents will be set forth in the applicable prospectus supplement.

We will deposit the shares of any series of preferred stock represented by depositary shares according to the provisions of a deposit agreement to be entered into between us and a bank or trust company which we will select as our preferred stock depositary. We will name the depositary in the applicable prospectus supplement. Each holder of a depositary share will be entitled to all the rights and preferences of the underlying preferred stock in proportion to the applicable fraction or multiple of a share of preferred stock represented by the depositary share. These rights include

dividend, voting, redemption, conversion and liquidation rights. The depositary will send the holders of depositary shares all reports and communications that we deliver to the depositary and which we are required to furnish to the holders of depositary shares.

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Depositary Receipts

The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to anyone who is buying a fraction or a multiple of a share of preferred stock in accordance with the terms of the applicable prospectus supplement.

Withdrawal of Preferred Stock

Unless the related depositary shares have previously been called for redemption, a holder of depositary shares may receive the number of whole shares of the related series of preferred stock and any money or other property represented by the holder s depositary receipts after surrendering the depositary receipts at the corporate trust office of the depositary, paying any taxes, charges and fees provided for in the deposit agreement and complying with any other requirement of the deposit agreement. Partial shares of preferred stock will not be issued. If the surrendered depositary shares exceed the number of depositary shares that represent the number of whole shares of preferred stock the holder wishes to withdraw, then the depositary will deliver to the holder at the same time a new depositary receipt evidencing the excess number of depositary shares. Once the holder has withdrawn the preferred stock, the holder will not be entitled to re-deposit that preferred stock under the deposit agreement or to receive depositary shares in exchange for such preferred stock. We do not expect that there will be any public trading market for withdrawn shares of preferred stock.

Dividends and Other Distributions

The depositary will distribute to record holders of depositary shares any cash dividends or other cash distributions it receives on preferred stock, after deducting its fees and expenses. Each holder will receive these distributions in proportion to the number of depositary shares owned by the holder. The depositary will distribute only whole U.S. dollars and cents. The depositary will add any fractional cents not distributed to the next sum received for distribution to record holders of depositary shares.

In the event of a non-cash distribution, the depositary will distribute property to the record holders of depositary shares, unless the depositary determines that it is not feasible to make such a distribution. If this occurs, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the preferred stock depositary or by us on account of taxes or other governmental charges.

Redemption of Depositary Shares

If the series of preferred stock represented by depositary shares is subject to redemption, then we will give the necessary proceeds to the depositary. The depositary will then redeem the depositary shares using the funds they received from us for the preferred stock. The redemption price per depositary share will be equal to the redemption price payable per share for the applicable series of the preferred stock and any other amounts per share payable with respect to the preferred stock multiplied by the fraction or multiple of a share of preferred stock represented by one depositary share. Whenever we redeem shares of preferred stock held by the depositary, the depositary will redeem the depositary shares representing the shares of preferred stock on the same day provided we have paid in full to the depositary the redemption price of the preferred stock to be redeemed and any accrued and unpaid dividends. If fewer than all the depositary shares of a series are to be redeemed, the depositary shares will be selected by lot or ratably or by any other equitable methods as the depositary will decide.

After the date fixed for redemption, the depositary shares called for redemption will no longer be considered outstanding. Therefore, all rights of holders of the depositary shares will cease, except that the holders will still be entitled to receive any cash payable upon the redemption and any money or other property to which the holder

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was entitled at the time of redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the preferred stock depositary. Any funds that we deposit with the preferred stock depositary for any depositary shares that the holders fail to redeem will be returned to us after a period of one year from the date we deposit the funds.

Voting the Preferred Stock

Upon receipt of notice of any meeting at which the holders of preferred stock are entitled to vote, the depositary will notify holders of depositary shares of the upcoming vote and arrange to deliver our voting materials to the holders. The record date for determining holders of depositary shares that are entitled to vote will be the same as the record date for the preferred stock. The materials the holders will receive will (1) describe the matters to be voted on and (2) explain how the holders, on a certain date, may instruct the depositary to vote the shares of preferred stock underlying the depositary shares. For instructions to be valid, the depositary must receive them on or before the date specified. To the extent possible, the depositary will vote the shares as instructed by the holder. We agree to take all reasonable actions that the depositary determines are necessary to enable it to vote as a holder has instructed. If the depositary does not receive specific instructions from the holders of any depositary shares, it will vote all shares of that series held by it proportionately with instructions received.

Conversion or Exchange

The depositary, with our approval or at our instruction, will convert or exchange all depositary shares if the preferred stock underlying the depositary shares is converted or exchanged. In order for the depositary to do so, we will need to deposit the other preferred stock, common stock or other securities into which the preferred stock is to be converted or for which it will be exchanged.

The exchange or conversion rate per depositary share will be equal to:

- the exchange or conversion rate per share of preferred stock, multiplied by the fraction or multiple of a share of preferred stock represented by one depositary share;
- plus all money and any other property represented by one depositary share; and
- including all amounts per depositary share paid by us for dividends that have accrued on the preferred stock on the exchange or conversion date and that have not been paid.

The depositary shares, as such, cannot be converted or exchanged into other preferred stock, common stock, securities of another issuer or any other of our securities or property. Nevertheless, if so specified in the applicable prospectus supplement, a holder of depositary shares may be able to surrender the depositary receipts to the depositary with written instructions asking the depositary to instruct us to convert or exchange the preferred stock represented by the depositary shares into other shares of our preferred stock or common stock or to exchange the preferred stock for any other securities registered pursuant to the registration statement of which this prospectus forms a part. If the depositary shares provide for this right, we would agree that, upon the payment of any applicable fees, we will cause the conversion or exchange of the preferred stock using the same procedures as we use for the delivery of preferred stock. If a holder is only converting part of the depositary shares represented by a depositary receipt, new depositary receipts will be issued for any depositary shares that are not converted or exchanged.

Amendment and Termination of the Deposit Agreement

We may agree with the depositary to amend the deposit agreement and the form of depositary receipt without consent of the holder at any time. However, if the amendment adds or increases fees or charges (other than any change in the fees of any depositary, registrar or transfer agent) or prejudices an important right of

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holders, it will only become effective with the approval of holders of at least a majority of the affected depositary shares then outstanding. We will make no amendment that impairs the right of any holder of depositary shares, as described above under Withdrawal of Preferred Stock , to receive shares of preferred stock and any money or other property represented by those depositary shares, except in order to comply with mandatory provisions of applicable law. If an amendment becomes effective, holders are deemed to agree to the amendment and to be bound by the amended deposit agreement if they continue to hold their depositary receipts.

The deposit agreement automatically terminates if:

- all outstanding depositary shares have been redeemed or converted or exchanged for any other securities into which they or the underlying preferred stock are convertible or exchangeable;
- each share of preferred stock has been converted into or exchanged for common stock; or
- a final distribution in respect of the preferred stock has been made to the holders of depositary receipts in connection with our liquidation, dissolution or winding-up.

We may also terminate the deposit agreement at any time we wish. If we do so, the depositary will give notice of termination to the record holders not less than 30 days before the termination date. Once depositary receipts are surrendered to the depositary, it will send to each holder the number of whole or fractional shares of the series of preferred stock underlying that holder s depositary receipts.

Charges of Depositary and Expenses

We will pay the fees, charges and expenses of the depositary provided in the deposit agreement to be payable by us. Holders of depositary receipts will pay any taxes and governmental charges and any charges provided in the deposit agreement to be payable by them. If the depositary incurs fees, charges or expenses for which it is not otherwise liable at the election of a holder of a depositary receipt or other person, that holder or other person will be liable for those fees, charges and expenses.

Limitations on Our Obligations and Liability to Holders of Depositary Receipts

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary as follows:

- we and the depositary are only liable to the holders of depositary receipts for negligence or willful misconduct;
- we and the depositary have no obligation to become involved in any legal or other proceeding related to the depositary receipts or the deposit agreement on your behalf or on behalf of any other party, unless you provide us with satisfactory indemnity; and

we and the depositary may rely upon any written advice of counsel or accountants and on any documents we believe in good faith to be genuine and to have been signed or presented by the proper party.

Resignation and Removal of Depositary

The depositary may resign at any time by notifying us of its election to do so. In addition, we may remove the depositary at any time. Within 60 days after the delivery of the notice of resignation or removal of the depositary, we will appoint a successor depositary.

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DESCRIPTION OF OUR COMMON STOCK

The following briefly summarizes the provisions of our amended and restated articles of incorporation and bylaws that would be important to holders of common stock. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our amended and restated articles of incorporation and amended and restated bylaws which are exhibits to the registration statement which contains this prospectus.

Our Common Stock

Our amended and restated articles of incorporation authorize 1,755,000,000 shares of capital stock consisting of 1,745,000,000 shares of common stock, 5,000,000 undesignated shares and 5,000,000 preferred shares. As of June 10, 2016, there were 289,093,362 shares of common stock outstanding, which were held by 45,919 shareholders of record.

Each share of common stock is entitled to participate pro rata in distributions upon liquidation, subject to the rights of holders of preferred shares, and to one vote on all matters submitted to a vote of shareholders, including the election of directors. Holders of common stock have no preemptive or similar equity preservation rights, and cumulative voting of shares in the election of directors is prohibited.

The holders of common stock may receive cash dividends as declared by our board of directors out of funds legally available for that purpose, subject to the rights of any holders of preferred shares. We are a holding company, and our primary source for the payment of dividends is dividends from our subsidiaries. Various state laws and regulations limit the amount of dividends that may be paid to us by our insurance subsidiaries. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, legal requirements, regulatory constraints and other factors as the board of directors deems relevant. Dividends will be paid by us only if declared by our board of directors out of funds legally available, subject to any restrictions that may be applicable to us.

The outstanding shares of common stock are, and the shares of common stock offered by the registration statement when issued will be, fully paid and nonassessable.

Our common stock is listed on the New York Stock Exchange under the symbol TRV .

Transfer Agent

The transfer agent and registrar for our common stock is Wells Fargo Bank, N.A.

Limitation of Liability and Indemnification Matters

We are subject to Minnesota Statutes, Chapter 302A. Minnesota Statutes, Section 302A.521, provides that a corporation shall indemnify any person made or threatened to be made a party to a proceeding by reason of the former or present official capacity (as defined in Section 302A.521 of the Minnesota Statutes) of that person against judgments, penalties, fines (including, without limitation, excise taxes assessed against such person with respect to an employee benefit plan), settlements and reasonable expenses (including attorneys fees and disbursements), incurred by such person in connection with the proceeding, if, with respect to the acts or omissions of that person complained of in the proceeding, that person:

has not been indemnified therefor by another organization or employee benefit plan;

acted in good faith;

received no improper personal benefit and Section 302A.255 (with respect to director conflicts of interest), if applicable, has been satisfied;

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in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and

reasonably believed that the conduct was in the best interests of the corporation in the case of acts or omissions in that person s official capacity for the corporation, or, in the case of acts or omissions in that person s official capacity for other affiliated organizations, reasonably believed that the conduct was not opposed to the best interests of the corporation.

Our bylaws provide that we will indemnify and make permitted advances to a person made or threatened to be made a party to a proceeding by reason of his former or present official capacity against judgments, penalties, fines (including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan), settlements and reasonable expenses (including, without limitation, attorneys fees and disbursements) incurred by that person in connection with the proceeding in the manner and to the fullest extent permitted or required by Section 302A.521.

