

SECURITIES AND EXCHANGE COMMISSION

FORM S-3/A

Registration statement for specified transactions by certain issuers [amend]

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FILER

TRAVELERS INC

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE TRAVELERS INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-1568099
(IRS Employer Identification No.)

65 East 55th Street
New York, NY 10022
(212) 891-8900
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

Charles O. Prince, III
The Travelers Inc.
Senior Vice President and General Counsel
65 East 55th Street
New York, NY 10022
(212) 891-8854
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Approximate date of commencement of proposed sale to the public:
From time to time on or after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant
to dividend or interest reinvestment plans, please check the following box.
If any of the securities being registered on this Form are to be offered on a
delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than the securities offered only in connection with dividend or
interest reinvestment plans, please check the following box. [X]

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 or until the registration statement shall become
effective on such date as the Commission, acting pursuant to said Section 8(a),
may determine.

SUBJECT TO COMPLETION, DATED MARCH 1, 1994

PROSPECTUS SUPPLEMENT

THE TRAVELERS INC.
3,749,466 WARRANTS TO PURCHASE SHARES OF COMMON STOCK

All of the 3,749,466 Warrants (the "Warrants") to purchase shares of Common Stock, \$.01 par value per share (the "Common Stock"), of The Travelers Inc., a Delaware corporation (the "Company"), are being offered by American Express Company (the "Selling Stockholder"). Each Warrant entitles its holder to purchase from the Company, at any time on or prior to July 31, 1998, one share of Common Stock at a purchase price of \$39.00, subject to adjustment in certain circumstances. The Selling Stockholder is offering all of the Warrants it owns and upon completion of this offering will no longer be a holder of any Warrants. This Prospectus Supplement also covers the offering from time to time of shares of Common Stock that may be issued upon exercise of the Warrants. The Warrants and the shares of Common Stock issuable upon the exercise of the Warrants are collectively referred to as the "Securities."

The Company will not receive any proceeds from the sale of the Warrants. If the Warrants are exercised, the Company will, however, receive \$39.00 (subject to adjustment in certain circumstances) for each share of Common Stock issued upon exercise of the Warrants.

Prior to this offering, there has been no public market for the Warrants and there can be no assurance that any active trading market will develop for the Warrants subsequent to the completion of this offering. For information relating to the factors to be considered in determining the initial public offering price of the Warrants, see "Plan of Distribution" in the Prospectus. The Company intends to apply for listing of the Warrants on the New York Stock Exchange, Inc. (the "NYSE"). The Common Stock is currently traded on the NYSE and The Pacific Stock Exchange Incorporated under the symbol "TRV."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE> <CAPTION>

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT (1)	PROCEEDS TO COMPANY (2)	PROCEEDS TO SELLING STOCKHOLDER
<S>	<C>	<C>	<C>	<C>
Warrants, Per Warrant.....	\$	\$	\$0	\$
Common Stock underlying Warrants, Per Share.....	\$	\$	\$39.00	\$0
Total.....	\$	\$		\$

</TABLE>

- (1) The Company and the Selling Stockholder have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (2) The Company has agreed to pay certain expenses in connection with the offering estimated at \$.

The Warrants offered by this Prospectus Supplement are offered by the Underwriters subject to prior sale, to withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the Underwriters and to certain further conditions. It is expected that delivery of the Warrants will be made at the offices of Lehman Brothers Inc., New York, New York on or about , 1994.

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS

, 1994

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THE OFFERING OF CERTAIN OF THE SECURITIES, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DESCRIPTION OF WARRANTS

The following description of the terms of the Warrants offered hereby (described in the Prospectus under the heading "Description of Offered Securities--Warrants") supplements the description set forth in the Prospectus, to which description reference is hereby made.

The First National Bank of Boston will act as warrant agent for the Warrants.

UNDERWRITING

The underwriters named below (the "Underwriters"), for whom Smith Barney Shearson Inc. ("SBS") and Lehman Brothers Inc. ("Lehman") are acting as representatives (the "Representatives"), have severally agreed, subject to the terms and conditions of an Underwriting Agreement with the Selling Stockholder and the Company (the "Underwriting Agreement"), to purchase from the Selling Stockholder the aggregate number of Warrants set forth opposite their names below:

<TABLE> <CAPTION>

UNDERWRITERS	NUMBER OF WARRANTS
<S>	<C>
Smith Barney Shearson Inc.	
Lehman Brothers Inc.	
Total.....	3,749,466

</TABLE>

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the Warrants are subject to certain conditions and that, if any of the Warrants are purchased by the Underwriters pursuant to the Underwriting Agreement, all such Warrants must be so purchased.

The Selling Stockholder has been advised by the Representatives that the Underwriters propose to offer the Warrants offered hereby initially at the public offering price set forth on the cover page of this Prospectus Supplement and to certain selected dealers (who may include Underwriters) at such public offering price less a concession not to exceed \$ per Warrant. The Underwriters or such selected dealers may reallocate a commission to certain other dealers not to exceed \$ per Warrant. After such initial offering, such public offering price, concession to selected dealers and reallocation to other dealers may be changed.

The Company has agreed that it will not, subject to certain limited exceptions, directly or indirectly, sell or otherwise dispose of any Common Stock of the Company or any securities convertible into or exercisable or exchangeable for Common Stock of the Company for a period of days from the date of this Prospectus Supplement without the prior written consent of the Representatives.

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The Company intends to apply for listing of the Warrants on the NYSE. In connection with such application, the Underwriters have undertaken to sell the Warrants to at least 400 beneficial holders.

The Company and the Selling Stockholder have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1993, as amended, or to contribute to payments which the Underwriters may be required to make in respect thereof.

LEGAL MATTERS

Certain legal matters are being passed upon for the Underwriters by Simpson Thacher & Bartlett (a partnership which includes professional corporations), New York, New York. Simpson Thacher & Bartlett has provided from time to time, and may provide in the future, legal services to the Company and its affiliates.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDER OR THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT NOR THE PROSPECTUS SHALL CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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THE TRAVELERS INC.
 3,749,466 WARRANTS TO PURCHASE
 SHARES OF COMMON STOCK

 PROSPECTUS SUPPLEMENT

MARCH , 1994

(INCLUDING PROSPECTUS

DATED MARCH , 1994)

 SMITH BARNEY SHEARSON INC.
 LEHMAN BROTHERS

SUBJECT TO COMPLETION, DATED MARCH 1, 1994

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED MARCH , 1994)

2,500,000 SHARES
THE TRAVELERS INC.
5.50% CONVERTIBLE PREFERRED STOCK, SERIES B

All of the 2,500,000 shares of 5.50% Convertible Preferred Stock, Series B, \$1.00 par value per share (the "Series B Preferred Stock"), of The Travelers Inc., a Delaware Corporation (the "Company"), are being offered by American Express Company (the "Selling Stockholder"). The Selling Stockholder is offering all of the shares of Series B Preferred Stock it owns and upon completion of this offering will no longer be a holder of any Series B Preferred Stock. This Prospectus Supplement also covers the offering of shares of Common Stock, \$.01 par value per share, of the Company (the "Common Stock"), that may be issued upon conversion of the Series B Preferred Stock. The shares of Series B Preferred Stock and the shares of Common Stock issuable upon the conversion of the shares of Series B Preferred Stock are collectively referred to as the "Securities."

Each share of Series B Preferred Stock has a liquidation preference of \$50.00 per share, plus accrued and unpaid dividends thereon. Cash dividends on the Series B Preferred Stock are payable quarterly in arrears at an annual rate of \$2.75 per share. See "Description of Offered Securities--Series B Preferred Stock--Dividends" in the Prospectus. Shares of Series B Preferred Stock are convertible at any time at the option of the holder into shares of Common Stock at a conversion price of \$36.75 per share of Common Stock, which is equivalent to a conversion rate of approximately 1.36 shares of Common Stock for each share of Series B Preferred Stock, subject to adjustment in certain circumstances. See "Description of Offered Securities-- Series B Preferred Stock-- Conversion Rights" in the Prospectus.

The Series B Preferred Stock is not redeemable prior to July 30, 1996, but will be redeemable on such date and thereafter for cash at the option of the Company, in whole or in part, at \$51.925 per share if redeemed prior to July 29, 1997 and at decreasing prices thereafter to \$50.00 from and after July 30, 2003, plus, in each case, accrued and unpaid dividends to the redemption date. The Series B Preferred Stock will not be entitled to the benefit of any sinking fund. See "Description of Series B Preferred Stock--Redemption" in the Prospectus.

The Company will not receive any proceeds from the sale of the Series B Preferred Stock or the conversion of the shares of Series B Preferred Stock into shares of Common Stock.

Prior to this offering, there has been no public market for the Series B Preferred Stock and there can be no assurance that any active trading market will develop for the Series B Preferred Stock subsequent to the completion of this offering. For information relating to the factors to be considered in determining the initial public offering price of the Series B Preferred Stock, see "Plan of Distribution" in the Prospectus. The Company intends to apply for listing of the Series B Preferred Stock on the New York Stock Exchange, Inc. (the "NYSE"). The Common Stock is currently traded on the NYSE and The Pacific Stock Exchange Incorporated under the symbol "TRV."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE> <CAPTION>

	PRICE TO PUBLIC <C>	UNDERWRITING DISCOUNT (1) <C>	PROCEEDS TO SELLING STOCKHOLDER <C>
<S> Series B Preferred Stock, Per Share.....	\$	\$	\$
Total.....	\$	\$	\$

</TABLE>

(1) The Company and the Selling Stockholder have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

The Company has agreed to pay certain expenses in connection with the offering estimated at \$.

The shares of Series B Preferred Stock offered by this Prospectus Supplement are offered by the Underwriters subject to prior sale, to withdrawal, cancellation or modification of the offer without notice, to delivery to and acceptance by the Underwriters and to certain further conditions. It is expected that delivery of the shares of Series B Preferred Stock will be made at the offices of Lehman Brothers Inc., New York, New York on or about , 1994.

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS

, 1994

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY STATE.

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IN CONNECTION WITH THE OFFERING OF CERTAIN OF THE SECURITIES, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF SUCH SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER-MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

DESCRIPTION OF SERIES B PREFERRED STOCK

The following description of the terms of the shares of Series B Preferred Stock offered hereby (described in the Prospectus under the heading "Description of Offered Securities--Series B Preferred Stock") supplements the description set forth in the Prospectus, to which description reference is hereby made.

The First National Bank of Boston will act as transfer agent and registrar for the Series B Preferred Stock.

UNDERWRITING

The underwriters named below (the "Underwriters"), for whom Smith Barney Shearson Inc. ("SBS") and Lehman Brothers Inc. ("Lehman") are acting as representatives (the "Representatives"), have severally agreed, subject to the terms and conditions of an Underwriting Agreement with the Selling Stockholder and the Company (the "Underwriting Agreement"), to purchase from the Selling Stockholder the aggregate number of shares of Series B Preferred Stock set forth opposite their names below:

<TABLE> <CAPTION>

UNDERWRITERS	NUMBER OF SHARES
<S> -----	<C> -----
Smith Barney Shearson Inc.	
Lehman Brothers Inc.	
Total.....	2,500,000

</TABLE>

The Underwriting Agreement provides that the obligations of the Underwriters to purchase the shares of Series B Preferred Stock are subject to certain conditions and that, if any of the shares of Series B Preferred Stock are purchased by the Underwriters pursuant to the Underwriting Agreement, all such shares of Series B Preferred Stock must be so purchased.

The Selling Stockholder has been advised by the Representatives that the Underwriters propose to offer the shares of Series B Preferred Stock offered hereby initially at the public offering price set forth on the cover page of this Prospectus Supplement and to certain selected dealers (who may include Underwriters) at such public offering price less a concession not to exceed \$ per share. The Underwriters or such selected dealers may reallocate a commission to certain other dealers not to exceed \$ per share. After such initial offering, such public offering price, concession to selected dealers and reallocation to other dealers may be changed.

The Company has agreed that it will not, subject to certain limited exceptions, directly or indirectly, sell or otherwise dispose of any Common Stock of the Company or any securities convertible

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into or exercisable or exchangeable for Common Stock of the Company for a period of days from the date of this Prospectus Supplement without the prior written consent of the Representatives.

The Company intends to apply for listing of the Series B Preferred Stock on the NYSE. In connection with such application, the Underwriters have undertaken to sell the Series B Preferred Stock to at least 100 beneficial holders.

The Company and the Selling Stockholder have agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments which the Underwriters may be required to make in respect thereof.

LEGAL MATTERS

Certain legal matters are being passed upon for the Underwriters by Simpson Thacher & Bartlett (a partnership which includes professional corporations), New York, New York. Simpson Thacher & Bartlett has provided from time to time, and may provide in the future, legal services to the Company and its affiliates.

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NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDER OR THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT NOR THE PROSPECTUS SHALL CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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2,500,000 SHARES
THE TRAVELERS INC.
5.50% CONVERTIBLE
PREFERRED STOCK, SERIES B

PROSPECTUS SUPPLEMENT

MARCH , 1994

(INCLUDING PROSPECTUS

DATED MARCH , 1994)

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS

Subject To Completion, Dated March 1, 1994

PROSPECTUS

THE TRAVELERS INC.

2,500,000 Shares of Series B Convertible Preferred Stock
3,749,466 Warrants to Purchase Shares of Common Stock
and 7,150,826 Shares of Common Stock
Issuable upon Conversion or Exercise Thereof

The 2,500,000 shares of 5.50% Convertible Preferred Stock, Series B, \$1.00 par value per share (the "Series B Preferred Stock"), of The Travelers Inc., a Delaware corporation (the "Company") and 3,749,466 Warrants (the "Warrants") to purchase shares of Common Stock, \$.01 par value per share (the "Common Stock"), of the Company may be offered from time to time by American Express Company (the "Selling Stockholder"). The shares of Series B Preferred Stock, the Warrants and the shares of Common Stock issuable upon the conversion of the shares of Series B Preferred Stock or exercise of the Warrants are collectively referred to as the "Offered Securities." When an offering of all or part of the Offered Securities is made, a supplement to this Prospectus (the "Prospectus Supplement") will be delivered with this Prospectus, setting forth the specific Offered Securities being offered, the purchase price, any listing on a securities exchange and any other variable terms.

Each share of Series B Preferred Stock has a liquidation preference of \$50.00 per share, plus accrued and unpaid dividends thereon. Cash dividends on the Series B Preferred Stock are payable quarterly in arrears at an annual rate of \$2.75 per share. Shares of Series B Preferred Stock are convertible at any time at the option of the holder into shares of Common Stock at a conversion

price of \$36.75 per share of Common Stock, which is equivalent to a conversion rate of approximately 1.36 shares of Common Stock for each share of Series B Preferred Stock, subject to adjustment in certain circumstances. The Series B Preferred Stock is not redeemable prior to July 30, 1996, but will be redeemable on such date and thereafter for cash at the option of the Company, in whole or in part, at \$51.925 per share if redeemed prior to July 29, 1997 and at decreasing prices thereafter to \$50.00 from and after July 30, 2003, plus accrued and unpaid dividends to the redemption date. The Series B Preferred Stock will not be entitled to the benefit of any sinking fund. See "Description of Offered Securities- Series B Preferred Stock."

Each Warrant entitles its holder to purchase from the Company, at any time on or prior to July 31, 1998, one share of Common Stock at a purchase price of \$39.00, subject to adjustment in certain circumstances. Upon completion of this offering the Selling Stockholder will no longer be a holder of any Offered Securities.

In addition, this Prospectus, when delivered with an applicable Prospectus Supplement, covers the issuance of the shares of Common Stock underlying the shares of Series B Preferred Stock and the Warrants. The Prospectus Supplement will specify the number of shares of Common Stock offered thereby. Of the 7,150,826 shares of Common Stock that may be offered, 3,401,360 shares are issuable upon the conversion of shares of the Series B Preferred Stock and 3,749,466 shares are issuable upon the exercise of the Warrants, subject to adjustment in certain circumstances.

The Common Stock is currently traded on the New York Stock Exchange, Inc. (the "NYSE") and The Pacific Stock Exchange Incorporated (the "Pacific Stock Exchange") under the symbol "TRV."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Selling Stockholder may sell the Series B Preferred Stock and the Warrants through agents designated from time to time, through underwriters or through dealers. The names of such agents, underwriters or dealers and any applicable fee, commission, purchase price or discount arrangements with them will be set forth, or will be calculable from the information set forth, in a Prospectus Supplement. The net proceeds to the Selling Stockholder from such sale will be set forth in the Prospectus Supplement. Unless otherwise set forth in the Prospectus Supplement (i) such underwriters will include Smith Barney Shearson Inc. ("SBS") and Lehman Brothers Inc. ("Lehman"), acting alone or as representatives of a group of underwriters, and (ii) such agents or dealers will include SBS and Lehman.

This Prospectus may also be used by SBS, a subsidiary of the Company, in connection with offers and sales of the Offered Securities in market-making transactions at negotiated prices related to prevailing market prices at the time of sale. SBS may act as principal or agent in such transactions. See "Plan of Distribution."

, 1994

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any State.

For North Carolina purchasers: These securities have not been approved or disapproved by the Commissioner of Insurance for the State of North Carolina, nor has the Commissioner ruled upon the accuracy or adequacy of this Prospectus.

AVAILABLE INFORMATION

The Company (formerly Primerica Corporation) is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at: Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549; Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511; and Seven World Trade Center, New York, New York 10048. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Company's Common Stock is listed on the NYSE and the Pacific Stock Exchange, and such reports, proxy statements and other information can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005, and the Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104, and 233 South Beaudry Avenue, Los Angeles, California 90012.

The Company has filed with the Commission a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Act") with respect to the Offered Securities. For further information with respect to the Offered Securities, reference is made to the Registration Statement and exhibits thereto. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of such contract or document filed as an exhibit to the Company's Registration Statement, each such statement being qualified in all respects by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company incorporates by reference the following documents heretofore filed with the Commission pursuant to the Exchange Act:

1. Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 1992, as amended.
2. Quarterly Reports of the Company on Form 10-Q for the fiscal quarters ended March 31, 1993, June 30, 1993 and September 30, 1993.

3. Current Reports of the Company on Form 8-K dated December 23, 1992, as amended, March 1, 1993, March 12, 1993, April 8, 1993, April 19, 1993, April 28, 1993, June 10, 1993, July 19, 1993, September 23, 1993, October 18, 1993, November 29, 1993, December 31, 1993, January 24, 1994 and March 1, 1994.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the later of (i) the termination of the offering of Offered Securities hereby and (ii) the date on which SBS ceases offering and selling Offered Securities pursuant to this Prospectus shall be deemed to be incorporated by

reference in this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, in an accompanying Prospectus Supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Prospectus except as so modified or superseded.

The Company will provide without charge to each person to whom this Prospectus is delivered, on the written or oral request of any such person, a copy of any or all of the documents incorporated by reference in the Registration Statement of which this Prospectus forms a part other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents. Requests should be directed to Corporate Communications and Investor Relations, The Travelers Inc., 65 East 55th Street, New York, New York 10022; telephone (212) 891-8900.

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THE COMPANY

The Company is a financial services holding company engaged, through its subsidiaries, principally in four business segments: Investment Services, Insurance Services - Property and Casualty, Insurance Services - Life, and Consumer Finance Services. The predecessor of the Company was founded in 1912. In December 1988, the Company (then known as Commercial Credit Group, Inc.) acquired Primerica Corporation, a New Jersey corporation ("old Primerica"). At the time of the acquisition, the name of the Company was changed to Primerica Corporation and old Primerica was merged into a newly formed, wholly owned subsidiary of the Company, Primerica Holdings, Inc. ("Primerica Holdings"). The acquisition of old Primerica was accounted for as a purchase, with an effective accounting date of December 31, 1988. Accordingly, the Company's results of operations for the year ended on December 31, 1988 incorporated by reference in this Prospectus do not include the results of old Primerica and its subsidiaries. On December 17, 1992, Primerica Holdings was merged into the Company.

In December 1992 the Company acquired approximately 27% of the common stock of The Travelers Corporation, a Connecticut corporation ("old Travelers"), in a series of related transactions. The Company and certain of its subsidiaries paid \$550 million in cash and issued to old Travelers 50% of the equity in Commercial Insurance Resources, Inc. (the parent of Gulf Insurance Company) and transferred to old Travelers 100% of the preferred provider organization and third party administrator network of Transport Life Insurance Company. In September 1993 the Company and old Travelers announced a definitive agreement for the Company to acquire the remaining approximately 73% of old Travelers common stock it did not already own. On December 31, 1993, pursuant to such agreement, each share of old Travelers common stock (other than shares held by the Company, old Travelers or shareholders who properly exercised dissenters' rights) was exchanged for .80423 of a share of Common Stock, old Travelers was merged into the Company (then known as Primerica Corporation) and the Company, as the surviving corporation of the merger, changed its name to The Travelers Inc.

The Company's Investment Services segment consists of investment banking, brokerage, asset management and other financial services provided through Smith Barney Shearson Holdings Inc. ("SBSHI"), a subsidiary of the Company, and its subsidiaries, mutual fund management and distribution services provided through American Capital Management & Research, Inc. and its subsidiaries, and investment management services provided by RCM Capital Management.

In July 1993 the Company and certain of its subsidiaries acquired substantially all of the assets and assumed certain of the liabilities of the domestic retail brokerage business and the asset management business of Shearson Lehman Brothers Inc. (now known as Lehman) (the "Shearson Transaction"). As a result of this acquisition, SBSHI became one of the largest retail brokerage firms in the United States.

The Company's Insurance Services - Property and Casualty segment provides insurance products including workers' compensation, liability,

automobile, property and multiple-peril to businesses and other institutions and automobile and homeowners insurance to individuals. Property and casualty insurance policies are issued primarily by The Travelers Indemnity Company and its subsidiary and affiliated property-casualty insurance companies, which now include Gulf Insurance Company.

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The Company's Insurance Services - Life segment includes individual life insurance, accident and health insurance, annuities and investment products which are offered primarily through The Travelers Insurance Company and its subsidiary and affiliated life insurance companies. Such affiliated companies now include Primerica Financial Services and its affiliates, Primerica Life Insurance Company and National Benefit Life Insurance Company, which primarily issue individual term life insurance, and Transport Life Insurance Company. Primerica Financial Services and its affiliates are also engaged in securities brokerage consisting primarily of mutual fund sales.

The Company's Consumer Finance Services segment includes consumer lending (including secured and unsecured personal loans, real estate-secured loans and consumer goods financing), and credit card and credit-related insurance services provided through Commercial Credit Company and its subsidiaries.

In addition to its four business segments, the Company's Corporate and Other segment consists of corporate staff and treasury operations, certain corporate income and expenses that have not been allocated to the operating subsidiaries and, through 1992, the Company's interest in Fingerhut Companies, Inc. ("Fingerhut"), a direct marketing business. The Company has since sold its remaining interest in Fingerhut. During 1993, this segment also included the Company's approximately 27% interest in old Travelers common stock.

The principal offices of the Company are located at 65 East 55th Street, New York, New York 10022, telephone (212) 891-8900. The Company was incorporated in Delaware in 1988.

RECENT OPERATING RESULTS

The net income of the Company for the year ended December 31, 1993, was \$915.6 million, or \$3.74 per share, compared to \$728.1 million, or \$3.22 per share, for the year ended December 31, 1992. The Company's revenues for the year ended December 31, 1993, were \$6,796.9 million, compared to \$5,125.0 million for the corresponding 1992 period. Net income for 1993 included reported investment portfolio gains of \$109.2 million and an \$8.1 million gain from the sale of subsidiaries and affiliates, and also reflected a charge of \$16.7 million related to the cumulative effect of FAS 106, a charge of \$17.7 million related to the cumulative effect of FAS 112, and a \$65.0 million provision for one-time expenses related to the Shearson Transaction. Net income for the comparable 1992 period included reported investment portfolio gains and net gains from the sale of subsidiaries and affiliates of \$163.2 million and a one-time charge of \$28.1 million from the cumulative effect of FAS 109. At year end 1993, the Company had assets of approximately \$100 billion.