We have directors and officers liability insurance policies, in amounts deemed appropriate and subject to various deductibles, conditions and limitations.

DESCRIPTION OF WARRANTS WE MAY OFFER

General

We may issue warrants to purchase senior debt securities, subordinated debt securities, junior subordinated debt securities, preferred stock, depositary shares, common stock or any combination of these securities, and these warrants may be issued by us independently or together with any underlying securities and may be attached or separate from the underlying securities. We will issue each series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants.

The following outlines some of the general terms and provisions of the warrants. Further terms of the warrants and the applicable warrant agreement will be stated in the applicable prospectus supplement. The following description and any description of the warrants in a prospectus supplement may not be complete and is subject to and qualified in its entirety by reference to the terms and provisions of the warrant agreement, a form of which will be filed or incorporated by reference as an exhibit to the registration statement which contains this prospectus.

The applicable prospectus supplement will describe the terms of any warrants that we may offer, including the following:

the title of the warrants;

the total number of warrants;

the price or prices at which the warrants will be issued;

the currency, as that term is used in the section entitled Description of Debt Securities We May Offer on page 12, investors may use to pay for the warrants;

the designation, aggregate principal amount and terms of the underlying securities purchasable upon exercise of the warrants;

the price at which and the currency, as defined above, in which investors may purchase the underlying securities purchasable upon exercise of the warrants and any provisions for changes to or adjustments in such exercise price;

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the date on which the right to exercise the warrants will commence and the date on which the right will expire;

whether the warrants will be issued in registered form or bearer form;

information with respect to book-entry procedures, if any;

if applicable, the minimum or maximum amount of warrants which may be exercised at any one time;

if applicable, the designation and terms of the underlying securities with which the warrants are issued and the number of warrants issued with each underlying security;

if applicable, the date on and after which the warrants and the related underlying securities will be separately transferable;

if applicable, a discussion of material United States federal income tax considerations;

the identity of the warrant agent;

the procedures and conditions relating to the exercise of the warrants; and

any other terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants.

Warrant certificates may be exchanged for new warrant certificates of different denominations, and warrants may be exercised at the warrant agent s corporate trust office or any other office indicated in the applicable prospectus supplement. Prior to the exercise of their warrants, holders of warrants exercisable for debt securities will not have any of the rights of holders of the debt securities purchasable upon such exercise and will not be entitled to payments of principal (or premium, if any) or interest, if any, on the debt securities purchasable upon such exercise. Prior to the exercise of their warrants, holders of warrants exercisable for shares of preferred stock, depositary shares or common stock will not have any rights of holders of the preferred stock, depositary shares or common stock purchasable upon such exercise and will not be entitled to dividend payments, if any, or voting rights of the preferred stock, depositary shares or common stock purchasable upon such exercise.

Exercise of Warrants

A warrant will entitle the holder to purchase for cash an amount of securities at an exercise price that will be stated in, or that will be determinable as described in, the applicable prospectus supplement. Warrants may be exercised at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void.

Warrants may be exercised as set forth in the applicable prospectus supplement. Upon receipt of payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward the securities purchasable upon such exercise. If less than all of the warrants represented by such warrant certificate are exercised, a new warrant certificate will be issued for the remaining warrants.

Enforceability of Rights; Governing Law

The holders of warrants, without the consent of the warrant agent, may, on their own behalf and for their own benefit, enforce, and may institute and maintain any suit, action or proceeding against us to enforce their rights to exercise and receive the securities purchasable upon exercise of their warrants. Unless otherwise stated in the prospectus supplement, each issue of warrants and the applicable warrant agreement will be governed by the laws of the State of New York.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS WE MAY OFFER

We may issue stock purchase contracts, representing contracts obligating holders to purchase from or sell to us, and obligating us to purchase from or sell to the holders, a specified number of shares of our common stock, preferred stock or depositary shares, as applicable, at a future date or dates. The price per share of common stock, preferred stock or depositary shares, as applicable, may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula contained in the stock purchase contracts. We may issue stock purchase contracts in such amounts and in as many distinct series as we wish.

The applicable prospectus supplement may contain, where applicable, the following information about the stock purchase contracts issued under it:

- whether the stock purchase contracts obligate the holder to purchase or sell, or to both purchase and sell, our common stock, preferred stock or depositary shares, as applicable, and the nature and amount of each of those securities, or the method of determining those amounts;
- whether the stock purchase contracts are to be prepaid or not;
- whether the stock purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance or level of our common stock, preferred stock or depositary shares;
- any acceleration, cancellation, termination or other provisions relating to the settlement of the stock purchase contracts; and
- whether the stock purchase contracts will be issued in fully registered or global form.

The applicable prospectus supplement will describe the terms of any stock purchase contracts. The preceding description and any description of stock purchase contracts in the applicable prospectus supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the stock purchase contract agreement, a form of which will be filed or incorporated by reference as an exhibit to the registration statement which contains this prospectus, and, if applicable, collateral arrangements and depository arrangements relating to such stock purchase contracts.

DESCRIPTION OF UNITS WE MAY OFFER

We may issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

The applicable prospectus supplement may describe:

the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;

any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and

whether the units will be issued in fully registered or global form.

The applicable prospectus supplement will describe the terms of any units. The preceding description and any description of units in the applicable prospectus supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement, a form of which will be filed or incorporated by reference as an exhibit to the registration statement which contains this prospectus, and, if applicable, collateral arrangements and depositary arrangements relating to such units.

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DESCRIPTION OF PREFERRED SECURITIES THAT THE TRUSTS MAY OFFER

The following summary outlines the material terms and provisions of the preferred securities that the Trusts may offer. The particular terms of any preferred securities a Trust offers and the extent, if any, to which these general terms and provisions may or may not apply to the preferred securities will be described in the applicable prospectus supplement.

Each of the Trusts will issue the preferred securities under a declaration of trust which we will enter into at the time of any offering of preferred securities by such Trust. The declarations of trust for the Trusts are subject to and governed by the Delaware law and the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), and BNY Mellon Trust of Delaware will act as Delaware trustee and The Bank of New York Mellon Trust Company, N.A. will act as institutional trustee under the declarations of trusts for the purposes of compliance with the provisions of the Trust Indenture Act. The terms of the preferred securities will be those contained in the applicable declaration of trust and those made part of the declaration of trust by the Trust Indenture Act and the Delaware Statutory Trust Act. The following summary may not be complete and is subject to, and qualified in its entirety by reference to, the declarations of trust, a form of which is filed or incorporated by reference as an exhibit to the registration statement which contains this prospectus, the Trust Indenture Act and the Delaware Statutory Trust Act.

Terms

Each declaration of trust will provide that the applicable Trust may issue, from time to time, only one series of preferred securities and one series of common securities. The preferred securities will be offered to investors and the common securities will be held by us. The terms of the preferred securities, as a general matter, will mirror the terms of the senior, subordinated or junior subordinated debt securities that we will issue to a Trust in exchange for the proceeds of the sales of the preferred and common securities, and because the preferred securities represent undivided interests in the related debt securities, any conversion feature applicable to the preferred securities will mirror the terms of the convertible debt securities or warrants, if any, that we will have issued to such Trust. If we fail to make a payment on the senior, subordinated or junior subordinated debt securities, the Trust holding those debt securities will not have sufficient funds to make related payments, including cash distributions, on its preferred securities. If the related debt securities, and, accordingly, the preferred securities are convertible into or exchangeable for shares of our common stock or other securities, in the event that we fail to perform under any convertible debt securities or warrants we issue to a Trust, such Trust will be unable to distribute to the holders any of our shares of common stock or other securities to be distributed to the holders of the preferred securities upon their conversion.

You should refer to the applicable prospectus supplement relating to the preferred securities for specific terms of the preferred securities, including, but not limited to:

- the distinctive designation of the preferred securities and common securities;
- the total and per-security-liquidation amount of the preferred securities;
- the annual distribution rate, or method of determining the rate at which the Trust issuing the securities will pay distributions, on the preferred securities and the date or dates from which distributions will accrue;

the date or dates on which the distributions will be payable and any corresponding record dates;

the right, if any, to defer distributions on the preferred securities upon extension of the interest payment period of the related debt securities;

whether the preferred securities are to be issued in book-entry form and represented by one or more global certificates and, if so, the depositary for the global certificates and the specific terms of the depositary arrangement;

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the amount or amounts which will be paid out of the assets of the Trust issuing the securities to the holders of preferred securities upon voluntary or involuntary dissolution, winding-up or termination of the Trust;

any obligation of the Trust to purchase or redeem preferred securities issued by it and the terms and conditions relating to any redemption obligation;

any voting rights of the preferred securities;

any terms and conditions upon which the debt securities held by the Trust issuing the preferred securities may be distributed to holders of preferred securities;

if the related debt securities, and, accordingly, the preferred securities may be converted into or exercised or exchanged for our common stock or preferred stock or any other of our securities, the terms on which conversion, exercise or exchange is mandatory, at the option of the holder or at the option of the Trust, the date on or the period during which conversion, exercise or exchange may occur, the initial conversion, exercise or exchange price or rate and the circumstances or manner in which the amount of common stock or preferred stock or other securities issuable upon conversion, exercise or exchange may be adjusted;

any securities exchange on which the preferred securities will be listed; and

any other relevant rights, preferences, privileges, limitations or restrictions of the preferred securities not inconsistent with the applicable declaration of trust or with applicable law.

We will guarantee the common and preferred securities to the extent described below under Description of Trust Guarantees . Our guarantee, when taken together with our obligations under the related debt securities and the related indenture and any warrants and related warrant agreement, and our obligations under the declarations of trust, would provide a full, irrevocable and unconditional guarantee of amounts due on any common and preferred securities and the distribution of any securities to which the holders would be entitled upon conversion of the common and preferred securities, if the related debt securities, and, accordingly, the common and preferred securities are convertible into or exchangeable for shares of our common stock or other securities. Certain United States federal income tax considerations applicable to any offering of preferred securities will be described in the applicable prospectus supplement.

Liquidation Distribution Upon Dissolution

Unless otherwise specified in an applicable prospectus supplement, each declaration of trust states that the applicable Trust will be dissolved:

on the expiration of the term of the Trust;

upon bankruptcy, dissolution or liquidation of us or the holder of the common securities of the Trust;

upon our written direction to the institutional trustee to dissolve the Trust and distribute the related debt securities directly to the holders of the preferred securities and common securities;

upon the redemption by the Trust of all of the preferred and common securities in accordance with their terms; or

upon entry of a court order for the dissolution of the Trust.

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Unless otherwise specified in an applicable prospectus supplement, in the event of a dissolution as described above other than in connection with redemption, after a Trust satisfies all liabilities to its creditors as provided by applicable law, each holder of the preferred or common securities issued by the Trust will be entitled to receive:

- distributions in an amount equal to the aggregate liquidation amount of the preferred or common securities held by the holder, plus accumulated and unpaid distributions to the date of payment, unless in connection with such dissolution, the related debt securities in an aggregate principal amount equal to the aggregate liquidation amount of the preferred or common securities held by the holder, plus accumulated and unpaid distributions to the date of payment, have been distributed on a pro rata basis to the holder in exchange for such preferred or common securities; and

- if we issued warrants to the Trust, a number of warrants equal to the holders proportionate share to total number of warrants held by the Trust.