For the year ended December 31, 1993, operating earnings were \$899.5 million or \$3.67 per share, an increase of 41% over operating results for the year ended December 31, 1992. Operating results for the year ended December 31, 1992 were \$593.0 million and earnings per share during such period were \$2.61. Earnings per share were based on weighted average common shares outstanding and common equivalent shares of 237.8 million in 1993 and 222.8 million in 1992.

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RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Nine Months Ended	Year Ended December 31, (1)				
	1992	1991	1990	1989	1988
September 30, 1993	-----	-----	-----	-----	-----

Ratio of earnings to

combined fixed charges and preferred stock dividends	2.67x	2.57x	1.85x	1.56x	1.49x	1.95x
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(1) The Company (formerly Primerica Corporation) is the successor to Commercial Credit Group, Inc. Results of operations and dividends per common share for 1988 reflect only those of Commercial Credit Group, Inc.

The ratio of earnings to combined fixed charges and preferred stock dividends has been computed by dividing earnings available for fixed charges by fixed charges and preferred stock dividends. For the purpose of this ratio, earnings available for fixed charges consist of pre-tax income from continuing operations adjusted for undistributed equity earnings and minority interest and fixed charges; and fixed charges consist of interest expense and that portion of rentals deemed representative of the appropriate interest factor. Prior to July 1992 the Company had no preferred stock outstanding.

USE OF PROCEEDS

All of the shares of Series B Preferred Stock and the Warrants to be offered will be sold by the Selling Stockholder. The Company will not receive any of the proceeds from the sale of such Series B Preferred Stock or Warrants by the Selling Stockholder. The Common Stock being offered is issuable only upon conversion of the Series B Preferred Stock or the exercise of the Warrants. The Company will not receive any proceeds from issuance of Common Stock in connection with the conversion of the Series B Preferred Stock. However, the Company will receive \$39.00 (subject to adjustment) for each share of Common Stock issued upon exercise of a Warrant. The Company will receive such consideration only in the event of the exercise of any Warrant. In the event that all of the Warrants are exercised, the Company will receive an aggregate exercise price of \$146,229,174. Unless otherwise set forth in the applicable Prospectus Supplement, the Company intends to apply the net proceeds from the exercise of the Warrants for general corporate purposes, which may include capital contributions to subsidiaries of the Company and/or the reduction or refinancing of borrowings of the Company or its subsidiaries.

SELLING STOCKHOLDER

All of the Series B Preferred Stock and the Warrants being offered will be offered by the Selling Stockholder. The Selling Stockholder acquired the Series B Preferred Stock and the Warrants in connection with the Shearson Transaction. In connection with such acquisition, the Company issued to the Selling Stockholder 2,500,000 shares of Series B Preferred Stock and Warrants to purchase 3,749,466 shares of Common Stock, as adjusted. The shares of Series B Preferred Stock and the Warrants issued to the Selling Stockholder are the only issued and outstanding shares of Series B Preferred Stock and Warrants.

Lehman is a majority-owned subsidiary of the Selling Stockholder. In connection with the Shearson Transaction, Lehman and SBS have entered into agreements with respect to various relationships between them which continue for a period of time after consummation of the Shearson Transaction, including a securities clearing agreement pursuant to which SBS has agreed to carry and clear on a fully disclosed basis all customer accounts introduced by Lehman and on a correspondent basis with respect to Lehman's proprietary accounts. In connection with the clearing arrangement, SBS has issued 100 shares of its Series A Cumulative Preferred Stock to Lehman for \$1 million. Subject to certain conditions, these shares are redeemable by SBS after the termination of the clearing arrangement. SBS also agreed to provide to Lehman certain data processing and other operational services. In addition, SBS has agreed to pay future contingent amounts to Lehman based upon the combined performance of SBS and the acquired businesses, consisting of up to \$50 million per year for three years based on net revenues, plus 10% of after-tax consolidated net income in excess of \$250 million per year over a five-year period.

Following the offerings contemplated hereby, the Selling Stockholder will no longer be a holder of any shares of Series B Preferred Stock or Warrants. A subsidiary of the Selling Stockholder beneficially owns approximately 4.5 million shares of the Company's Common Stock, which was

acquired in the ordinary course of such subsidiary's investment management business. Subsidiaries of the Selling Stockholder may acquire additional shares of the Company's Common Stock from time to time and may determine to sell such shares in connection with their trading and investment management businesses.

DESCRIPTION OF CAPITAL STOCK

General

As of the date of this Prospectus, the Company's authorized capital stock consists of 500,000,000 shares of Common Stock and 30,000,000 shares of preferred stock, par value \$1.00 per share (the "Preferred Stock"). Under the Company's Certificate of Incorporation (as amended, the "Certificate of Incorporation"), the Board of Directors of the Company is authorized to issue shares of the Preferred Stock in one or more series, with or without voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance thereof adopted by the Board of Directors of the Company and as are not stated and expressed in the Certificate of Incorporation. Prior to the issuance of each series of Preferred Stock, the Board of Directors will adopt resolutions creating and designating such series as a series of Preferred Stock. As used herein the term "Board of Directors of the Company" means the Board of Directors of the Company and includes any duly authorized committee thereof.

The rights of holders of the Series B Preferred Stock being offered, or other equity securities of the Company, will be subject to, and may be adversely affected by, the rights of holders of any Preferred Stock that may be issued in the future. The Board of Directors of the Company may cause shares of Preferred Stock to be issued in public or private transactions for any proper corporate purposes, which may include issuance to obtain additional financing in connection with acquisitions or otherwise, and issuance to officers, directors and employees of the Company and its subsidiaries pursuant to benefit plans or otherwise. Shares of Preferred Stock issued by the Company may have the effect, under certain circumstances, alone or in combination with certain other provisions of the Certificate of Incorporation described below, of rendering more difficult or discouraging an acquisition of the Company deemed undesirable by the Board of Directors of the Company.

Preferred Stock

As of the date of this Prospectus, the Company had outstanding 1,200,000 shares of its 8.125% Cumulative Preferred Stock, Series A (the "Series A Preferred Stock"), 2,500,000 shares of its Series B Preferred Stock, 4,406,431 shares of its \$4.53 ESOP Convertible Preferred Stock, Series C (the "Series C Preferred Stock"), 7,500,000 shares of its 9.25% Preferred Stock, Series D (the "Series D Preferred Stock") and 2,222 shares of its \$45,000 Cumulative Redeemable Preferred Stock, Series Z (the "Series Z Preferred Stock"), all of which shares are fully paid and nonassessable.

Series A Preferred Stock. The Series A Preferred Stock is not redeemable prior to July 28, 1997, and is redeemable on such date and thereafter at the Company's option at a redemption price equal to \$250 per share (the liquidation preference), plus accrued and unpaid dividends. The Series A Preferred Stock ranks on a parity as to dividends and upon liquidation with the currently outstanding series of Preferred Stock. There are no preemptive or other subscription rights with respect to the Series A Preferred Stock. The Series A Preferred Stock provides for cumulative quarterly dividends at the rate of 8.125% per annum, calculated as a percentage of the \$250 per share stated value. The holder of Series A Preferred Stock does not have voting rights except as provided by law or if six quarterly dividends are in arrears and

except that a two-thirds vote of all shares of Preferred Stock voting as a class is required for the Company to create any class of stock having a preference as to dividends or distribution of assets over the Series A Preferred Stock. Depositary shares, each representing one-tenth of a share of Series A Preferred Stock, are traded on the NYSE.

Series C Preferred Stock. Shares of Series C Preferred Stock have a stated value of \$53.25 per share. The Series C Preferred Stock ranks on a parity as to dividends and upon liquidation with the currently outstanding series of Preferred Stock. There are no preemptive or other subscription rights with respect to the Series C Preferred Stock. Shares of Series C Preferred Stock are entitled to vote for the election of directors and on all other matters submitted to a vote of stockholders of the Company. Each share of Series C Preferred Stock is entitled to 1.3 votes per share, subject to adjustment as the conversion price is adjusted as described below, and vote jointly as a single class with shares of Common Stock and not as a separate class except as otherwise expressly provided for in the Delaware General Corporation Law, as amended (the "DGCL"). However, whether or not the DGCL so provides, the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series C Preferred Stock and all other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, voting together as a class, is required for the Company to create a new class or increase an existing class of stock having rights in respect of the payment of dividends or in liquidation prior to the Series C Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, to issue any Preferred Stock of the Company ranking prior to the Series C Preferred Stock either as to dividends or upon liquidation, or to change the terms, limitations or relative rights or preferences of the Series C Preferred Stock or any other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends and upon liquidation, either directly or by increasing the relative rights of the shares of another class. If the Series C Preferred Stock is entitled to vote together with any other series of Preferred Stock, it will be entitled to one vote per share. The holder of shares of Series C Preferred Stock is entitled to receive dividends in the amount of \$4.53 per annum per share. Generally, the shares of Series C Preferred Stock will be redeemable, in whole or in part at the option of the Company, on or after January 1, 1998, at a redemption price (payable in cash or shares of Common Stock) of \$53.25 per share plus accrued and unpaid dividends thereon to the date fixed for redemption.

Series D Preferred Stock. Shares of Series D Preferred Stock have a stated value of \$50.00 per share. The Series D Preferred Stock ranks on a parity as to dividends, other distributions and upon liquidation with the currently outstanding series of Preferred Stock. The Series D Preferred Stock has no preemptive or other subscription rights. The holder of Series D Preferred Stock does not have voting rights except as provided by law or if six quarterly dividends are in arrears and except that a two-thirds vote of all shares of Preferred Stock voting as a class is required for the Company to create any class of stock having a preference as to dividends or distribution of assets over the Series D Preferred Stock. The holder of shares of Series D Preferred Stock is entitled to receive dividends at the rate of 9.25% per annum per share applied to the stated value of such share. The shares of Series D Preferred Stock are redeemable, in whole or in part, at the option of the Company, on or after July 1, 1997 at a redemption price of \$50.00 per share plus accrued and unpaid dividends thereon to the date fixed for redemption. Depositary shares, each representing one-half of a share of Series D Preferred Stock, are traded on the NYSE.

Series Z Preferred Stock. The holder of the Series Z Preferred Stock is entitled to a cumulative quarterly dividend at an annual rate of 85% of the

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daily average of the Dealer Offer Rates for 30-day commercial paper placed by dealers whose firm's bond ratings are AA or equivalent, multiplied by the stock's \$45,000 per share liquidation value. The Series Z Preferred Stock is owned by a subsidiary of the Company, is redeemable without premium at the Company's option at any time, and is subject to repurchase at the holder's request at its liquidation value of \$45,000 per share, plus accrued dividends, if not redeemed on or prior to September 15, 1998. The holder of the Series Z Preferred Stock does not have voting rights except as required by law or if six quarterly dividends are in arrears and except that a two-thirds vote of all shares of Preferred Stock voting as a class is required for the Company to create any class of stock having a preference as to dividends or distribution of assets over the Series Z Preferred Stock.

DESCRIPTION OF OFFERED SECURITIES

The following description of the Offered Securities sets forth certain terms and provisions of the Offered Securities. The particular terms of each offering will be more fully described in the applicable Prospectus Supplement.

Series B Preferred Stock

General. The following summary of the terms and provisions of the Series B Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the Company's Certificate of Incorporation and the Certificate of Designation of the Series B Preferred Stock (the "Certificate of Designation").

The Series B Preferred Stock is convertible into shares of Common Stock. Shares of Series B Preferred Stock have no preemptive rights. Any shares of Series B Preferred Stock redeemed or otherwise acquired by the Company will assume the status of authorized but unissued shares of Preferred Stock and may thereafter be reissued in the same manner as other authorized but unissued shares of Preferred Stock.

The registrar, transfer agent and dividend disbursing agent for the shares of Series B Preferred Stock will be named in the applicable Prospectus Supplement.

Voting Rights. Holders of Series B Preferred Stock will not have any voting rights except as set forth below or as otherwise from time to time required by law. If six quarterly dividends (whether or not consecutive) payable on shares of Series B Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the Company, the number of directors of the Company will be increased by two, and the holders of shares of Series B Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) will be entitled at such annual meeting of stockholders to elect two directors of the Company, with the remaining directors of the Company to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. Any director who has been so elected may be removed at any time, with or without cause, only by the affirmative vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the

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election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs among the directors elected pursuant to such special voting right, other than by removal from office, such vacancy may be filled by the remaining director so elected, or his successor in office. Such voting rights will continue until all dividend arrearages on the Series B Preferred Stock have been paid or declared and set apart for payment. Upon the termination of each such special voting right, the terms of office of all persons who may have been elected pursuant to such special voting right shall immediately terminate, and the number of directors of the Company will be decreased by two. Holders of shares of Series B Preferred Stock will have one vote for each share held.

Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series B Preferred Stock being entitled to cast one vote per share, the Company may not: (a) create any class of stock that will have preference as to dividends or distributions of assets over the Series B Preferred Stock or (b) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series B Preferred Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series B Preferred Stock; provided, however, that if such creation or such alteration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

Dividends. Holders of shares of Series B Preferred Stock are entitled to receive, when and as declared by the Board of Directors out of funds legally available therefor, cash dividends payable quarterly at the rate of 5.5% per annum of the Liquidation Preference (as defined below) for shares of the Series B Preferred Stock. Dividends on shares of Series B Preferred Stock will be payable quarterly on March 1, June 1, September 1 and December 1 of each year, for each of the quarterly periods beginning on the preceding November 15,

February 15, May 15 and August 15, respectively, and ending on and including the day next preceding the first day of the next such quarterly period. Dividends on each share of the Series B Preferred Stock will be cumulative, and will be payable to holders of record as they appear on the stock register of the Company on the record date for each such payment which will be fixed in advance by the Board of Directors and will be not more than 60 days nor less than 10 days preceding the payment date thereof. Dividends payable on the Series B Preferred Stock for any period less than a full dividend period shall be computed on the basis of the actual number of days elapsed in the period. No interest will be payable in respect of any dividend payment that is in arrears. If there are outstanding shares of any other class or series of Preferred Stock ranking on a parity as to dividends with the shares of Series B Preferred Stock, then in making any dividend payment on account of arrears on the Series B Preferred Stock or such other class or series of Preferred Stock, the Company will make payments ratably upon all outstanding shares of Series B Preferred Stock and such other class or series in proportion to the respective amounts of dividends in arrears upon all such outstanding shares of Series B Preferred Stock and such other class or series of Preferred Stock to the date of such dividend payment.

So long as any shares of Series B Preferred Stock are outstanding, unless (i) full cumulative dividends have been paid or declared and set apart for payment on all outstanding shares of Preferred Stock (other than Junior Stock, as defined below) and (ii) the Company is not in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock (other than Junior Stock), the Company may not declare any dividends on any shares of

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Common Stock or any other stock of the Company ranking as to dividends or distributions of assets junior to the Series B Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, other than a distribution of Junior Stock. In the event that there are outstanding shares of any other class or series of Preferred Stock ranking on a parity as to dividends with the Series B Preferred Stock, and dividends on such shares are in arrears, the Company, in making any dividend payment on account of such arrearage, is required to make payments ratably on all outstanding shares of Series B Preferred Stock and such other class or series of Preferred Stock in proportion to the respective amounts of dividends in arrears on all such outstanding shares. Holders of shares of Series B Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on such shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment that is in arrears.

The ability of the Company, as a holding company, to pay dividends on the Series B Preferred Stock will be dependent upon, among other factors, the Company's earnings, financial condition and cash requirements at the time such payment is considered, and payment to it of dividends or principal and interest by, or the availability of other funds from, its subsidiaries. Dividends, loans and advances from certain subsidiaries to the Company are subject to certain restrictions, including limitations imposed by borrowing arrangements of certain of such subsidiaries, applicable insurance holding company laws, the net capital requirements under the Exchange Act, and the rules of certain securities exchanges and various domestic and foreign regulatory bodies. Such restrictions, as well as additional restrictions that the Company may become subject to in the future, may limit the ability of the Company to pay dividends on the Series B Preferred Stock.

Optional Redemption. The Series B Preferred Stock is not subject to any mandatory redemption, pursuant to a sinking fund or otherwise. The Series B Preferred Stock is not redeemable prior to July 30, 1996. On or after such date the Series B Preferred Stock will be redeemable at the option of the Company, in whole or in part, upon not less than 30 days' and no more than 90 days' notice, at the following redemption prices per share (expressed as a percentage of the Liquidation Preference (as defined below)), if redeemed during the 12-month period beginning July 30 of the year indicated:

Year	Redemption Price
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1996	103.85%
1997	103.30%

1998	102.75%
1999	102.20%
2000	101.65%
2001	101.10%
2002	100.55%

and thereafter at a price of \$50.00 per share, plus, in each case, accrued and accumulated but unpaid dividends thereon to but excluding the dated fixed for redemption. Dividends will cease to accrue from and after the redemption date on shares of Series B Preferred Stock so called for redemption, and all rights

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of holders thereof as stockholders of the Company (except the right to receive the redemption price) will cease as of such date. If full cumulative dividends on all outstanding shares of the Series B Preferred Stock have not been paid or declared and set apart for payment for all past dividend periods, or if any matured obligations of the Company with respect to any sinking funds, retirement funds or purchase funds for all series of Preferred Stock then outstanding have not been met, the Series B Preferred Stock may not be redeemed in part and the Company may not purchase or acquire any shares of Series B Preferred Stock otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of the Series B Preferred Stock. If fewer than all the outstanding shares of Series B Preferred Stock are to be redeemed, the Company will select those shares to be redeemed by lot or pro rata (as nearly as may be) or by any other method as may be reasonably determined by the Board of Directors in good faith to be equitable.

The right to convert shares of Series B Preferred Stock will terminate at the close of business on the date fixed for redemption unless the Company defaults in its payment of the Redemption Price.

Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of Series B Preferred Stock will be entitled to receive out of the assets of the Company available for distribution to stockholders, after provision has been made for payment of any liquidation preference of any other class of stock of the Company ranking senior to the Series B Preferred Stock as to rights upon liquidation, dissolution or winding up and before any distribution of assets is made in respect of (i) any other shares of Preferred Stock that may be issued in the future and that rank junior to the Series B Preferred Stock as to rights upon liquidation, dissolution or winding up or (ii) shares of Common Stock, liquidating distributions in the amount of \$50.00 per share (the "Liquidation Preference"), plus accrued and accumulated but unpaid dividends to the date of final distribution. After payment of the full preferential amount to which they are entitled, the holders of shares of Series B Preferred Stock will not be entitled to any further participation in any distribution of assets by the Company. If the assets available for distribution are insufficient to pay holders of shares of Series B Preferred Stock and of any other shares of stock of the Company ranking as to any such distribution on a parity with the Series B Preferred Stock the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all Series B Preferred Stock and of such other shares in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

Conversion Rights. Each share of Series B Preferred Stock is convertible, in whole or in part, at the option of the holder thereof, into that number of shares which is equal to \$50.00 divided by the conversion price per share applicable to Common Stock at the time of such conversion (the "Conversion Price"). The Conversion Price is currently \$36.75 but will be adjusted under certain circumstances.

Shares of Series B Preferred Stock surrendered for conversion in accordance with the requirements set forth below will be deemed converted immediately prior to the close of business on the date of such surrender and the holder of the shares of Common Stock issued upon such conversion will be treated as a record holder of Common Stock at such time. However, the Company will not make any payments or adjustments with respect to dividends accrued on shares of Series B Preferred Stock surrendered for conversion or the shares of Common Stock issued upon such conversion.

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Conversion of shares of Series B Preferred Stock may be effected by surrender of the certificate(s) evidencing such shares at the office of the transfer agent for the Series B Preferred Stock, properly endorsed, together with a written notice of election to convert such shares and the name(s) in which certificates representing the shares of Common Stock issued upon conversion are to be issued, and in the event certificates are to be issued in a name other than that in which the shares of Series B Preferred Stock were registered, payment to the Company or evidence that such payment has been made, of any taxes payable in respect of such transfer.

If the Company pays or makes a dividend or distribution on any class of its capital stock in shares of Common Stock, the Conversion Price will be reduced, effective at the opening of business on the date following the Determination Date (as hereinafter defined), to an amount equal to the Conversion Price multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock (not including treasury shares but including shares issuable in respect of scrip certificates) outstanding on the Determination Date (the "Outstanding Shares"), and the denominator of which shall be the sum of the Outstanding Shares and the shares to be issued in connection with the dividend or distribution. For the purposes of this Prospectus, the "Determination Date" means any date fixed by the Company for determining which stockholders are entitled to receive payments, dividends, warrants or other distributions, as applicable. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall be readjusted.

In the event that the Company issues rights or warrants entitling holders of Common Stock to subscribe for or purchase shares of Common Stock (the "Offered Shares") at a price per share (the "Offered Price") less than the Average Market Price (as defined below) on the Determination Date, the Conversion Price will be reduced, effective at the opening of business on the day following the Determination Date, to an amount equal to the Conversion Price multiplied by a fraction, the numerator of which shall be the sum of the number of Outstanding Shares plus the number of shares of Common Stock which could be purchased at the Average Market Price with the proceeds of the sale of the Offered Shares at the Offered Price, and the denominator of which shall be the sum of the number of Outstanding Shares plus the number of Offered Shares. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, or to the extent that such rights or warrants are not so issued, the Conversion Price shall be readjusted. As used herein, the term "Average Market Price" of the Common Stock means the average of the daily reported closing sales prices, regular way, per share of the Common Stock on the NYSE or, if the Common Stock is not principally traded on the NYSE, such other market on which the Common Stock is listed or principally traded, for the 10 consecutive trading days prior to the Determination Date.

Effective at the opening of business on the date following any subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock, the Conversion Price shall be proportionately reduced. Conversely, at the opening of business on the date following the combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Conversion Price shall be proportionately increased.

If the Company makes a distribution to all holders of its Common Stock of evidences of indebtedness or assets (other than any dividend or distribution paid in cash or other property out of the retained earnings of the Company and other than any such distributions of Common Stock, warrants or rights described above) then the Company may, at its option, either: (i) include the holders of Series B Preferred Stock in such distribution, with such distribution being made

to such holders assuming the full conversion of their shares of Series B Preferred Stock into shares of Common Stock at the current Conversion Price on the Determination Date or, (ii) effective at the opening of business on the date following the Determination Date, reduce the Conversion Price to an amount equal to the Conversion Price on the Determination Date multiplied by a fraction, the numerator of which shall be the Average Market Price on the Determination Date less the then fair market value (as reasonably determined in good faith by the Board of Directors of the Company) on such date of the assets or evidences of indebtedness to be distributed on one share of Common Stock and the denominator of which shall be the Average Market Price. In the event that such distribution is not so paid or made, the Conversion Price shall be readjusted. If the Company determines to make a distribution in accordance with (i) above, the Company may elect to pay cash to such holders in an amount equal to the fair

market value (determined as provided above) of the distribution to which such holders would otherwise have been entitled.

The Company may make such other reductions in the Conversion Price as it deems advisable to prevent any event treated for Federal income tax purposes as a dividend of stock or stock rights from being taxable to the recipients.

In the event of any merger or consolidation involving the Company which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock or any sale or transfer of all or substantially all of the assets of the Company (an "Event"), then each share of Series B Preferred Stock shall be convertible only into the kind and amount of securities, cash or other property receivable upon such Event by a holder of the number of shares of Common Stock into which such share of Series B Preferred Stock was convertible immediately prior to such Event. A reclassification of Common Stock into other securities shall be deemed to involve both a distribution of such other securities to all holders of Common Stock, and a subdivision or combination, as the case may be, of Common Stock.