If a Trust cannot pay the full amount due on its preferred and common securities because it has insufficient assets available for payment, then the amounts payable by the Trust on its preferred and common securities will be paid on a *pro rata* basis. However, if an event of default under the indenture has occurred and is continuing with respect to any series of related debt securities, the total amounts due on the preferred securities will be paid before any distribution on the common securities.

Events of Default

The following will be events of default under each declaration of trust:

- an event of default under the applicable debt indenture occurs with respect to any related series of debt securities; or

- any other event of default specified in the applicable prospectus supplement occurs.

At any time after a declaration of acceleration has been made with respect to a related series of debt securities and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in liquidation amount of the affected preferred securities may rescind any declaration of acceleration with respect to the related debt securities and its consequences:

- if we have paid or deposited with the trustee funds sufficient to pay all overdue principal of and premium and interest on the related debt securities and other amounts due to the indenture trustee and the institutional trustee; and

- if all existing events of default with respect to the related debt securities have been cured or waived except non-payment of principal and interest on the related debt securities that has become due solely because of the acceleration.

The holders of a majority in liquidation amount of the affected preferred securities may waive any past default under the indenture with respect to related debt securities, other than a default in the payment of principal of, or any premium or interest on, any related debt security or a default with respect to a covenant or provision that cannot be amended or modified without the consent of the holder of each affected outstanding related debt security. In addition, the holders of at least a majority in liquidation amount of the affected preferred securities may waive any past default under the declarations of trust, subject to certain qualifications provided in the declaration of trust.

The holders of a majority in liquidation amount of the affected preferred securities shall have the right to direct the time, method and place of conducting any proceedings for any remedy available to the institutional trustee or to direct the exercise of any trust or power conferred on the institutional trustee under the declarations of trust.

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A holder of preferred securities may institute a legal proceeding directly against us, without first instituting a legal proceeding against the institutional trustee or anyone else, for enforcement of payment to the holder of principal and any premium or interest on the related series of debt securities having a principal amount equal to the aggregate liquidation amount of the preferred securities of the holder, if we fail to pay principal and any premium or interest on the related series of debt securities when payable.

We are required to furnish annually, to the institutional trustee for the Trusts, officers certificates to the effect that, to the best knowledge of the individuals providing the certificates, we and the Trusts are not in default under the applicable declaration of trust or, if there has been a default, specifying the default and its status.

Consolidation, Merger or Amalgamation of the Trusts

Each of the Trusts may not consolidate, amalgamate or merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any entity, except as described below or as described in Liquidation Distribution Upon Dissolution . Each Trust may, with the consent of the administrative trustees but without the consent of the holders of the outstanding preferred securities or the other trustees of the Trust, consolidate, amalgamate or merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, a trust organized under the laws of any State if:

the successor entity either:

expressly assumes all of the obligations of the Trust relating to its preferred and common securities; or

substitutes for the Trust s preferred securities other securities having substantially the same terms as the preferred securities, so long as the substituted successor securities rank the same as the preferred securities for distributions and payments upon liquidation, redemption and otherwise;

we appoint a trustee of the successor entity who has substantially the same powers and duties as the institutional trustee of the Trust;

the successor securities are listed or traded, or any substituted successor securities will be listed upon notice of issuance, on the same national securities exchange or other organization on which the preferred securities are then listed or traded, if any;

the merger, consolidation, amalgamation or replacement (the merger event) does not cause the preferred securities or any substituted successor securities to be downgraded by any national rating agency;

the merger event does not adversely affect the rights, preferences and privileges of the holders of the preferred or common securities or any substituted successor securities in any material respect;

the successor entity has a purpose substantially identical to that of the Trust;

prior to the merger event, we shall provide to the Trust an opinion of counsel from a nationally recognized law firm stating that:

the merger event does not adversely affect the rights, preferences and privileges of the holders of the Trust s preferred or common securities in any material respect;

following the merger event, neither the Trust nor the successor entity will be required to register as an investment company under the Investment Company Act of 1940, as amended; and

following the merger event, the Trust or the successor entity will continue to be classified as a grantor trust for United States federal tax purposes; and

we own, or our permitted transferee owns, all of the common securities of the successor entity and we guarantee or our permitted transferee guarantees the obligations of the successor entity under the substituted successor securities at least to the extent provided under the applicable preferred securities guarantee.

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In addition, unless all of the holders of the preferred and common securities approve otherwise, a Trust may not consolidate, amalgamate or merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any other entity, or permit any other entity to consolidate, amalgamate, merge with or into or replace it if the transaction would cause the Trust or the successor entity to be taxable as a corporation or classified other than as a grantor trust for United States federal income tax purposes.

Voting Rights

Unless otherwise specified in the applicable prospectus supplement, the holders of the preferred securities will have no voting rights except as discussed below and under Amendment to the Declarations of Trust and Description of Trust Guarantees Modification of the Trust Guarantees; Assignment and as otherwise required by law.

If any proposed amendment to a declaration of trust provides for, or the trustee of the Trust otherwise proposes to effect:

- any action that would adversely affect the powers, preferences or special rights of the preferred securities in any material respect, whether by way of amendment to the declaration of trust or otherwise; or

- the dissolution, winding-up or termination of the Trust other than pursuant to the terms of the declaration of trust, then the holders of the affected preferred securities as a class will be entitled to vote on the amendment or proposal. In that case, the amendment or proposal will be effective only if approved by the holders of at least a majority in aggregate liquidation amount of the affected preferred securities.

The holders of a majority in aggregate liquidation amount of the preferred securities issued by a Trust have the right to direct the time, method and place of conducting any proceeding for any remedy available to the institutional trustee, or direct the exercise of any trust or power conferred upon the institutional trustee under the applicable declaration of trust, including the right to direct the institutional trustee, as holder of the debt securities and, if applicable, the warrants, to:

- direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee for any related debt securities or execute any trust or power conferred on the indenture trustee with respect to the related debt securities;

- if we issue warrants to the Trust, direct the time, method and place of conducting any proceeding for any remedy available to the institutional trustee as the registered holder of the warrants;

- waive certain past defaults under the indenture with respect to any related debt securities, or the warrant agreement with respect to any warrants;

- cancel an acceleration of the maturity of the principal of any related debt securities; or

consent to any amendment, modification or termination of the indenture or any related debt securities or the warrant agreement or warrants where consent is required.

In addition, before taking any of the foregoing actions, we will provide to the institutional trustee an opinion of counsel experienced in such matters to the effect that, as a result of such actions, the trust will not be taxable as a corporation or classified as other than a grantor trust for United States federal income tax purposes.

The institutional trustee will notify all preferred securities holders of a Trust of any notice of default received from the indenture trustee with respect to the debt securities held by the Trust.

Any required approval of the holders of preferred securities may be given at a meeting of the holders of the preferred securities convened for the purpose or pursuant to written consent. The administrative trustees will

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cause a notice of any meeting at which holders of securities are entitled to vote to be given to each holder of record of the preferred securities at the holder s registered address at least 7 days and not more than 60 days before the meeting.

No vote or consent of the holders of the preferred securities will be required for a Trust to redeem and cancel its preferred securities in accordance with its declaration of trust.

Notwithstanding that holders of the preferred securities are entitled to vote or consent under any of the circumstances described above, any of the preferred securities that are owned by us, or any affiliate of ours will, for purposes of any vote or consent, be treated as if they were not outstanding.

Amendment to the Declarations of Trust

The declarations of trust may be amended from time to time by us and the institutional trustee and the administrative trustees of the Trust, without the consent of the holders of the preferred securities, to:

- cure any ambiguity or correct or supplement any provision which may be defective or inconsistent with any other provision;
- add to the covenants, restrictions or obligations of the sponsor; or
- modify, eliminate or add to any provisions to the extent necessary to ensure that the Trust will not be taxable as a corporation or classified as other than a grantor trust for United States federal income tax purposes, to ensure that the debt securities held by the Trust are treated as indebtedness for United States federal income tax purposes or to ensure that the Trust will not be required to register as an investment company under the Investment Company Act of 1940, as amended; provided, however, that, in each case, the amendment would not adversely affect in any material respect the interests of the holders of the preferred securities.

Other amendments to the declarations of trust may be made by us and the trustees of the Trust upon approval of the holders of a majority in aggregate liquidation amount of the outstanding preferred securities of a Trust and receipt by the trustees of an opinion of counsel to the effect that the amendment will not cause the Trust to be taxable as a corporation or classified as other than a grantor trust for United States federal income tax purposes, affect the treatment of the debt securities held by the Trust as indebtedness for United States federal income tax purposes or affect the Trust s exemption from the Investment Company Act of 1940, as amended.

Notwithstanding the foregoing, without the consent of each affected holder of common or preferred securities of a Trust, a declaration of trust may not be amended to:

- change the amount or timing of any distribution on the common or preferred securities of the Trust or otherwise adversely affect the amount of any distribution required to be made in respect of the securities as of a specified date;
- change any of the conversion or redemption provisions; or

restrict the right of a holder of any securities to institute suit for the enforcement of any payment on or after the distribution date.

Removal and Replacement of Trustees

Unless an event of default exists under the declaration of trust or, if the preferred securities are convertible and there is a separate warrant agreement, the warrant agreement, we may remove the institutional trustee and the Delaware trustee at any time. If an event of default exists, the institutional trustee and the Delaware trustee may be removed only by the holders of a majority in liquidation amount of the outstanding preferred securities. In no

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event will the holders of the preferred securities have the right to vote to appoint, remove or replace the administrative trustees because these voting rights are vested exclusively in us as the holder of all the Trust s common securities. No resignation or removal of the institutional trustee or the Delaware trustee and no appointment of a successor trustee shall be effective until the acceptance of appointment by the successor trustee in accordance with the applicable declaration of trust.

Merger or Consolidation of Trustees

Any entity into which the institutional trustee or the Delaware trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the trustee, shall be the successor of the trustee under the applicable declaration of trust; provided, however, that the entity shall be otherwise qualified and eligible.

Information Concerning the Institutional Trustee

For matters relating to compliance with the Trust Indenture Act, the institutional trustee for the Trusts will have all of the duties and responsibilities of an indenture trustee under the Trust Indenture Act. Except if an event of default exists under the declarations of trust, the institutional trustee will undertake to perform only the duties specifically set forth in declarations of trust. While such an event of default exists, the institutional trustee must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the institutional trustee is not obligated to exercise any of the powers vested in it by the applicable declaration of trust at the request of any holder of preferred securities, unless the institutional trustee is offered an indemnity reasonably satisfactory to it against the costs, expenses and liabilities that it might incur. But the holders of preferred securities will not be required to offer indemnity if the holders, by exercising their voting rights, direct the institutional trustee to take any action that is provided for in the declaration of trust following a declaration of an event of default.

The Bank of New York Mellon Trust Company, N.A., which is the institutional trustee for the Trusts, also serves as the senior debt indenture trustee, the subordinated debt indenture trustee, the junior subordinated debt indenture trustee and the guarantee trustee under the trust guarantee described below. We and certain of our affiliates maintain banking relationships with The Bank of New York Mellon Trust Company, N.A. or its affiliates, which are described above under Description of Debt Securities We May Offer Our Relationship With the Trustee .

Miscellaneous

The administrative trustees of the each of the Trusts are authorized and directed to conduct the affairs of and to operate the applicable Trust in such a way that:

- the Trust will not be taxable as a corporation or classified as other than a grantor trust for United States federal income tax purposes;

- the debt securities held by the Trust will be treated as indebtedness of ours for United States federal income tax purposes; and

the Trust will not be deemed to be an investment company required to be registered under the Investment Company Act of 1940, as amended.

The administrative trustees are authorized to take any action, so long as it is consistent with applicable law, the certificate of trust or the applicable declaration of trust, that the administrative trustees determine to be necessary or desirable for the above purposes, as long as it does not materially and adversely affect the holders of the securities.

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Registered holders of the preferred securities have no preemptive or similar rights.

No Trust may, among other things, incur indebtedness.

Governing Law

The declarations of trust and the preferred securities will be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws provisions thereof.

DESCRIPTION OF TRUST GUARANTEES

The following describes certain general terms and provisions of the trust guarantees which we will execute and deliver for the benefit of the holders from time to time of preferred securities and the common securities issued by the Trusts. The trust guarantees will be separately qualified as an indenture under the Trust Indenture Act, and The Bank of New York Mellon Trust Company, N.A. will act as indenture trustee under the trust guarantees for the purposes of compliance with the provisions of the Trust Indenture Act. The terms of the trust guarantees will be those contained in the trust guarantees and those made part of the trust guarantees by the Trust Indenture Act. The following summary may not be complete and is subject to and qualified in its entirety by reference to the forms of trust guarantees, which are filed or incorporated by reference as exhibits to the registration statement which contains this prospectus, and the Trust Indenture Act. The trust guarantees will be held by the guarantee trustee of each Trust for the benefit of the holders of the preferred securities.

General

We will irrevocably and unconditionally agree to pay or make the following payments or distributions with respect to common and preferred securities, in full, to the holders of the common and preferred securities, as and when they become due regardless of any defense, right of set-off or counterclaim that a Trust may have except for the defense of payment:

- any accumulated and unpaid distributions which are required to be paid on the common and preferred securities, to the extent the Trust does not make such payments or distributions but has sufficient funds available to do so;

- the redemption price and all accumulated and unpaid distributions to the date of redemption with respect to any preferred securities called for redemption, to the extent the Trust does not make such payments or distributions but has sufficient funds available to do so; and

- upon a voluntary or involuntary dissolution, winding-up or termination of the Trust (other than in connection with the distribution of related debt securities to the holders of preferred securities or the redemption of all of the preferred securities), the lesser of:

    - the total liquidation amount and all accumulated and unpaid distributions on the common and preferred securities to the date of payment, to the extent the Trust does not make such payments or

distributions but has sufficient funds available to do so; and

the amount of assets of the Trust remaining available for distribution to holders of such common and preferred securities in liquidation of the Trust.

Our obligation to make a payment under the trust guarantee may be satisfied by our direct payment of the required amounts to the holders of common and preferred securities to which the trust guarantee relates or by causing a Trust to pay the amounts to the holders. Payments under the trust guarantee will be made on the common and preferred securities on a pro rata basis. However, if an event of default under the applicable indenture has occurred and is continuing with respect to any series of related debt securities, the total amounts due on the preferred securities will be paid before any payment on the common securities.

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Modification of the Trust Guarantees; Assignment

Except with respect to any changes which do not adversely affect the rights of holders of preferred securities in any material respect (in which case no vote will be required), each trust guarantee may be amended only with the prior approval of the holders of not less than a majority in liquidation amount of the outstanding common and preferred securities to which the trust guarantee relates. The manner of obtaining the approval of holders of the preferred securities will be described in an accompanying prospectus supplement. All guarantees and agreements contained in each trust guarantee will bind our successors, assigns, receivers, trustees and representatives and will be for the benefit of the holders of the outstanding common and preferred securities to which each trust guarantee relates.

Termination

Each trust guarantee will terminate when any of the following has occurred:

- all common and preferred securities to which the trust guarantee relates have been paid in full or redeemed in full by us, the applicable Trust or both;
- the debt securities held by the applicable Trust have been distributed to the holders of the common and preferred securities; or
- the amounts payable in accordance with the applicable declaration of trust upon liquidation of the Trust have been paid in full.

Each trust guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of common and preferred securities to which each trust guarantee relates must restore payment of any amounts paid on the common and preferred securities or under each trust guarantee.

Events of Default

There will be an event of default under the trust guarantees if we fail to perform any of our payment or other obligations under the trust guarantees. However, other than with respect to a default in payment of any guarantee payment, we must have received notice of default and not have cured the default within 90 days after receipt of the notice. We, as guarantor, will be required to file annually with the guarantee trustee a certificate regarding our compliance with the applicable conditions and covenants under each of our trust guarantees.

Each trust guarantee will constitute a guarantee of payment and not of collection. The holders of a majority in liquidation amount of the common and preferred securities to which a trust guarantee relates have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee in respect of such trust guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under such trust guarantee. If the guarantee trustee fails to enforce the applicable trust guarantee, any holder of common or preferred securities to which the trust guarantee relates may institute a legal proceeding directly against us to enforce the holder s rights under the trust guarantee, without first instituting a legal proceeding against the trust, the guarantee trustee or anyone else. If we do not make a guarantee payment, a holder of common or preferred securities may directly institute a proceeding against us for enforcement of the trust guarantee for such payment.

Status of the Trust Guarantees

The applicable prospectus supplement relating to the preferred securities will indicate whether the applicable trust guarantee is our senior or subordinated obligation. If such trust guarantee is our senior obligation, it will be our general unsecured obligation and will rank equal to our other senior and unsecured obligations.

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Unless otherwise specified in the applicable prospectus supplement, if such trust guarantee is our subordinated obligation, it will be our general unsecured obligation and will rank as follows:

- subordinate and junior in right of payment to all of our senior indebtedness, as defined in the subordinated debt indenture or the junior subordinated debt indenture, as the case may be;
- on parity with (i) our most senior preferred or preference stock currently outstanding or issued in the future, (ii) our guarantees currently outstanding or issued in the future in respect of other preferred securities our affiliates have issued or may issue and (iii) other issues of subordinated debt securities; and
- senior to our common stock.

The terms of the preferred securities provide that each holder of preferred securities by acceptance of the preferred securities agrees to any subordination provisions and other terms of the applicable trust guarantee relating to applicable subordination.

Information Concerning the Guarantee Trustee

The guarantee trustee, except if we default under the trust guarantee, will undertake to perform only such duties as are specifically set forth in the applicable trust guarantee and, in case a default with respect to such trust guarantee has occurred, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the guarantee trustee will not be obligated to exercise any of the powers vested in it by the applicable trust guarantee at the request of any holder of the common or preferred securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that it may incur.

Governing Law

Each trust guarantee will be governed by and construed in accordance with the laws of the State of New York.

Effect of Obligations Under the Debt Securities and the Trust Guarantees

As long as we make payments of interest and any other payments when they are due on the debt securities held by a Trust, those payments will be sufficient to cover distributions and any other payments due on the preferred securities issued by the Trust because of the following factors:

- the total principal amount of the debt securities held by the Trust will be equal to the total stated liquidation amount of the preferred securities and common securities issued by the Trust;
- the interest rate and the interest payment dates and other payment dates on the debt securities held by the Trust will match the distribution rate and distribution payment dates and other payment dates for the preferred securities and common securities issued by the Trust;

we will pay, as sponsor, and the Trust will not be obligated to pay, directly or indirectly, all costs, expenses, debt, and obligations of the Trust (other than obligations under the trust securities); and

the applicable declaration of trust will further provide that the Trust is not authorized to engage in any activity that is not consistent with its limited purposes.

We will irrevocably guarantee payments of distributions and other amounts due on the preferred securities to the extent the Trust has funds available to pay such amounts as and to the extent set forth herein. Taken together, our obligations under the debt securities, the applicable debt indenture, the applicable declaration of

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trust and the applicable trust guarantee will provide a full, irrevocable and unconditional guarantee of a Trust s payments of distributions and other amounts due on the preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes this trust guarantee. Only the combined operation of these documents effectively provides a full, irrevocable and unconditional guarantee of a Trust s obligations under the preferred securities.

If and to the extent that we do not make the required payments on the debt securities, a Trust will not have sufficient funds to make its related payments, including distributions on the preferred securities. Our trust guarantee will not cover any payments when a Trust does not have sufficient funds available to make those payments. Your remedy, as a holder of preferred securities, is to institute a direct action against us.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Simpson Thacher & Bartlett LLP, our special United States tax counsel, the following discussion is a summary of the material United States federal income tax consequences of the purchase, ownership and disposition of the debt securities, preferred securities and common and preferred stock as of the date hereof.

Except where noted, this summary deals only with debt securities, preferred securities and common and preferred stock that are held as capital assets, and does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the debt securities, preferred securities, common stock or preferred stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of tax accounting for your securities;

a person liable for alternative minimum tax;

a partnership or other pass-through entity for United States federal income tax purposes;

a United States Holder (as defined below) whose functional currency is not the U.S. dollar;

a controlled foreign corporation ;

a passive foreign investment company ; or

a United States expatriate.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal tax consequences different from those summarized below.

The discussion below assumes that all the debt securities issued under this prospectus will be classified as our indebtedness for United States federal income tax purposes and you should note that in the event of an alternative characterization, the tax consequences to you would differ from those discussed below. Accordingly,

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if we intend to treat a debt security as other than indebtedness for United States federal income tax purposes, we will disclose the relevant tax considerations in the applicable prospectus supplement. We will summarize any special United States federal tax considerations relevant to a particular issue of the debt securities, preferred securities or common or preferred stock (for example, any convertible debt securities) in the applicable prospectus supplement. We will also summarize the material federal income tax consequences, if any, applicable to any offering of warrants, stock purchase contracts, units or depositary shares in the applicable prospectus supplement.

For purposes of this summary, a United States Holder means a beneficial owner of the debt securities, preferred securities or common or preferred stock that is, for United States federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A Non-United States Holder means a beneficial owner of the debt securities, preferred securities or common or preferred stock that is neither a United States Holder nor an entity treated as a partnership for United States federal income tax purposes.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds the debt securities, preferred securities or common or preferred stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the debt securities, preferred securities or common or preferred stock, you should consult your tax advisors.

This summary does not contain a detailed description of all the United States federal income tax consequences to you in light of your particular circumstances and, except with respect to United States federal estate tax consequences for Non-United States Holders, does not address any other United States federal tax consequences (such as the gift tax or the Medicare contribution tax on net investment income). In addition, this summary does not address the effects of any state, local or non-United States tax laws. **If you are considering the purchase of debt securities, preferred securities or common or preferred stock, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the ownership of the debt securities, preferred securities or common or preferred stock , as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.**

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Debt Securities

Consequences to United States Holders

The following is a summary of the material United States federal income tax consequences that will apply to you if you are a United States Holder of debt securities.

Certain consequences to Non-United States Holders are described under Consequences to Non-United States Holders below.

Payments of Stated Interest

Except as set forth below, stated interest on a debt security will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes.

Original Issue Discount

If you own debt securities issued with original issue discount for United States federal income tax purposes (OID and such debt securities, original issue discount debt securities), you will be subject to special tax accounting rules, as described in greater detail below. In that case, you should be aware that you generally must include OID in gross income (as ordinary income) in advance of the receipt of cash attributable to that income. However, you generally will not be required to include separately in income cash payments received on the debt securities, even if denominated as interest, to the extent those payments do not constitute qualified stated interest, as defined below. Notice will be given in the applicable prospectus supplement when we determine that a particular debt security will be an original issue discount debt security.