No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price, but any adjustments not made because of this limitation shall be carried forward and taken into account in determining whether subsequent adjustments shall be required. In no event shall the Conversion Price be reduced below the then par value of the Common Stock and any such adjustment which would cause the Conversion Price to be reduced below such par value shall instead reduce the Conversion Price to such par value.

No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Company shall pay a cash adjustment in an amount equal to the same fraction of the market price per share of Common Stock (as determined in good faith by the Board of Directors of the Company or in any manner prescribed by the Board of Directors of the Company) at the close of business on the day of conversion.

Notices. Holders of Series B Preferred Stock will be entitled to notice in the event of (a) the declaration of a dividend on Common Stock by the Company payable otherwise than in cash out of its retained earnings, (b) the granting to the holders of Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights, (c) any reclassification of Common Stock or, under certain circumstances, of a consolidation or merger to which the Company is a party, or of the sale or transfer of all or substantially all of the assets of the Company, or (d) the voluntary or involuntary dissolution, liquidation or winding up of the Company.

Additional Provisions of the Company's Certificate of Incorporation and By-laws

Business Combinations. The Certificate of Incorporation requires the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the then outstanding shares of Voting Stock (as defined therein), voting together as a single class, excluding from such number of outstanding shares and from such required vote Voting Stock beneficially owned by any Interested Stockholder (as defined therein, generally, as a 25% stockholder), to approve any merger or other Business Combination (as defined therein, which term includes a merger, sale of \$25,000,000 of assets, and similar extraordinary corporate transactions) between, or otherwise involving, the Company and any Interested Stockholder, unless the transaction has been approved by a majority of the Continuing Directors (as defined therein) in the manner described therein, or under some circumstances, unless certain minimum price, form of consideration and procedural requirements are satisfied.

Amendments to Certificate of Incorporation and By-laws. Under the Certificate of Incorporation, the alteration, amendment or repeal of, or adoption of any provision inconsistent with the provisions of the Certificate of Incorporation relating to the issuance of Preferred Stock or Common Stock, the classified board of directors and amendments to the By-laws will require the affirmative vote of the holders of at least 75% of the voting power! of the shares entitled to vote for the election of directors. Amendments of provisions of the Certificate of Incorporation relating to Business Combinations require a vote of the holders of 66 2/3% of the then outstanding shares of Voting Stock, excluding Voting Stock held by Interested Stockholders, unless 75% of the Board of Directors recommend such amendment and the directors comprising such 75% would qualify as Continuing Directors.

Classified Board of Directors. The Certificate of Incorporation provides for the Board of Directors to be divided into three classes, with the term of one such class expiring each year. If holders of Preferred Stock shall have the right, voting separately by class or series, to elect directors, the directors so elected shall not be divided into classes unless expressly provided in the Certificate of Incorporation or the applicable Certificate of Designation. The Company's Board of Directors currently consists of 22 members.

Removal of Directors; Vacancies. Under the DGCL, unless the certificate of incorporation provides otherwise, directors of a corporation with a classified board, such as the Company, may be removed only for cause by the holders of a majority of the shares then entitled to vote at an election of directors. The Certificate of Incorporation does not provide for removal for reasons other than cause. The term "cause" is not defined under the DGCL. Consequently, any question concerning the legal standard for "cause" would have to be judicially determined, and such a determination could be difficult, expensive and time-consuming.

Vacancies on the Board of Directors resulting from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any additional director elected to fill such a vacancy shall hold office for a term coinciding with the remaining term of the class to which he was elected. Any other vacancies on the Board of Directors may be filled by a majority of the directors then in office, even if less than a quorum, and the director so elected shall have the same remaining term as that of his predecessor.

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Warrants

General. The Company currently has issued and outstanding Warrants for the purchase of 3,749,466 shares of Common Stock. All of such Warrants were originally issued to the Selling Stockholder. The Warrants being offered are being sold for the account of the Selling Stockholder.

Each Warrant represents the right to purchase one share of Common Stock at an initial purchase price of \$39.00. The purchase price and the number of shares issuable upon exercise of the warrants are subject to adjustment in certain events as more fully set forth below (the purchase price, as so adjusted, is hereinafter referred to as the "Warrant Price").

The Company has reserved from its authorized but unissued shares a sufficient number of shares of Common Stock for issuance on exercise of the Warrants. During the period in which a Warrant is exercisable, exercise of such Warrant may be effected by presentation and surrender of such Warrant to the warrant agent at the office or agency of the warrant agent maintained for that purpose pursuant to the terms of the Warrant with the form of election to purchase on the reverse thereof duly completed and signed by the registered holder or holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a bank or trust company, by a broker or dealer which is a member of the NASD or by a member of a national securities exchange, and accompanied by payment to the warrant agent for the account of the Company, of the Warrant Price for the number of shares of Common Stock specified in such form. All shares of Common Stock issued upon the exercise of a Warrant shall be duly authorized and validly issued, fully paid and nonassessable. Until the exercise of their Warrants, the holders thereof will have no rights as stockholders of the Company.

The warrant agent for the Warrants will be named in the applicable Prospectus Supplement.

The Warrants are exercisable at any time on or prior to July 31, 1998. The outstanding Warrants are not subject to redemption.

Anti-Dilution Provisions. If the Company pays or makes a dividend or distribution on any class of its capital stock in shares of Common Stock, the Warrant Price will be reduced, effective at the opening of business on the date following the Determination Date, to an amount equal to the Warrant Price multiplied by a fraction, the numerator of which shall be the number of Outstanding Shares, and the denominator of which shall be the sum of the Outstanding Shares and the shares to be issued in connection with the dividend or distribution. In the event that such dividend or distribution is not so paid or made, the Warrant Price shall be readjusted.

In the event that the Company issues rights or warrants entitling

holders of Common Stock to subscribe for or purchase Offered Shares at an Offered Price less than the Average Market Price on the Determination Date, the

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Warrant Price will be reduced, effective at the opening of business on the date following the Determination Date, to an amount equal to the Warrant Price multiplied by a fraction, the numerator of which shall be the sum of the number of Outstanding Shares plus the number of shares of Common Stock which could be purchased at the Average Market Price with the proceeds of the sale of the Offered Shares at the Offered Price, and the denominator of which shall be the sum of the Outstanding Shares plus the Offered Shares. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, or to the extent that such rights or warrants are not issued, the Warrant Price shall be readjusted.

Effective at the opening of business on the date following any subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock, the Warrant Price shall be proportionately reduced. Conversely, at the opening of business on the date following the combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock, the Warrant Price shall be proportionately increased.

If the Company makes a distribution to all holders of its Common Stock of evidences of indebtedness or assets (other than any dividend or distribution paid in cash or other property out of the retained earnings of the Company and other than any such distributions described above) then the Company may, at its option, either: (i) include the holders of Warrants in such distribution with such distribution being made to such holders assuming the exercise of their Warrants into shares of Common Stock at the current Warrant Price on the Determination Date or, (ii) effective on the opening of business on the date following the Determination Date, reduce the Warrant Price to an amount equal to the Warrant Price on the Determination Date multiplied by a fraction, the numerator of which shall be the Average Market Price on the Determination Date less the then fair market value (as reasonably determined in good faith by the Board of Directors of the Company) on such date of the assets or evidences of indebtedness to be distributed on one share of Common Stock and the denominator of which shall be the Average Market Price. In the event that such distribution is not so paid or made, the Warrant Price shall be readjusted. If the Company determines to make a distribution in accordance with (i) above, the Company may elect to pay cash to such holders in an amount equal to the fair market value (determined as provided above) of the distribution to which such holders would otherwise have been entitled.

The Company may make such other reductions in the Warrant Price as it deems advisable to prevent any event treated for Federal income tax purposes as a dividend of stock or stock rights from being taxable to the recipients.

In case of any Event, then each Warrant shall be convertible only into the kind and amount of securities, cash or other property receivable upon such Event by a holder of the number of shares of Common Stock for which such Warrant was exercisable immediately prior to such Event. A reclassification of Common Stock into other securities shall be deemed to involve both a distribution of such other securities to all holders of Common Stock, and a subdivision or combination, as the case may be, of Common Stock.

No adjustment in the Warrant Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Warrant Price, but any adjustments not made because of this limitation shall be carried forward and taken into account in determining whether subsequent adjustments shall be required. In no event shall the Warrant Price be reduced below the

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then par value of the Common Stock and any such adjustment which would cause the Warrant Price to be reduced below such par value shall instead reduce the Warrant Price to such par value.

No fractions of Warrants shall be issued on any distribution of Warrants to holders of Warrants, but, instead of any fraction of a Warrant which would otherwise be issuable, the Company shall pay a cash adjustment in an amount equal to the same fraction of the current market value per Warrant (as determined in accordance with the terms of the Warrant Agreement) for the

trading day immediately prior to the date of such exercise.

No fractional shares of Common Stock shall be issued upon exercise of a Warrant, but, instead of any fraction of a share which would otherwise be issuable, the Company shall pay a cash adjustment in an amount equal to the same fraction of the current market value per share of Common Stock (as determined in accordance with the terms of the Warrant Agreement) for the trading day immediately prior to the date of such exercise.

Notices. Holders of Warrants will be entitled to notice in the event of (a) the declaration of a dividend on Common Stock by the Company payable otherwise than in cash out of its retained earnings, (b) the granting to the holders of Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock or any class or of any other rights, (c) any reclassification of Common Stock or, under certain circumstances, of a consolidation or merger to which the Company is a party, or of the sale or transfer of all or substantially all of the assets of the Company, or (d) the voluntary or involuntary dissolution, liquidation or winding up of the Company.

Common Stock

As of December 31, 1993 the Company had outstanding approximately 334 million shares of its Common Stock. Each holder of Common Stock is entitled to one vote per share for the election of directors and for all other matters to be voted on by stockholders. Except as otherwise provided by law, the holders of shares of Common Stock vote as one class, together with the shares of Series C Preferred Stock. Holders of Common Stock may not cumulate their votes in the election of directors, and are entitled to share equally in such dividends as may be declared by the Board of Directors out of funds legally available therefor, but only after payment of dividends required to be paid on outstanding shares of Preferred Stock. Upon voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Common Stock share pro rata in the assets remaining after payments to creditors and provision for the preference of any Preferred Stock. There are no preemptive or other subscription rights, conversion rights or redemption or sinking fund provisions with respect to shares of Common Stock. All of the outstanding shares of Common Stock are fully paid and nonassessable. The transfer agent and registrar for the Common Stock is The First National Bank of Boston. The Common Stock is listed on the NYSE and the Pacific Stock Exchange.

PLAN OF DISTRIBUTION

The Selling Stockholder may sell the Series B Preferred Stock and Warrants on a negotiated or competitive bid basis to or through underwriters or

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dealers, and also may sell the Series B Preferred Stock and Warrants through agents. The Prospectus Supplement will describe the method of distribution of the Series B Preferred Stock and Warrants.

The distribution of the Series B Preferred Stock and Warrants may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

If underwriters are used in the offering of the Series B Preferred Stock and Warrants, the terms of the transaction, including compensation of the underwriters and dealers, if any, will be set forth in the Prospectus Supplement relating to such offering. Unless otherwise set forth in the Prospectus Supplement, such underwriters will include SBS and Lehman. Only underwriters named in a Prospectus Supplement will be deemed to be underwriters in connection with the Series B Preferred Stock and Warrants described therein. Firms not so named will have no direct or indirect participation in the underwriting of such securities, although such a firm may participate in the distribution of such securities under circumstances entitling it to a dealer's commission. It is anticipated that any underwriting agreement pertaining to any offering of the Series B Preferred Stock or the Warrants will (1) entitle the underwriters to indemnification by the Company and the Selling Stockholder against certain civil liabilities, including liabilities under the Act, or to contribution for payments which the underwriters may be required to make in respect thereof, (2) provide that the obligations of the underwriters will be subject to certain conditions precedent, and (3) provide that the underwriters generally will be

obligated to purchase all securities subject to such agreement if any are purchased.