Additional OID rules applicable to debt securities that are denominated in or determined by reference to a currency other than the U.S. dollar (foreign currency debt securities) are described under Foreign Currency Debt Securities below.

A debt security with an issue price that is less than its stated redemption price at maturity (*i.e.*, the sum of all payments to be made on the debt security other than qualified stated interest) generally will be issued with OID in an amount equal to that difference if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity. The issue price of each debt security in a particular offering will be the first price at which a substantial amount of that particular offering is sold to the public for cash. The term qualified stated interest means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, and meets all of the following conditions:

- it is payable at least once per year;
- it is payable over the entire term of the debt security; and

it is payable at a single fixed rate or, subject to certain conditions, a rate based on one or more interest indices.

We will give you notice in the applicable prospectus supplement when we determine that a particular debt security will bear interest that is not qualified stated interest.

If you own a debt security issued with *de minimis* OID, which is discount that is not OID because it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, you generally must include the *de minimis* OID in income at the time principal payments on the debt security are made in proportion to the amount paid. Any amount of *de minimis* OID that you have included in income will be treated as capital gain.

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Certain of the debt securities may contain provisions permitting them to be redeemed prior to their stated maturity at our option and/or at your option. Original issue discount debt securities containing those features may be subject to rules that differ from the general rules discussed herein. If you are considering the purchase of original issue discount debt securities with those features, you should carefully examine the applicable prospectus supplement and consult your own tax advisors with respect to those features since the tax consequences to you with respect to OID will depend, in part, on the particular terms and features of the debt securities.

If you own original issue discount debt securities with a term upon issuance of more than one year, you generally must include OID in income in advance of the receipt of some or all of the related cash payments using the constant yield method described in the following paragraphs.

The amount of OID that you must include in income if you are the initial holder of an original issue discount debt security is the sum of the daily portions of OID with respect to the debt security for each day during the taxable year or portion of the taxable year in which you held that debt security (accrued OID). The daily portion is determined by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. The accrual period for an original issue discount debt security may be of any length and may vary in length over the term of the debt security, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of:

- the debt security s adjusted issue price at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period; over
- the aggregate of all qualified stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The adjusted issue price of a debt security at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period, determined without regard to the amortization of any acquisition or bond premium, as described below, and reduced by any payments previously made on the debt security other than a payment of qualified stated interest. Under these rules, you will generally have to include in income increasingly greater amounts of OID in successive accrual periods.

Debt instruments that provide for a variable rate of interest and that meet certain other requirements (variable rate debt securities) are subject to special OID rules. In the case of an original issue discount debt security that is a variable rate debt security, both the yield to maturity and qualified stated interest will be determined solely for purposes of calculating the accrual of OID as though the debt security will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the debt security on its date of issue or, in the case of certain variable rate debt securities, the rate that reflects the yield to maturity that is reasonably expected for the debt security. Additional rules may apply if either:

- the interest on a variable rate debt security is based on more than one interest index; or

the principal amount of the debt security is indexed in any manner.

The discussion above generally does not address debt securities providing for contingent payments. You should carefully examine the applicable prospectus supplement regarding the United States federal income tax consequences of the holding and disposition of any debt securities providing for contingent payments.

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You may elect to treat all interest on any debt security as OID and calculate the amount includible in gross income under the constant yield method described above. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. You should consult with your own tax advisors about this election.

Short-Term Debt Securities

In the case of debt securities having a term of one year or less (short-term debt securities), all payments, including all stated interest, will be included in the stated redemption price at maturity and will not be qualified stated interest. As a result, you will generally be taxed on the discount instead of stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a short-term debt security, unless you elect to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method United States Holders of short-term debt securities are not required to include accrued discount in their income currently unless they elect to do so, but may be required to include stated interest in income as the income is received. United States Holders that report income for United States federal income tax purposes on the accrual method and certain other United States Holders are required to accrue discount on short-term debt securities (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. If you are not required, and do not elect, to include discount in income currently, any gain you realize on the sale, exchange or retirement of a short-term debt security will generally be ordinary income to you to the extent of the discount accrued by you through the date of sale, exchange or retirement. In addition, if you do not elect to currently include accrued discount in income you may be required to defer deductions for a portion of your interest expense with respect to any indebtedness attributable to the short-term debt securities.

Market Discount

If you purchase a debt security for an amount that is less than its stated redemption price at maturity (or, in the case of an original issue discount debt security, its adjusted issue price), the amount of the difference will be treated as market discount for United States federal income tax purposes, unless that difference is less than a specified *de minimis* amount. Under the market discount rules, you will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a debt security as ordinary income to the extent of the market discount that you have not previously included in income and are treated as having accrued on the debt security at the time of the payment or disposition.

In addition, you may be required to defer, until the maturity of the debt security or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the debt security. You may elect, on a debt security-by-debt security basis, to deduct the deferred interest expense in a tax year prior to the year of disposition to the extent of the net interest income on the debt security. You should consult your own tax advisors before making this election.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the debt security, unless you elect to accrue on a constant yield method. You may elect to include market discount in income currently as it accrues, on either a ratable or constant yield method, in which case the rule described above regarding deferral of interest deductions will not apply. An election to accrue market discount on a current basis will apply to all debt instruments acquired with market discount that you acquire on or after the first day of the first taxable year to which the election applies. The election may not be revoked without the consent of the Internal Revenue Service (IRS).

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Acquisition Premium, Amortizable Bond Premium

If you purchase an original issue discount debt security for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the debt security after the purchase date other than payments of qualified stated interest, you will be considered to have purchased that debt security at an acquisition premium. Under the acquisition premium rules, the amount of OID that you must include in gross income with respect to the debt security for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year.

If you purchase a debt security (including an original issue discount debt security) for an amount in excess of the sum of all amounts payable on the debt security after the purchase date other than qualified stated interest, you will be considered to have purchased the debt security at a premium and, if it is an original issue discount debt security, you will not be required to include any OID in income. You generally may elect to amortize the premium over the remaining term of the debt security on a constant yield method as an offset to interest when includible in income under your regular tax accounting method. Special rules limit the amortization of premium in the case of convertible debt instruments and debt instruments subject to redemption. If you do not elect to amortize bond premium, that premium will decrease the gain or increase the loss you would otherwise recognize on retirement or other disposition of the debt security.

Sale, Exchange, Retirement or other Disposition of Debt Securities

Upon the sale, exchange, retirement or other taxable disposition of a debt security, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued and unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the debt security. Your adjusted tax basis in a debt security will generally be your cost for that debt security, increased by OID, market discount or any discount with respect to a short-term debt security that you previously included in income, and reduced by any amortized premium and any cash payments on the debt security other than qualified stated interest. Except as described above with respect to certain short-term debt securities or market discount, or with respect to gain or loss attributable to changes in exchange rates as discussed below with respect to foreign currency debt securities, gain or loss you recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the debt security for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Currency Debt Securities

Payments of Stated Interest. If you receive stated interest payments made in a foreign currency and you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the foreign currency received at the spot rate of exchange (the spot rate) in effect on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method (which applies unless you elect to use the second method as described in the following sentence), you will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods (or portions thereof) in such year during which such interest accrued. Under the second method, you may elect to translate interest

income at the spot rate on the last day of the accrual period (or the last day of the taxable year if the accrual period straddles your taxable year) or the date the interest payment is

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received if such date is within five business days of the end of the accrual period. If you make this election, you must apply it consistently to all debt instruments from year to year and cannot change it without the consent of the IRS.

In addition, if you use the accrual method of accounting for United States federal income tax purposes, upon receipt of an interest payment on such debt security (including, upon the sale or other taxable disposition of a debt security, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), you will recognize exchange gain or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the interest income you previously included in income with respect to such payment. Any such exchange gain or loss will generally be treated as United States source ordinary income or loss.

Original Issue Discount. OID on a debt security that is also a foreign currency debt security will be determined for any accrual period in the applicable foreign currency and then translated into U.S. dollars, in the same manner as interest income accrued by a holder on the accrual basis for United States federal income tax purposes, as described above. You will recognize exchange gain or loss when OID is paid (including, upon the sale or other taxable disposition of a debt security, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the accrued OID (determined in the same manner as for accrued interest). Any such exchange gain or loss will generally be treated as United States source ordinary income or loss. For these purposes, all receipts on a debt security will be viewed:

first, as the receipt of any stated interest payments called for under the terms of the debt security;

second, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first; and

third, as the receipt of principal.

Market Discount and Bond Premium. The amount of market discount includible in income with respect to a foreign currency debt security will generally be determined by translating the market discount (determined in the foreign currency) into U.S. dollars at the spot rate on the date the foreign currency debt security is retired or otherwise disposed of. If you have elected to accrue market discount currently, then the amount which accrues is determined in the foreign currency and then translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. You will recognize exchange gain or loss with respect to market discount which is accrued currently using the approach applicable to the accrual of interest income as described above. Any such exchange gain or loss will generally be treated as United States source ordinary income or loss.

Bond premium on a foreign currency debt security will be computed in the applicable foreign currency. If you have elected to amortize the premium, the amortizable bond premium will reduce interest income in the applicable foreign currency. At the time bond premium is amortized, exchange gain or loss will be realized with respect to such amortized premium based on the difference between spot rates at such time and the time of acquisition of the foreign currency debt security. Any such exchange gain or loss will generally be treated as United States source ordinary income or loss.

Sale, Exchange, Retirement or other Disposition of Debt Securities. Upon the sale, exchange, retirement or other taxable disposition of a foreign currency debt security, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued and unpaid qualified stated interest, which will be treated as a payment of interest for United States federal income tax purposes) and your adjusted tax basis in the foreign currency debt security. Your initial tax basis in a foreign currency debt security generally will be your U.S. dollar cost. If you purchased a foreign currency debt security with foreign currency, your U.S. dollar cost generally will be the U.S. dollar

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value of the foreign currency amount paid for such foreign currency debt security determined at the time of such purchase. If your foreign currency debt security is sold, exchanged , retired or otherwise disposed of for an amount denominated in foreign currency, then your amount realized generally will be based on the spot rate of the foreign currency on the date of the sale, exchange, retirement or other disposition. If, however, you are a cash method taxpayer and the foreign currency debt securities are traded on an established securities market for United States federal income tax purposes, foreign currency paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of foreign currency debt securities traded on an established securities market, provided that the election is applied consistently.

Except as described above with respect to certain short-term debt securities or with respect to market discount, and subject to a portion being treated as exchange gain or loss as discussed below, any gain or loss recognized upon the sale, exchange, retirement or other taxable disposition of a foreign currency debt security will be capital gain or loss and will generally be long-term capital gain or loss if you have held the foreign currency debt security for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, retirement or other taxable disposition of a foreign currency debt security will generally be treated as United States source gain or loss.

A portion of your gain or loss with respect to the principal amount of a foreign currency debt security may be treated as exchange gain or loss. Exchange gain or loss will generally be treated as United States source ordinary income or loss. For these purposes, the principal amount of the foreign currency debt security is your purchase price for the foreign currency debt security calculated in the foreign currency on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement or other taxable disposition of the foreign currency debt security and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the foreign currency debt security (or, possibly, in the case of cash basis or electing accrual basis taxpayers, the settlement dates of such purchase and taxable disposition, if the foreign currency debt security is treated as traded on an established securities market for United States federal income tax purposes). The amount of exchange gain or loss realized on the disposition of the foreign currency debt security (with respect to both principal and accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the foreign currency debt security.

Exchange Gain or Loss with Respect to Foreign Currency. Your tax basis in any foreign currency received as interest on a foreign currency debt security or on the sale, exchange, retirement or other taxable disposition of a foreign currency debt security will be the U.S. dollar value thereof at the spot rate in effect on the date the foreign currency is received. Any gain or loss recognized by you on a sale, exchange or other disposition of the foreign currency will generally be treated as United States source ordinary income or loss.

Reportable Transactions. Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions technically cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency debt security or foreign currency received in respect of a foreign currency debt security to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of a foreign currency debt security, you should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the debt securities, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

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Consequences to Non-United States Holders

The following is a summary of the material United States federal income and estate tax consequences that will apply to you if you are a Non-United States Holder of debt securities.

United States Federal Withholding Tax

Subject to the discussion of backup withholding and FATCA below, United States federal withholding tax will not apply to any payment of interest (including OID) on the debt securities under the portfolio interest rule, provided that:

- interest paid on the debt securities is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is related to us through stock ownership;
- you are not a bank whose receipt of interest on the debt securities is described in Section 881(c)(3)(A) of the Code;
- the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the United States Treasury regulations thereunder; and
- either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your debt securities through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to Non-United States Holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest (including OID) made to you will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or
- IRS Form W-8ECI (or other applicable form) stating that interest paid on the debt securities is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United

States (as discussed below under United States Federal Income Tax).
Subject to the discussion of backup withholding and FATCA below, United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement or other taxable disposition of a debt security.

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest (including OID) on the debt securities is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you will be subject to United States federal income tax on that interest (including OID) on a net income basis in the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) on your effectively connected earnings and profits, subject to adjustments. Any effectively connected interest will be exempt from the 30% United States federal withholding tax, provided the certification requirements discussed above in United States Federal Withholding Tax are satisfied.

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Any gain realized on the sale, exchange, retirement or other taxable disposition of a debt security generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case such gain will generally be subject to United States federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or

- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, you will generally be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain United States source losses.

United States Federal Estate Tax

If you are an individual and are not a United States citizen or a resident of the United States (as specifically defined for United States federal estate tax purposes), your estate will not be subject to United States federal estate tax on debt securities beneficially owned by you at the time of your death, provided that any payment to you of interest (including OID) on the debt securities, if received at such time, would be eligible for exemption from the 30% United States federal withholding tax under the portfolio interest rule described above under United States Federal Withholding Tax, without regard to the statement requirement described in the sixth bullet point of that section.

Information Reporting and Backup Withholding

United States Holders

In general, information reporting requirements will apply to payments of interest and principal on a debt security, accruals of OID (if any) and the proceeds from the sale or other disposition of a debt security paid to you, unless in each case you are an exempt recipient. Backup withholding may apply to any payments described in the preceding sentence if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Non-United States Holders

Interest (including OID) on the debt securities paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable tax treaty.

In general, you will not be subject to backup withholding with respect to payments on the debt securities that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received the statement described

above in the sixth bullet point under Consequences to Non-United States Holders United States Federal Withholding Tax.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of the sale of a debt security made within the United States or conducted through certain United States-related financial intermediaries, unless you certify under penalties of perjury that you are not a United States person as defined under the Code (and the payor does not have actual knowledge or reason to know that you are a United States person), or you otherwise establish an exemption.

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Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code and Treasury regulations and administrative guidance issued thereunder (FATCA), a 30% United States federal withholding tax generally applies to any interest income (including OID) paid on the debt securities and, for a disposition of a debt security occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Consequences to Non-United States Holders United States Federal Withholding Tax, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these rules and whether they may be relevant to your ownership and disposition of the debt securities.

Preferred Securities

Classification of the Trust

We intend to take the position that each Trust will be classified as a grantor trust for United States federal income tax purposes and not as an association taxable as a corporation. As a result, for United States federal income tax purposes, you generally will be treated as owning an undivided beneficial ownership interest in the related debt securities held by the Trust. Thus, you will be required to include in your gross income your pro rata share of the interest income or OID that is paid or accrued on the related debt securities. See Consequences to United States Holders Interest Income and Original Issue Discount below.

Classification of the Debt Securities

We intend to take the position that the debt securities will be classified as our indebtedness for all United States tax purposes. We, the Trust and you (by your acceptance of a beneficial ownership interest in a preferred security) will agree to treat the debt securities as indebtedness for all United States tax purposes. The remainder of this discussion assumes that the debt securities will be classified as our indebtedness.

Consequences to United States Holders

Interest Income and Original Issue Discount

We anticipate that the debt securities will not be issued with an issue price that is less than their stated redemption price at maturity. In addition, under applicable United States Treasury regulations, a remote contingency that stated interest will not be timely paid will be ignored in determining whether a debt instrument is issued with OID. We anticipate that the likelihood that we will exercise our option to defer payments of interest under the terms of the debt securities will be remote within the meaning of the United States Treasury regulations. Accordingly, subject to the

discussion below, the debt securities will not be subject to the special OID rules, at least upon initial issuance, so that you will generally be taxed on your allocable share of stated interest on the debt securities as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for United States federal income tax purposes.

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If, however, we exercise our right to defer payments of interest on the debt securities, the debt securities will become OID instruments at such time. In such case, you will be subject to the special OID rules described below. Once the debt securities become OID instruments, they will be taxed as OID instruments for as long as they remain outstanding.

Under the OID economic accrual rules, the following occurs:

- regardless of your method of accounting for United States federal income tax purposes, you would accrue an amount of interest income each year that approximates the stated interest payments called for under the terms of the debt securities using the constant-yield-to-maturity method of accrual described in Section 1272 of the Code;

- the actual cash payments of interest you receive on the debt securities would not be reported separately as taxable income;

- any amount of OID included in your gross income (whether or not during a deferral period) with respect to the preferred securities will increase your tax basis in such preferred securities; and

- the amount of distributions of stated interest that you receive in respect of such accrued OID will reduce your tax basis in such preferred securities.

The Treasury regulations dealing with OID and the deferral of interest payments have not yet been addressed in any rulings or other interpretations by the IRS where the issuer of a debt instrument has a right to defer interest payments. It is possible that the IRS could assert that the debt securities were issued initially with OID merely because of our right to defer interest payments. If the IRS were successful in this regard, you would be subject to the special OID rules described above as of the issue date, regardless of whether we exercise our option to defer payments of interest on such debt securities.

Because the debt securities are treated as indebtedness for United States federal income tax purposes, any income you recognize with respect to the preferred securities will not be eligible for the corporate dividends-received deduction or treatment as qualified dividend income (which is taxed at long-term capital gain rates) in the case of a non-corporate United States Holder.

Distribution of Debt Securities or Cash upon Liquidation of the Trust

As described under the caption Description of Preferred Securities That the Trusts May Offer Liquidation Distribution Upon Dissolution in this prospectus, the debt securities held by the Trust may be distributed to you in exchange for your preferred securities if the Trust is dissolved before the maturity of the debt securities. Under current law, this type of distribution from a grantor trust would not be taxable. Upon such a distribution, you will receive your pro rata share of the debt securities previously held indirectly through the Trust. Your holding period and aggregate tax basis in the debt securities will equal the holding period and aggregate tax basis that you had in your preferred securities before the distribution.

We may also have the option to redeem the debt securities and distribute the resulting cash in liquidation of the Trust. This redemption would be taxable as described below in Sales of Preferred Securities or Redemption of Debt

Securities.

If you receive debt securities in exchange for your preferred securities, you would accrue interest in respect of the debt securities received from the Trust in the manner described above under Interest Income and Original Issue Discount.

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Sales of Preferred Securities or Redemption of Debt Securities

If you sell your preferred securities or receive cash upon redemption of the debt securities, you will recognize gain or loss equal to the difference between:

- your amount realized on the sale or redemption of the preferred securities or debt securities (less an amount equal to any accrued and unpaid qualified stated interest, which will be taxable as such to the extent not previously included in income); and
- your adjusted tax basis in your preferred securities or debt securities sold or redeemed.

Your gain or loss will be a capital gain or loss, and will generally be a long-term capital gain or loss if you have held your preferred securities or debt securities for more than one year. Long-term capital gains of non-corporate United States Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Tax Shelter Regulations

Under applicable Treasury regulations, taxpayers engaging in certain transactions, including loss transactions above a threshold, may be required to include tax shelter disclosure information with their annual United States federal income tax return. The IRS has provided an exception from this disclosure requirement for losses arising from cash investments, but this exception does not apply to investments in flow-through entities. You should consult your own tax advisors about whether the limitation applicable to flow-through entities would apply to your investment in a Trust.

Consequences to Non-United States Holders

The following discussion only applies to you if you are a Non-United States Holder. As discussed above, the preferred securities will generally be treated as evidence of indirect undivided beneficial ownership interests in the debt securities. See above under Classification of the Trust.

United States Federal Withholding Tax

Subject to the discussion of backup withholding and FATCA below, United States federal withholding tax will not apply to any payment of interest (including OID) on the preferred securities (or the debt securities) under the portfolio interest rule , provided that:

- interest paid on the preferred securities (or the debt securities) is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable United States Treasury regulations;

you are not a controlled foreign corporation that is related to us through stock ownership;

you are not a bank whose receipt of interest on the preferred securities (or the debt securities) is described in Section 881(c)(3)(A) of the Code;

the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the United States Treasury regulations thereunder; and

either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your preferred securities (or debt securities) through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to Non-United States Holders that are pass-through entities rather than corporations or individuals.

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If you cannot satisfy the requirements described above, payments of interest (including OID) made to you will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

- IRS Form W-8ECI (or other applicable form) stating that interest paid on the preferred securities (or debt securities) is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under United States Federal Income Tax).

Subject to the discussion of backup withholding and FATCA below, United States federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement or other taxable disposition of the preferred securities (or debt securities).

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest (including OID) on the preferred securities (or the debt securities) is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you will be subject to United States federal income tax on that interest (including OID) on a net income basis in the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) on your effectively connected earnings and profits, subject to adjustments. Any effectively connected interest will be exempt from the 30% United States federal withholding tax, provided the certifications requirements discussed above in United States Federal Withholding Tax are satisfied.

Any gain realized on the sale, exchange, retirement or other taxable disposition of a preferred security (or a debt security) generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case such gain will generally be subject to United States federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or

- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, you will generally be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain United States source losses.

United States Federal Estate Tax

If you are an individual and are not a United States citizen or a resident of the United States (as specifically defined for United States federal estate tax purposes), your estate will not be subject to United States federal estate tax on

preferred securities (or debt securities) beneficially owned by you at the time of your death, provided that any payment to you of interest (including OID) on the preferred securities (or the debt securities), if received at such time, would be eligible for exemption from the 30% United States federal withholding tax under the portfolio interest rule described above under United States Federal Withholding Tax, without regard to the statement requirement described in the sixth bullet point of that section.

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Information Reporting and Backup Withholding

United States Holders

In general, information reporting requirements will apply to payments of interest and principal on a preferred security (or debt security), accruals of OID (if any) and the proceeds from the sale or other disposition of a preferred security (or debt security) paid to you, unless in each case you are an exempt recipient. Backup withholding may apply to any payments described in the preceding sentence if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Non-United States Holders

Interest (including OID) on the preferred securities (or the debt securities) paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable tax treaty.