The Selling Stockholder also may sell the Series B Preferred Stock and Warrants to a dealer as principal. In such event, the dealer may then resell the Series B Preferred Stock and Warrants to the public at varying prices to be determined by such dealer at the time of resale. Unless otherwise set forth in the Prospectus Supplement, such dealers will include SBS and Lehman. The names of the dealers and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

The Series B Preferred Stock and the Warrants also may be offered through agents designated by the Selling Stockholder from time to time. Unless otherwise set forth in the Prospectus Supplement, such agents will include SBS and Lehman. Any such agent will be named, and the terms of any such agency will be set forth, in the Prospectus Supplement relating thereto. Unless otherwise indicated in such Prospectus Supplement, any such agent will act on a best efforts basis for the period of its appointment.

Dealers and agents named in a Prospectus Supplement may be deemed to be underwriters (within the meaning of the Act) of the Series B Preferred Stock and Warrants described therein and, under agreements which may be entered into with the Company and the Selling Stockholder, may be entitled to indemnification by the Company and the Selling Stockholder against certain civil liabilities, including liabilities under the Act, or to contribution for payments which they may be required to make in respect thereof.

Prior to the offering of the Series B Preferred Stock and Warrants there has been no public market for the Series B Preferred Stock or the Warrants. The initial offering prices for such securities will be determined by the Selling Stockholder and the underwriters, dealers or agents, as the case may be. Among the factors that will be considered in determining the initial offering prices, in addition to prevailing market conditions, are the Company's financial and operating history and condition, markets for similar

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securities of comparable companies, the market price of the Common Stock, the conversion price of the Series B Preferred Stock, the exercise price of the Warrants, the dividend yield of the Series B Preferred Stock and similar securities, of comparable companies, and the premium on warrants or similar securities of comparable companies.

Underwriters, dealers and agents may engage in transactions with, or perform services for, the Company and the Selling Stockholder in the ordinary course of business.

The anticipated place and time of delivery for the Series B Preferred Stock and Warrants will be set forth in the Prospectus Supplement.

This Prospectus may be used by SBS in connection with offers and sales of the Offered Securities in market-making transactions, subject to obtaining any necessary approvals of the NYSE, at negotiated prices related to prevailing market prices at the time of sale. SBS may act as principal or agent in such transactions. SBS has no obligation to make a market in any of the Offered Securities and may discontinue its market-making activities at any time without notice, at its sole discretion.

SBS, a member of the National Association of Securities Dealers, Inc. (the "NASD") and an affiliate of the Company, and Lehman, a member of the NASD and a majority-owned subsidiary of the Selling Stockholder, may underwrite the offerings of the Offered Securities covered by this Prospectus and participate in offers and sales of such Offered Securities. Accordingly, the underwriting arrangements for the offering and such offers and sales will conform with the requirements set forth in Schedule E to the By-Laws of the NASD regarding an NASD member firm's participation in distributing its affiliate's securities. In particular, the public offering price of the Warrants can be no higher than that recommended by a "qualified independent underwriter" meeting certain standards. In accordance with this requirement, Lehman, unless otherwise set forth in a Prospectus Supplement, will serve in such role and will recommend prices in compliance with the requirements of Schedule E. Lehman, in its role as qualified independent underwriter, has performed due diligence investigations and reviewed and participated in the preparation of this Prospectus and the Registration Statement of which this Prospectus forms a part. For a description of certain arrangements and relationships among the Selling Stockholder, the Company, and the Representatives, see "Selling Stockholder."

ERISA MATTERS

By virtue of the Company's affiliation with certain of its subsidiaries, including SBS, that are involved in investment advisory and asset management activities, the Company and any direct or indirect subsidiary of the Company may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and a "disqualified person" under corresponding provisions of the Internal Revenue Code of 1986 (the "Code"), with respect to many employee benefit plans. "Prohibited transactions" within the meaning of ERISA and the Code may result if the Offered Securities are acquired by an employee benefit plan with respect to which the Company or any direct or indirect subsidiary of the Company is a party in interest, unless such securities are acquired pursuant to an applicable exemption. Any employee benefit plan or other entity subject to such provisions of ERISA or the Code proposing to acquire the Offered Securities should consult with its legal counsel.

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LEGAL MATTERS

The validity of the Offered Securities will be passed upon for the Company by Charles O. Prince, III, Esq., General Counsel of the Company, The Travelers Inc., 65 East 55th Street, New York, New York 10022 or by counsel to be identified in the Prospectus Supplement. Mr. Prince, Senior Vice President, General Counsel and Secretary of the Company, beneficially owns, or has rights to acquire under the Company's employee benefit plans, an aggregate of less than 1% of the Company's Common Stock. Certain legal matters will be passed upon for the Selling Stockholder by Louise M. Parent, General Counsel of the Selling Stockholder, or counsel to be identified in the Prospectus Supplement, and for the Underwriters by counsel to be identified in the Prospectus Supplement.

EXPERTS

The consolidated financial statements and schedules of the Company (formerly Primerica Corporation) as of December 31, 1992 and 1991, and for each of the years in the three-year period ended December 31, 1992, included in the Company's Annual Report on Form 10-K for the year 1992, have been incorporated by reference herein, in reliance upon the reports (also incorporated by reference herein) of KPMG Peat Marwick, independent certified public accountants, and upon the authority of said firm as experts in accounting and auditing. The report of KPMG Peat Marwick covering the December 31, 1992 consolidated financial statements refers to a change in accounting for income taxes. The consolidated financial statements of The Travelers Corporation as of December 31, 1992 and 1991, and for each of the years in the three-year period ended December 31, 1992, included in the Company's Annual Report on Form 10-K for the year 1992, have been incorporated by reference herein, in reliance upon the report which includes an explanatory paragraph referring to changes in the method of accounting for postretirement benefits other than pensions, accounting for income taxes and accounting for foreclosed assets in 1992 (also incorporated by reference herein) of Coopers & Lybrand, independent accountants, and upon the authority of said firm as experts in accounting and auditing. The combined statement of assets acquired and liabilities assumed of the Shearson Lehman Brothers and SLB Asset Management Divisions ("SLBD") of Shearson Lehman Brothers Holdings Inc. as of December 31, 1992 and 1991, the related combined statement of operations of SLBD for the years then ended and the combined statement of cash provided by net income, as adjusted for non cash expenses and changes in assets acquired and liabilities assumed, exclusive of investing and financing activities for the year ended December 31, 1992, included in the Company's Current Report on Form 8-K dated April 28, 1993, have been incorporated by reference herein, in reliance upon the report (also incorporated by reference herein) of Ernst & Young, independent auditors, given upon the authority of said firm as experts in accounting and auditing.

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PART II

Item 14. Other Expenses of Issuance and Distribution.

SEC registration fee	\$ 67,455.26
NASD registration fee	20,062
Blue Sky fees and expenses	25,000
Printing	100,000
Fees of Independent Certified Public Accountants	25,000
Miscellaneous expenses	15,000
 Total expenses	 \$252,523.26 =====

Except for the SEC and NASD registration fees, all of the foregoing are estimates.

Item 15. Indemnification of Directors and Officers.

Subsection (a) of Section 145 of the DGCL empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

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Section 145 further provides that to the extent a director or officer of a corporation has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith; that indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; that indemnification provided for by Section 145 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators; and empowers the corporation to purchase and maintain insurance on behalf of a director or officer of the corporation against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liabilities under Section 145. Section 3 of Article V of the Company's By-laws provides that the Company shall indemnify its directors and officers to the fullest extent permitted by the DGCL.

The Company also provides liability insurance for its directors and officers which provides for coverage against loss from claims made against directors and officers in their capacity as such, including liabilities under the Securities Act of 1933, as amended. In certain employment agreements, the

Company or its subsidiaries have also agreed to indemnify certain officers against loss from claims made against such officers in connection with the performance of their duties under their employment agreements. Such indemnification is generally to the same extent as provided in the Company's By-laws.

Section 102(b)(7) of the DGCL provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. Article ELEVENTH of the Company's Certificate of Incorporation limits the liability of directors to the fullest extent permitted by Section 102(b)(7).

Item 16. Exhibits.

Exhibit

Number Description

- - - - -

- 1.01 Form of Underwriting Agreement for Series B Preferred Stock.*
- 1.02 Form of Underwriting Agreement for Warrants.*
- 4.01 Certificate of Designation of Series B Preferred Stock of the Company.*
- 4.02 Form of Series B Preferred Stock Certificate.

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* Filed herewith. Unless otherwise indicated all other exhibits were previously filed.

Exhibit No.

Description

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- 4.03 Form of Warrant Agreement.*
- 4.04 Form of Warrant.*
- 4.05 Form of Common Stock Certificate.
- 5.01 Opinion of Charles O. Prince, III, General Counsel of the Company, as to the legality of securities being registered.
- 12.01 Computation of ratio of earnings to fixed charges, incorporated by reference to Exhibit 12.01 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No. 1-9924) and to Exhibit 12.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1993.
- 23.01 Consent of KPMG Peat Marwick, Independent Certified Public Accountants.*
- 23.02 Consent of Coopers & Lybrand, Independent Accountants.*
- 23.03 Consent of Ernst & Young, Independent Auditors.*

- 23.04 Consent of Counsel (included in Exhibit 5.01).
- 24.01 Powers of Attorney of certain directors of the Company.
- 28.01 Information from Reports Furnished to State Insurance Regulatory Authorities. Schedule P to the Consolidated Annual Statement of Gulf Insurance Company and its affiliated fire and casualty insurers, incorporated by reference to Exhibit 29.01 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No. 1-9924). The information included in Schedule P of Annual Statements of The Travelers Corporation, a Connecticut corporation ("old Travelers"), or its affiliates is omitted. During 1993, old Travelers was a registrant under the Securities Exchange Act of 1934, and filed such 1992 information with the Securities and Exchange Commission in its own right. During such time the Company owned approximately 27% of the common stock of old Travelers. The information included in Schedule P of Annual Statements of the Company's unconsolidated subsidiaries is omitted in accordance with paragraph 28, clause (iv) of Item 601 of Regulation S-K.

* Filed herewith. Unless otherwise indicated all other exhibits were previously filed.

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Item 17. Undertakings.

The undersigned registrant 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;

(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 (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed 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.

(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 purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 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.

(5) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

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(6) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus 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.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the 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, the 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 Act 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 the requirements for filing on Form S-3 and has duly caused this Amendment to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, this 1st day of March, 1994.

THE TRAVELERS INC.
(Registrant)

By: /s/ James Dimon

James Dimon
President

Pursuant to the requirements of the Securities Act of 1933, this Amendment to this Registration Statement has been signed by the following persons in the capacities indicated on this 1st day of March, 1994.