In general, you will not be subject to backup withholding with respect to payments on the preferred securities (or the debt securities) that are made to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received the statement described above in the sixth bullet point under Consequences to Non-United States Holders United States Federal Withholding Tax.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of the sale of a preferred security (or debt security) made within the United States or conducted through certain United States-related financial intermediaries, unless you certify under penalties of perjury that you are not a United States person as defined under the Code (and the payor does not have actual knowledge or reason to know that you are a United States person), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under FATCA, a 30% United States federal withholding tax generally applies to any interest income (including OID) paid on the preferred securities (or the debt securities) and, for a disposition of a preferred security (or debt security) occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain

substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Consequences to Non-United States Holders United States Federal Withholding Tax, the

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withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these rules and whether they may be relevant to your ownership and disposition of the preferred securities (or debt securities).

Common and Preferred Stock

Consequences to United States Holders

The United States federal income tax consequences of the purchase, ownership or disposition of our stock depend on a number of factors including:

the terms of the stock;

any put or call option or redemption provisions with respect to the stock;

any conversion or exchange feature with respect to the stock; and

the price at which the stock is sold.

United States Holders should carefully examine the applicable prospectus supplement regarding the material United States federal income tax consequences, if any, of the holding and disposition of our stock.

Consequences to Non-United States Holders

The following is a summary of the material United States federal income tax consequences that will apply to you if you are a Non-United States Holder of common or preferred stock.

Dividends

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of our common or preferred stock, the distribution generally will be treated as a dividend for United States federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of your common or preferred stock, and to the extent the amount of the distribution exceeds your adjusted tax basis in our common or preferred stock, the excess will be treated as gain from the disposition of our common or preferred stock (the tax treatment of which is discussed below under Gain on Disposition of Common Stock and Preferred Stock).

Subject to the discussion of FATCA below, dividends paid to you generally will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with your conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead,

such dividends are subject to United States federal income tax on a net income basis in the same manner as if you were a United States person as defined under the Code. If you are a foreign corporation, any such effectively connected dividends received by you may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-United States Holder of our common or preferred stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) certifying under penalties of perjury that such holder is not a United States person as

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defined under the Code and is eligible for treaty benefits or (b) if our common or preferred stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain Non-United States Holders that are pass-through entities rather than corporations or individuals.

If you are eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

Gain on Disposition of Common Stock and Preferred Stock

Any gain realized on the sale or other disposition of our common or preferred stock generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment);
- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a United States real property holding corporation for United States federal income tax purposes and certain other conditions are met.

If you are a Non-United States Holder described in the first bullet point immediately above, you will be subject to tax on the net gain derived from the sale or other disposition in the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation described in the first bullet point immediately above, the gain realized may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-United States Holder described in the second bullet point immediately above, you will be subject to a 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which may be offset by United States source capital losses even though you are not considered a resident of the United States.

Generally, a corporation is a United States real property holding corporation if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for United States federal income tax purposes). We believe we are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

Federal Estate Tax

If you are an individual, common or preferred stock held by you at the time of your death will be included in your gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Distributions paid to you and the amount of any tax withheld with respect to such distributions generally will be reported to the IRS. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable tax treaty.

You will not be subject to backup withholding on dividends paid to you if you certify under penalties of perjury that you are not a United States person as defined under the Code (and the payor does not have actual knowledge or reason to know that you are a United States person), or you otherwise establish an exemption.

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Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our common or preferred stock made within the United States or conducted through certain United States-related financial intermediaries, unless you certify under penalties of perjury that you are not a United States person as defined under the Code (and the payor does not have actual knowledge or reason to know that you are a United States person), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under FATCA, a 30% United States federal withholding tax generally applies to any dividends paid on our common or preferred stock and, for a disposition of our common or preferred stock occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Dividends, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our common or preferred stock.

Other Securities

If you are considering the purchase of warrants, stock purchase contracts, units or depositary shares, you should carefully examine the applicable prospectus supplement regarding the special United States federal income tax consequences, if any, of the holding and disposition of such securities, including any tax considerations relating to the specific terms of such securities.

ERISA MATTERS

Unless otherwise indicated in the applicable prospectus supplement, the offered securities may, subject to certain legal restrictions, be held by (i) pension, profit sharing and other employee benefit plans which are subject to Title I of the Employee Retirement Security Act of 1974, as amended (which we refer to as ERISA), (ii) plans, accounts and other arrangements that are subject to Section 4975 of the Code or provisions under other federal, state, local, non-U.S. or other laws or regulations that are similar to any of the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (which we refer to as Similar Laws) and (iii) entities whose underlying assets are considered to include plan assets of any such plans, accounts or arrangements. A fiduciary of any such plan, account or arrangement must determine that the purchase and holding of an interest in the offered securities is consistent with its fiduciary duties and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or a violation under any applicable Similar Laws.

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VALIDITY OF SECURITIES

Unless otherwise indicated in the applicable prospectus supplement, certain matters of Delaware law relating to the Trust and its preferred securities will be passed upon for the Trust and us by Richards, Layton & Finger, P.A., Wilmington, Delaware. Unless otherwise indicated in the applicable prospectus supplement, matters relating to the validity of the securities will be passed upon for us by Wendy C. Skjerven, Esq., our Corporate Secretary, and by Simpson Thacher & Bartlett LLP, New York, New York.

EXPERTS

The consolidated financial statements and all related financial statement schedules of The Travelers Companies, Inc. as of December 31, 2015 and 2014, and for each of the years in the three-year period ended December 31, 2015, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2015 have been incorporated by reference in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

SEC registration fee	*
Accounting fees and expenses	*
Legal fees and expenses	*
Printing expenses	*
Trustee fees and expenses	*
Rating agency fees	*
Blue Sky fees and	*
Miscellaneous	*
Total	*

* All fees and expenses are calculated based on the number of issuances and amount of securities offered and, accordingly, cannot be estimated at this time. The registration fee will be calculated and paid in accordance with Rule 457(r) under the Securities Act of 1933.

Item 15. Indemnification of Directors and Officers

The Travelers Companies, Inc. (Travelers) is subject to Minnesota Statutes, Chapter 302A. Minnesota Statutes, Section 302A.521, provides that a corporation shall indemnify any person made or threatened to be made a party to a proceeding by reason of the former or present official capacity (as defined in Section 302A.521) of such person against judgments, penalties, fines (including, without limitation, excise taxes assessed against such person with respect to an employee benefit plan), settlements and reasonable expenses (including attorneys fees and disbursements), incurred by such person in connection with the proceeding, if, with respect to the acts or omissions of such person complained of in the proceeding, such person (1) has not been indemnified therefor by another organization or employee benefit plan; (2) acted in good faith; (3) received no improper personal benefit and Section 302A.255 (with respect to director conflicts of interest), if applicable, has been satisfied; (4) in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and (5) reasonably believed that the conduct was in the best interests of the corporation in the case of acts or omissions in such person s official capacity for the corporation, or, in the case of acts or omissions in such person s official capacity for other affiliated organizations, reasonably believed that the conduct was not opposed to the best interests of the corporation.

The bylaws of Travelers provide that it will indemnify and make permitted advances to a person made or threatened to be made a party to a proceeding by reason of his former or present official capacity against judgments, penalties, fines (including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan), settlements and reasonable expenses (including, without limitation, attorneys fees and disbursements) incurred by him in connection with the proceeding in the manner and to the fullest extent permitted or required by Section 302A.521.

Travelers has directors and officers liability insurance policies, in amounts deemed appropriate and subject to various deductibles, conditions and limitations.

Travelers, as depositor, has agreed in the declarations of trust to (i) reimburse the trustees of the Trust for all reasonable expenses (including reasonable fees and expenses of counsel and other experts) and (ii) indemnify, defend and hold harmless the trustees and any of the officers, directors, employees and agents of the trustees (the Indemnified Persons) from and against any and all losses, damages, liabilities, claims, actions, suits, costs,

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expenses, disbursements (including the reasonable fees and expenses of counsel), taxes and penalties of any kind and nature whatsoever (collectively, Expenses), to the extent that such Expenses arise out of, or are imposed upon, or asserted at any time against, such Indemnified Persons with respect to the performance of the declarations of trust, the creation, operation, administration or termination of a trust or the transactions contemplated thereby; provided, however, that Travelers shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or negligence of such Indemnified Person.

Item 16. Exhibits

1.1	Form of Underwriting Agreement for senior debt securities, subordinated debt securities, junior subordinated debt securities and warrants.*
1.2	Form of Underwriting Agreement for preferred stock and depositary shares.*
1.3	Form of Underwriting Agreement for common stock.*
1.4	Form of Underwriting Agreement for convertible debt securities.*
1.5	Form of Underwriting Agreement for preferred securities of Travelers Capital Trust II, Travelers Capital Trust III, Travelers Capital Trust IV and Travelers Capital Trust V.*
1.6	Form of Underwriting Agreement for stock purchase contracts.*
1.7	Form of Underwriting Agreement for units.*
3.1	Amended and Restated Articles of Incorporation of The Travelers Companies, Inc., as amended and restated May 23, 2013 (incorporated by reference to Exhibit 3.1 to our current report on Form 8-K filed on May 24, 2013, File No. 001-10898).
3.2	Amended and Restated Bylaws of The Travelers Companies, Inc., effective as of August 5, 2014 (incorporated by reference to Exhibit 3.2 to our current report on Form 8-K filed on August 11, 2014, File No. 001-10898).
4.1	Indenture for senior debt securities, dated as of June 16, 2016, between The Travelers Companies, Inc. and The Bank of New York Mellon Trust Company, N.A.
4.2	Form of Indenture for subordinated debt securities.(1)
4.3	Form of Indenture for junior subordinated debt securities.(2)
4.4	Form of Deposit Agreement.*
4.5	Form of Depositary Receipt (included in Exhibit 4.4).
4.6	Form of Senior Debt Security (included in Exhibit 4.1).
4.7	Form of Subordinated Debt Security (included in Exhibit 4.2).
4.8	Form of Junior Subordinated Debt Security (included in Exhibit 4.3).
4.9	Form of Warrant Agreement, including the form of the Warrant Certificate.*
4.10	Form of Stock Purchase Contract Agreement, including the form of the Security Certificate.*
4.11	Form of Unit Agreement, including the form of the Unit Certificate.*

4.12 Form of Pledge Agreement.*

4.13 Form of Certificate of Common Stock.

4.14 Form of Certificate of Preferred Stock and Form of Certificate of Designations for Preferred Stock.*

4.15 Certificate of Trust of Travelers Capital Trust II.(3)

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4.16	Certificate of Trust of Travelers Capital Trust III.(4)
4.17	Certificate of Trust of Travelers Capital Trust IV.(4)
4.18	Certificate of Trust of Travelers Capital Trust V.(4)
4.19	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust II, dated as of June 28, 2004.(4)
4.20	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust II, dated as of February 27, 2007.(2)
4.21	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust III, dated as of February 27, 2007.(2)
4.22	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust IV, dated as of February 27, 2007.(2)
4.23	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust V, dated as of February 27, 2007.(2)
4.24	Amended and Restated Declaration of Trust of Travelers Capital Trust II.(1)
4.25	Amended and Restated Declaration of Trust of Travelers Capital Trust III.(1)
4.26	Amended and Restated Declaration of Trust of Travelers Capital Trust IV.(1)
4.27	Amended and Restated Declaration of Trust of Travelers Capital Trust V.(1)
4.28	Form of Second Amended and Restated Declaration of Trust for Travelers Capital Trust II, Travelers Capital Trust III, Travelers Capital Trust IV and Travelers Capital Trust V.(1)
4.29	Form of Preferred Security (included in Exhibit 4.28).
4.30	Form of Common Security (included in Exhibit 4.28).
4.31	Form of Preferred Securities Guarantee Agreement.(1)
4.32	Form of Common Securities Guarantee Agreement.(1)
5.1	Opinion of Wendy C. Skjerven, Esq.
5.2	Opinion of Richards, Layton & Finger, P.A.
5.3	Opinion of Simpson Thacher & Bartlett LLP.
12	Computation of ratios of earnings to fixed charges and of earnings to combined fixed charges and preferred stock dividends.(5)
23.1	Consent of KPMG LLP.
23.2	Consent of Wendy C. Skjerven, Esq. (included in Exhibit 5.1).
23.3	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2).
23.4	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5.3).
24	Powers of Attorney.
25.1	Statement of Eligibility and Qualification of Trustee on Form T-l under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Senior

Debt Indenture for the Senior Debt Securities.

25.2 Statement of Eligibility and Qualification of Trustee on Form T-l under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Subordinated Debt Indenture for the Subordinated Debt Securities.

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25.3	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Junior Subordinated Debt Indenture for the Junior Subordinated Debt Securities.
25.4	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust II.
25.5	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust III.
25.6	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust IV.
25.7	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust V.
25.8	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust II.
25.9	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust III.
25.10	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust IV.
25.11	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust V.

* To be filed by amendment or as an exhibit to a document to be incorporated by reference herein in connection with an offering of the offered securities.

(1) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-156132) filed with the SEC on December 15, 2008.

(2) Incorporated by reference to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (Registration No. 333-130323) filed with the SEC on March 5, 2007.

(3) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-73848) filed with the SEC on November 21, 2001.

(4) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-130323) filed with the SEC on December 14, 2005.

(5)

Incorporated by reference to Exhibit 12.1 to The Travelers Companies, Inc. annual report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 11, 2016, File No. 001-10898.
Filed herewith.

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Item 17. Undertakings

(a) Each of the undersigned registrants hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; *provided, however*, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of

contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

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(5) That, for the purpose of determining liability of a registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, each undersigned registrant undertakes that in a primary offering of securities of an undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of an undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of an undersigned registrant or used or referred to by an undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about an undersigned registrant or its securities provided by or on behalf of an undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by an undersigned registrant to the purchaser.

(b) Each of the undersigned registrants hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of registrant s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Each of the undersigned registrants hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of each registrant pursuant to the provisions described under Item 15 above, or otherwise, each registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of a registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, that registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Saint Paul and State of Minnesota, on the 17th day of June, 2016.

THE TRAVELERS COMPANIES, INC.

By: /s/ Kenneth F. Spence III
Name: Kenneth F. Spence III
Title: Executive Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below on June 17, 2016, by the following persons in the capacities indicated:

Signature	Title
/s/ Alan D. Schnitzer (Alan D. Schnitzer)	Director and Chief Executive Officer (Principal Executive Officer)
/s/ Jay S. Benet (Jay S. Benet)	Vice Chairman and Chief Financial Officer (Principal Financial Officer)
/s/ Douglas K. Russell (Douglas K. Russell)	Senior Vice President and Corporate Controller (Principal Accounting Officer)
* (Jay S. Fishman)	Executive Chairman of the Board
* (Alan L. Beller)	Member of the Board of Directors
* (John H. Dasburg)	Member of the Board of Directors
* (Janet M. Dolan)	Member of the Board of Directors
* (Kenneth M. Duberstein)	Member of the Board of Directors
* (Patricia L. Higgins)	Member of the Board of Directors

*	Member of the Board of Directors
(Thomas R. Hodgson)	

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* (William J. Kane)	Member of the Board of Directors
* (Cleve L. Killingsworth Jr.)	Member of the Board of Directors
* (Philip T. Ruegger III)	Member of the Board of Directors
* (Todd C. Schermerhorn)	Member of the Board of Directors
* (Donald J. Shepard)	Member of the Board of Directors
* (Laurie J. Thomsen)	Member of the Board of Directors

/s/ Kenneth F. Spence III
Kenneth F. Spence III

Attorney-in-fact

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Saint Paul and State of Minnesota, on the 17th day of June, 2016.

TRAVELERS CAPITAL TRUST II

By: THE TRAVELERS COMPANIES, INC.,

as Sponsor

By: /s/ Kenneth F. Spence III
Name: Kenneth F. Spence III
Title: Executive Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Saint Paul and State of Minnesota, on the 17th day of June, 2016.

TRAVELERS CAPITAL TRUST III

By: THE TRAVELERS COMPANIES, INC.,

as Sponsor

By: /s/ Kenneth F. Spence III
Name: Kenneth F. Spence III
Title: Executive Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Saint Paul and State of Minnesota, on the 17th day of June, 2016.

TRAVELERS CAPITAL TRUST IV

By: THE TRAVELERS COMPANIES, INC.,

as Sponsor

By: /s/ Kenneth F. Spence III
Name: Kenneth F. Spence III
Title: Executive Vice President and General Counsel

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Saint Paul and State of Minnesota, on the 17th day of June, 2016.

TRAVELERS CAPITAL TRUST V

By: THE TRAVELERS COMPANIES, INC.,

as Sponsor

By: /s/ Kenneth F. Spence III
Name: Kenneth F. Spence III
Title: Executive Vice President and General Counsel

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement for senior debt securities, subordinated debt securities, junior subordinated debt securities and warrants.*
1.2	Form of Underwriting Agreement for preferred stock and depositary shares.*
1.3	Form of Underwriting Agreement for common stock.*
1.4	Form of Underwriting Agreement for convertible debt securities.*
1.5	Form of Underwriting Agreement for preferred securities of Travelers Capital Trust II, Travelers Capital Trust III, Travelers Capital Trust IV and Travelers Capital Trust V.*
1.6	Form of Underwriting Agreement for stock purchase contracts.*
1.7	Form of Underwriting Agreement for units.*
3.1	Amended and Restated Articles of Incorporation of The Travelers Companies, Inc., as amended and restated May 23, 2013 (incorporated by reference to Exhibit 3.1 to our current report on Form 8-K filed on May 24, 2013, File No. 001-10898).
3.2	Amended and Restated Bylaws of the Travelers Companies, Inc., effective as of August 5, 2014 (incorporated by reference to Exhibit 3.2 to our current report on Form 8-K filed on August 11, 2014, File No. 001-10898).
4.1	Indenture for senior debt securities, dated as of June 16, 2016, between The Travelers Companies, Inc. and The Bank of New York Mellon Trust Company, N.A.
4.2	Form of Indenture for subordinated debt securities.(1)
4.3	Form of Indenture for junior subordinated debt securities.(2)
4.4	Form of Deposit Agreement.*
4.5	Form of Depositary Receipt (included in Exhibit 4.4).
4.6	Form of Senior Debt Security (included in Exhibit 4.1).
4.7	Form of Subordinated Debt Security (included in Exhibit 4.2).
4.8	Form of Junior Subordinated Debt Security (included in Exhibit 4.3).
4.9	Form of Warrant Agreement, including the form of the Warrant Certificate.*
4.10	Form of Stock Purchase Contract Agreement, including the form of the Security Certificate.*
4.11	Form of Unit Agreement, including the form of the Unit Certificate.*
4.12	Form of Pledge Agreement.*
4.13	Form of Certificate of Common Stock.
4.14	Form of Certificate of Preferred Stock and Form of Certificate of Designations for Preferred Stock.*
4.15	Certificate of Trust of Travelers Capital Trust II.(3)

4.16	Certificate of Trust of Travelers Capital Trust III.(4)
4.17	Certificate of Trust of Travelers Capital Trust IV.(4)
4.18	Certificate of Trust of Travelers Capital Trust V.(4)
4.19	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust II, dated as of June 28, 2004.(4)

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Exhibit Number	Description of Exhibit
4.20	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust II, dated as of February 27, 2007.(2)
4.21	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust III, dated as of February 27, 2007.(2)
4.22	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust IV, dated as of February 27, 2007.(2)
4.23	Certificate of Amendment to Certificate of Trust of Travelers Capital Trust V, dated as of February 27, 2007.(2)
4.24	Amended and Restated Declaration of Trust of Travelers Capital Trust II.(1)
4.25	Amended and Restated Declaration of Trust of Travelers Capital Trust III.(1)
4.26	Amended and Restated Declaration of Trust of Travelers Capital Trust IV.(1)
4.27	Amended and Restated Declaration of Trust of Travelers Capital Trust V.(1)
4.28	Form of Second Amended and Restated Declaration of Trust for Travelers Capital Trust II, Travelers Capital Trust III, Travelers Capital Trust IV and Travelers Capital Trust V.(1)
4.29	Form of Preferred Security (included in Exhibit 4.28).
4.30	Form of Common Security (included in Exhibit 4.28).
4.31	Form of Preferred Securities Guarantee Agreement.(1)
4.32	Form of Common Securities Guarantee Agreement.(1)
5.1	Opinion of Wendy C. Skjerven, Esq.
5.2	Opinion of Richards, Layton & Finger, P.A.
5.3	Opinion of Simpson Thacher & Bartlett LLP.
12	Computation of ratios of earnings to fixed charges and of earnings to combined fixed charges and preferred stock dividends.(5)
23.1	Consent of KPMG LLP.
23.2	Consent of Wendy C. Skjerven, Esq. (included in Exhibit 5.1).
23.3	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2).
23.4	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5.3).
24	Powers of Attorney.
25.1	Statement of Eligibility and Qualification of Trustee on Form T-l under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Senior Debt Indenture for the Senior Debt Securities.
25.2	Statement of Eligibility and Qualification of Trustee on Form T-l under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Subordinated Debt Indenture for the Subordinated Debt Securities.

25.3	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee under the Junior Subordinated Debt Indenture for the Junior Subordinated Debt Securities.
25.4	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A.to act as trustee for the Preferred Securities of Travelers Capital Trust II.

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Exhibit Number	Description of Exhibit
25.5	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust III.
25.6	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust IV.
25.7	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities of Travelers Capital Trust V.
25.8	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust II.
25.9	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust III.
25.10	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust IV.
25.11	Statement of Eligibility and Qualification of Trustee on Form T-1 under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon Trust Company, N.A. to act as trustee for the Preferred Securities Guarantee Agreement for the benefit of the holders of the Preferred Securities of Travelers Capital Trust V.

* To be filed by amendment or as an exhibit to a document to be incorporated by reference herein in connection with an offering of the offered securities.

(1) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-156132) filed with the SEC on December 15, 2008.

(2) Incorporated by reference to the Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (Registration No. 333-130323) filed with the SEC on March 5, 2007.

(3) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-73848) filed with the SEC on November 21, 2001.

(4) Incorporated by reference to the Registration Statement on Form S-3 (Registration No. 333-130323) filed with the SEC on December 14, 2005.

(5) Incorporated by reference to Exhibit 12.1 to The Travelers Companies, Inc. annual report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 11, 2016, File No. 001-10898.
Filed herewith.