Signature

Capacity

/s/ Sanford I. Weill
.....
Sanford I. Weill

Chairman of the Board, Chief
Executive Officer and Director
(Principal Executive Officer)

/s/ James Dimon James Dimon	President, Chief Operating Officer, Chief Financial Officer and Director (Principal Financial Officer)
/s/ Irwin R. Ettinger Irwin R. Ettinger	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
..... C. Michael Armstrong	Director
* Kenneth J. Bialkin	Director
..... Richard H. Booth	Director

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Signature -----	Capacity -----
..... Edward H. Budd	Director
* Joseph A. Califano, Jr.	Director
* Robert W. Crispin	Director
* Douglas D. Danforth	Director
* Robert F. Daniell	Director
* Leslie B. Disharoon	Director
* Gerald R. Ford	Director
* Robert F. Greenhill	Director
* Ann D. Jordan	Director
* Robert I. Lipp	Director
* Dudley C. Mecum	Director

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Signature

Capacity

* Andrall E. Pearson	Director
* Frank J. Tasco	Director
* Linda J. Wachner	Director
* Joseph R. Wright, Jr.	Director
* Arthur Zankel	Director
* Frank G. Zarb	Director

* By: /s/ James Dimon
.....
James Dimon
Attorney-in-fact

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EXHIBIT INDEX

Exhibit Number	Description
-----	-----
1.01	Form of Underwriting Agreement for Series B Preferred Stock.*
1.02	Form of Underwriting Agreement for Warrants.*
4.01	Certificate of Designation of Series B Preferred Stock of the Company.*
4.02	Form of Series B Preferred Stock Certificate.
4.03	Form of Warrant Agreement.*
4.04	Form of Warrant.*
4.05	Form of Common Stock Certificate.
5.01	Opinion of Charles O. Prince, III, General Counsel of the Company, as to the legality of securities being registered.
12.01	Computation of ratio of earnings to fixed charges, incorporated by reference to Exhibit 12.01 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No. 1-9924) and to Exhibit 12.01 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1993.
23.01	Consent of KPMG Peat Marwick, Independent Certified Public Accountants.*
23.02	Consent of Coopers & Lybrand, Independent Accountants.*

- 23.03 Consent of Ernst & Young, Independent Auditors.*
- 23.04 Consent of Counsel (included in Exhibit 5.01).
- 24.01 Powers of Attorney of certain directors of the Company.
- 28.01 Information from Reports Furnished to State Insurance Regulatory Authorities. Schedule P to the Consolidated Annual Statement of Gulf Insurance Company and its affiliated fire and casualty insurers, incorporated by reference to Exhibit 29.01 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 (File No. 1-9924). The information included in Schedule P of Annual Statements of The Travelers Corporation, a Connecticut corporation ("old Travelers"), or its affiliates is omitted. During 1993, old Travelers was a registrant under the Securities Exchange Act of 1934, and filed such 1992 information with the Securities and Exchange Commission in its own right. During such time the Company owned approximately 27% of the common stock of old Travelers. The information included in Schedule P of Annual Statements of the Company's unconsolidated subsidiaries is omitted in accordance with paragraph 28, clause (iv) of Item 601 of Regulation S-K.

* Filed herewith. Unless otherwise indicated all other exhibits were previously filed.

Preferred

THE TRAVELERS INC.

Series B Convertible Preferred Stock

UNDERWRITING AGREEMENT

_____, 1994

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS INC.

As Representatives of the several

Underwriters named in Schedule 1,

c/o LEHMAN BROTHERS INC.

Three World Financial Center

New York, New York 10285

Dear Sirs:

American Express Company, a New York corporation and a stockholder (the "Selling Stockholder") of The Travelers Inc., a Delaware corporation (the "Company"), proposes to sell to the several Underwriters (the "Underwriters") named in Schedule 1 hereto an aggregate of 2,500,000 shares of the Company's 5.50% Convertible Preferred Stock, Series B, par value \$1.00 per share (the "Preferred Stock"). The Preferred Stock is convertible into shares of the Company's common stock, par value \$.01 per share (the "Common Stock"), upon the terms and subject to the conditions and adjustments set forth in the Certificate of Designation relating thereto filed with the Secretary of State of the State of Delaware on July 30, 1993 (the "Certificate of Designation"), at a conversion price of \$36.75 per share. The shares of Common Stock issuable upon the conversion of the Preferred Stock are hereinafter called the "Conversion Stock." This is to confirm the agreement concerning the purchase by the Underwriters of the Preferred Stock and the other matters contained herein.

1. Representations, Warranties and Agreements of the Company. The Company represents, warrants and agrees, for the benefit of the Underwriters and the Selling Stockholder, that:

(a) A registration statement on Form S-3 (File No. 33-52281), and each amendment thereto, with respect to the Preferred Stock have been prepared by the Company in conformity in all material respects with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder and have been filed with the Commission under the Act, and such registration statement, as so amended, has become effective under the Act. Copies of such registration statement and each amendment thereto have been delivered by the Company to you as the representatives (the "Representatives") of the Underwriters. As used in this Agreement, "Effective Time" means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; "Effective Date" means the date of the Effective Time; "Preliminary Prospectus" means each prospectus included in such registration statement, or amendments thereof, before it became effective under the Act and any prospectus supplement filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) of the Rules and Regulations; "Registration

Statement" means such registration statement as amended at the Effective Time, including any documents incorporated by reference therein at such time and all information contained in the prospectus supplement to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 7(a) hereof and deemed to be a part of the registration statement as of the Effective Time pursuant to paragraph (b) of Rule 430A of the Rules and Regulations (the "Prospectus Supplement"); and "Prospectus" means such final prospectus as first filed with the

Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Rules and Regulations. Reference made herein to any Preliminary Prospectus or to the Prospectus shall be deemed to refer to and include any documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or the Prospectus, as the case may be, and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus.

(b) The Registration Statement conforms, and the Prospectus and any further amendments or supplements thereto will, when they become effective or, in the case of further amendments or supplements to the Prospectus as of the date thereof, as the case may be, conform, in all material respects to the requirements of the Act and the Rules and Regulations and do not and will not, as of the applicable effective date (as to the Registration Statement and any amendment thereto) and as of the date thereof (as to the Prospectus and any amendment or supplement thereto), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty as to information contained in or omitted from the Registration Statement or the Prospectus or any amendments or supplements thereto in reliance upon and in conformity with written information furnished to the Company by the Selling Stockholder or through the Representatives by or on behalf of any Underwriter specifically for inclusion therein.

(c) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus at any time during the period after the Effective Date when the Underwriters are required

to deliver a Prospectus in connection with the offering and sale of the Preferred Stock, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and will not

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contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company has all necessary corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder; all corporate action required to be taken by the Company for the due and proper authorization, and reservation for the issuance of the Conversion Stock upon conversion of the Preferred Stock has been duly and validly taken; and this Agreement has been duly authorized, executed and delivered by the Company and constitutes the valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally.

(e) Neither the Company nor any of its Significant Subsidiaries (as defined in Section 1(i) below) is in violation of its corporate charter or by-laws or in default under any agreement, indenture or instrument, the effect of which violation or default would be material to the Company or the Company and its subsidiaries taken as a whole; the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not conflict with, result in the creation or imposition of any lien, charge or encumbrance

upon any of the assets of the Company or any of its Significant Subsidiaries pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument to which the Company or any of its Significant Subsidiaries is a party, or by which the Company or any of its Significant Subsidiaries is bound or result in a violation of the corporate charter or by-laws of the Company or any of its Significant Subsidiaries or any statute or any order, rule or regulation of any court or governmental agency having jurisdiction over the Company, any of its subsidiaries or their property, the effect of which conflict, lien, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Company or the Company and its subsidiaries taken as a whole; and except as required by the Act, the Exchange Act, applicable state securities laws, and the New York Stock Exchange and such consents, approvals,

authorizations or filings as have been obtained or made under all applicable insurance laws and regulations, no other consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance of this Agreement.

(f) Except as described in or contemplated by the Registration Statement and the Prospectus, there has not been any material adverse change in, or any development which materially and adversely affects, the business, properties, financial condition or results of operations of the Company or of the Company and its subsidiaries taken as a whole, from the dates as of which information is given in the Registration Statement and the Prospectus.

(g) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of

capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and conform in all material respects to the description thereof contained in the Prospectus.

(h) The shares of the Preferred Stock have been duly and validly authorized, and are duly and validly issued, fully paid and non-assessable; all of the shares of Conversion Stock have been duly and validly authorized and reserved for issuance upon conversion of the Preferred Stock and, when issued and delivered upon conversion in accordance with the terms of the Certificate of Designation, will be duly and validly issued, fully paid and non-assessable; and the Conversion Stock and the Preferred Stock conform to the descriptions thereof contained in the Prospectus.

(i) The Company and each of its Significant Subsidiaries have been duly incorporated, are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification (other than any such jurisdictions in which the failure to so qualify would not have a material adverse effect on the Company or the Company and its subsidiaries taken as a whole), and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged and none of the subsidiaries of the Company other than the subsidiaries listed on Schedule 3 hereto (collectively, the "Significant Subsidiaries") is a "significant subsidiary" (as defined in Section 15).

(j) Except as disclosed in the Registration Statement or the Prospectus, there are no litigation or governmental proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries or of which any property or assets of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, is reasonably likely to have a material adverse effect on the consolidated financial position, stockholders' equity, business, or results of operations of the Company and its subsidiaries.

(k) The consolidated financial statements of the Company, including the related notes and supporting schedules, incorporated by reference in the Registration Statement, in any Preliminary Prospectus or the Prospectus present fairly

in all material respects the consolidated financial condition and results of operations of the Company at the dates and for the periods indicated, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as disclosed therein). The pro forma financial information incorporated by reference in the Registration Statement and in any Preliminary Prospectus or the Prospectus has been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and the assumptions used in the preparation thereof were, at the time such pro forma financial information was filed with the Commission, in the Company's opinion, reasonable.

(l) There are no contracts or other documents which are required to be filed as exhibits to the Registration

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Statement by the Act or by the Rules and Regulations which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules and Regulations, or that are required to be summarized in the Prospectus that are not so summarized.

(m) Except for rights pursuant to the Registration Rights Agreement (as defined in Section 7(d) and except for rights under any contract, agreement or understanding which have been waived prior to the date hereof, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(n) Neither the Company nor any of its subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations of the Commission thereunder.

(o) The Company has not taken, and will not take, directly or indirectly, any action, other than any stabilization activity in connection with the offering of the Preferred Stock that may be conducted by Smith Barney Shearson Inc., which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security to facilitate the sale or resale of the Preferred Stock.

2. Representations, Warranties and Agreements of the Selling Stockholder. The Selling Stockholder represents, warrants and agrees that:

(a) The Selling Stockholder has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its organization; the Selling Stockholder has full right, power and authority necessary to execute and deliver this Agreement and perform its obligations under this Agreement; this Agreement has been duly authorized and executed and delivered by or on behalf of the Selling Stockholder; the execution, delivery and performance of this Agreement by the Selling Stockholder will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder is bound, or result in any material violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Selling Stockholder, the effect of which conflict, lien, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Selling Stockholder; and, except for the registration of the Preferred Stock and the Conversion Stock under the Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act, applicable state securities laws and the New York Stock Exchange in connection with the purchase of the Preferred

Stock and distribution of the Preferred Stock by the Underwriters, no consent, authorization or order of, or filing or registration with, any court or governmental agency is required to be made or obtained or filed by the Selling Stockholder for the execution, delivery and performance of this Agreement by the Selling Stockholder and the consummation by the Selling Stockholder of the transactions contemplated hereby.

(b) On the Delivery Date, the Selling Stockholder will have good and valid title to the Preferred Stock, free and clear of any and all liens, encumbrances, equities or claims, with full right and authority to sell and deliver the Preferred Stock against payment as contemplated herein; upon the delivery of and payment for the Preferred Stock as contemplated herein, the Underwriters will receive good title to the Preferred Stock purchased by them, respectively, from the Selling Stockholder, free and clear of any and all liens, encumbrances, equities or claims.

(c) The Selling Stockholder has not taken, and will not take, directly or indirectly, any action other than any stabilization activity in connection with the offering of Preferred Stock that may be conducted by Lehman Brothers Inc. which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Preferred Stock.

(d) The information pertaining to the Selling Stockholder under the caption "Selling Stockholder" in the Prospectus is complete and accurate in all material respects.

3. Purchase of the Securities by the Underwriters. On the basis of the representations, warranties and agreements contained in, and subject to the terms and conditions of, this Agreement, the Selling Stockholder agrees to sell the Preferred Stock to the several Underwriters and each of the Underwriters, severally and

not jointly, agrees to purchase the number of shares of Preferred Stock set opposite that Underwriter's name in Schedule 1 hereto. The price to be paid by the Underwriters to the Selling Stockholder for the Preferred Stock shall be \$_____ per share.

The Selling Stockholder shall not be obligated to deliver any of the shares of Preferred Stock to be delivered on the Delivery Date (as defined below) except upon payment for all the shares of Preferred Stock to be purchased on such date as hereinafter provided.

4. Defaulting Underwriters. If, on the Delivery Date, any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the shares of Preferred Stock which the defaulting Underwriter agreed but failed to purchase on such date in the respective proportions which the number of shares of Preferred Stock set forth opposite the name of each remaining non-defaulting Underwriter in Schedule 1 hereto bears to the total number of shares of the Preferred Stock set forth opposite the names of all the remaining non-defaulting Underwriters in Schedule 1 hereto; provided, however, that the remaining non-defaulting Underwriters shall not be obligated to purchase any shares of Preferred Stock on the Delivery Date if the total number of shares of Preferred Stock which the defaulting Underwriter or Underwriters agreed but failed to purchase on such date exceeds 9.09% of the total number of shares of Preferred Stock to be purchased on the Delivery Date, and any remaining

non-defaulting Underwriter shall not be obligated to purchase more than 110% of the number of shares of Preferred Stock which it agreed to purchase on the Delivery Date pursuant to the terms of Section 3. If the foregoing maximums are exceeded, the remaining non-defaulting Underwriters, or those other underwriters satisfactory to the Representatives who so agree, shall have the right, but shall not be obligated, to purchase, in

such proportion as may be agreed upon among them, all the shares of Preferred Stock to be purchased on the Delivery Date. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the shares of Preferred Stock which the defaulting Underwriter or Underwriters agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholder except that the Company will continue to be liable for the payment of expenses to the extent set forth in Sections 7(1) and 11 hereof.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or the Selling Stockholder for damages caused by its default. If other underwriters are obligated or agree to purchase the shares of Preferred Stock of a defaulting or withdrawing Underwriter, the Representatives, the Selling Stockholder or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Stockholder or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

5. Delivery of and Payment for the Securities. Delivery of and payment for the Preferred Stock shall be made at the office of Lehman Brothers Inc., 3 World Financial Center, New York, New York, at 10:00 A.M., New York City time, on the fifth full business day following the date of this Agreement or at such other date, time or place as shall be determined by agreement among the Representatives, the Company and the Selling Stockholder. This date and time are sometimes referred to as the "Delivery Date." On the Delivery Date, the Selling Stockholder shall deliver or cause to be delivered certificates representing the Preferred Stock, registered in the name of the Selling Stockholder and endorsed in blank by the Selling Stockholder, to the Representatives for the account of each Underwriter against payment to or upon the order of the Selling Stockholder of the purchase price by certified or official bank check or checks payable in New York Clearing House (next-day) funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Preferred Stock shall be registered by the Company or its agent in such names and in such denominations as the Representatives shall request in writing not less than two full business days prior to the Delivery Date. For the purpose of expediting the checking and packaging of the certificates for the shares of Preferred Stock, the Company shall make the certificates available for inspection by the Representatives in New York, New York, not later than 2:00 P.M., New York City time, on the business day prior to the Delivery Date.

6. Schedule E Requirements. The Company and the Underwriters agree to comply in all material respects with all of the requirements of Schedule E of the By-laws of the National Association of Securities Dealers, Inc. ("Schedule E") applicable to them in connection with the offering and sale of the Preferred Stock. The Company agrees to cooperate with the Underwriters to enable the Underwriters to comply with Schedule E.

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7. Further Agreements of the Company. The Company agrees, for the benefit of the Underwriters and the Selling Stockholder:

(a) To prepare the Prospectus Supplement in a form approved by the Representatives and the Selling Stockholder and, if required by applicable law, to file such Prospectus Supplement pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or to the Prospectus prior to the Delivery Date except in accordance herewith; and to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus by the Underwriters is required in connection with the offering or sale of the Preferred Stock contemplated hereby;

(b) To furnish promptly to the Representatives and to the Selling Stockholder, a signed copy of the Registration Statement as originally filed, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith;

(c) To deliver promptly to the Representatives and to the

Selling Stockholder such number of the following documents as the Representatives and the Selling Stockholder shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement); (ii) each Preliminary Prospectus, the Prospectus Supplement and any amended or supplemented Prospectus and (iii) any document incorporated by reference in the Prospectus (excluding exhibits thereto); and, for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Preferred Stock contemplated hereby, if during such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document which, upon filing, will become incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act (other than filings by the Company of its Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively), to notify the Representatives and upon their request promptly (or, if in effect, upon completion of any Information Blackout Period (as hereinafter defined)) to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, if required by applicable law;

(d) For so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Preferred Stock contemplated hereby, to file with the Commission any amendment to the Registration Statement or

the Prospectus or any supplement to the Prospectus that may be required by the Act or requested by the Commission and approved by the Representatives; provided, however, that the Company shall not be required to comply with this Section 7(d) during any period in which the Company has notified the Selling Stockholder and the Representatives that, pursuant to and in accordance with the Registration Rights Agreement between the Company and the Selling Stockholder, dated as of July 31, 1993 and amended as of February __, 1994 (the "Registration Rights Agreement"), the Company is imposing an Information Blackout (as defined in the Registration Rights Agreement) (such period, an "Information Blackout Period"); and provided, further, that the Underwriters shall not offer and sell any shares of Preferred Stock until they shall have received (i) notification from the Company of the expiration of such Information Blackout Period (which Information Blackout Period shall expire as provided in the Registration Rights Agreement) and (ii) any such amendment or supplement has been prepared and filed with the Commission;

(e) Prior to filing with the Commission (i) for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Preferred Stock contemplated hereby, any post-effective amendment to the Registration Statement or supplement to the Prospectus (other than documents incorporated by reference therein), (ii) prior to the Delivery Date, any document which, upon filing, will become incorporated by reference in the Prospectus or (iii) for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Preferred Stock contemplated hereby, any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Representatives, the Selling Stockholder, counsel for the Underwriters and counsel for the Selling Stockholder and obtain the consent of the Representatives to the filing (which consent shall not be unreasonably withheld);

(f) For so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Preferred Stock contemplated hereby, to advise the Selling Stockholder and the Representatives promptly (i) when the Registration Statement, or any amendment thereto, has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Representatives with copies thereof, (ii) of any request or proposed request by the Commission for an

amendment to the Registration Statement, a supplement to the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus or the Prospectus or the initiation or threat of any stop order proceeding, (iv) of receipt by the Company of any notification with respect to the suspension of the qualification of the Preferred Stock for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose, and (v) of the happening of any event which makes untrue any statement of a material fact made in the Registration Statement or the Prospectus, or which requires the making of a change in the Registration Statement or the Prospectus in order to make any material statement therein not misleading;

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(g) If the Commission shall issue a stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the qualification of the Preferred Stock or Conversion Stock for offering or sale in any jurisdiction, to use its reasonable efforts to obtain the lifting of any such order at the earliest possible time;

(h) As soon as practicable after the Effective Date, to make generally available to its security holders an earnings statement (which need not be audited), conforming with the requirements of Section 11(a) of the Act, covering a period of at least twelve months beginning after the Effective Date;

(i) Prior to the Effective Date, to apply for the listing of the Preferred Stock on the New York Stock Exchange and to use its best efforts to (i) complete that listing, subject only to official notice of issuance, prior to the Delivery Date and (ii) complete the listing of the Conversion Stock on the New York Stock Exchange, prior to the issuance of such Stock;

(j) To use its best efforts to qualify the Preferred Stock for offer and sale under the securities laws of such jurisdictions as the Representatives may reasonably request and to endeavor to comply with such laws as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be reasonably necessary to complete the distribution of the Preferred Stock; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(k) For a period of 60 days from the date of this Agreement not to offer for sale, sell or otherwise dispose of (or enter into any transaction which is designed to, or could be expected to, result in the disposition by any person of), directly or indirectly, any shares of Common Stock (other than the shares which may be issuable upon exercise of the Warrants covered by the Registration Statement, the shares issuable upon conversion of any outstanding convertible debt, the Conversion Stock, shares issued pursuant to employee benefit plans, deferred share plans, qualified stock option plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options or warrants), or sell or grant options, rights or warrants with respect to any shares of Common Stock (other than the grant of options pursuant to employee benefit plans or other agreements between the Company and any employees of the Company consistent with the past practice of the Company), without the prior written consent of the Representatives, which consent shall not be unreasonably withheld (for purposes of this paragraph 7(k), sales of securities by affiliates of the Company in their capacity as agent or in the ordinary course of such affiliate's business shall not be deemed to be sales by the Company);

(l) To pay the costs incident to the sale and delivery of the Preferred Stock and any taxes payable in that connection; the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amendments and exhibits thereto; the costs of distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments

thereof (including, in each case, exhibits), any Preliminary Prospectus, the Prospectus and any amendment or supplement to the Prospectus, and any document incorporated by reference therein, all as provided in this Agreement; the costs of producing and copying this Agreement; the costs of distributing the terms of agreement relating to the organization of the underwriting syndicate and the selling group to the members thereof by mail, telex or other means of communication; the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of sale of the Preferred Stock; any applicable listing or other fees; the fees and expenses of qualifying the Preferred Stock under the securities laws of the several jurisdictions as provided in Section 7(j) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); and all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; provided that, except as provided in this Section 7 and Section 11, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel, any transfer taxes on the Preferred Stock which they may sell and the expenses of advertising any offering of the Preferred Stock made by the Underwriters; nothing herein contained is intended as shall be construed to limit the obligation of the Company to pay expenses incurred by the Selling Stockholder not enumerated herein if and to the extent required to be paid by the Company pursuant to the terms of the Registration Rights Agreement.

8. Indemnification and Contribution. (a) The Company shall indemnify and hold harmless each Underwriter and the Selling Stockholder and each director or officer of the Selling Stockholder and each person, if any, who controls any Underwriter or the Selling Stockholder within the meaning of the Act, from

and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which such Underwriter, the Selling Stockholder, such director or officer of the Selling Stockholder or such controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter, the Selling Stockholder, each such director or officer of the Selling Stockholder and each such controlling person for any legal or other expenses reasonably incurred by that Underwriter, Selling Stockholder, director or officer of the Selling Stockholder or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company shall not be liable to any Underwriter in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by the Selling Stockholder or through the Representatives by or on behalf of any Underwriter specifically for inclusion therein; and provided, further, that the Company shall not be liable to any

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Underwriter in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any such

amendment or supplement thereto in connection with any sale of Preferred Stock by such Underwriter during an Information Blackout Period; and provided further that as to any Preliminary Prospectus this indemnity agreement shall not inure to the benefit of any Underwriter or any person controlling that Underwriter on account of any loss, claim, damage, liability or action arising from the sale of Preferred Stock to any person by that Underwriter if that Underwriter failed to send or give a copy of the Prospectus, as the same may be amended or supplemented, to that person within the time required by the Act, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Prospectus was corrected in the Prospectus, unless such failure resulted from non-compliance by the Company with Section 7(c). For purposes of the last proviso to the immediately preceding sentence, the term "Prospectus" shall not be deemed to include the documents incorporated therein by reference, and no Underwriter shall be obligated to send or give any supplement or amendment to any document incorporated by reference in any Preliminary Prospectus or the Prospectus to any person other than a person to whom such Underwriter had delivered such incorporated document or documents in response to a written request therefor. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter, the Selling Stockholder, directors or officers of the Selling Stockholder or to any controlling person of that Underwriter or the Selling Stockholder.

(b) The Selling Stockholder will indemnify and hold harmless the Company, each director of the Company and each officer of the Company who signed the Registration Statement, each Underwriter and each person, if any, who controls any Underwriter or the Company within the meaning of the Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof to which such Underwriter, the Company, such director or officer of the Company or such controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished by the Selling Stockholder to the Company specifically for inclusion therein, and shall reimburse each Underwriter, the Company, each director of the Company, each officer of the Company who signs the Registration Statement and

each such controlling person for any legal or other expenses reasonably incurred by such Underwriter, the Company, each director of the Company, each such officer of the Company or such controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. Notwithstanding the provisions of this Section 8(b), the aggregate liability of the Selling Stockholder under this Section 8(b) shall not exceed the proceeds received by the Selling Stockholder from the sale of Preferred Stock under this

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Agreement. The foregoing indemnity agreement is in addition to any liability which the Selling Stockholder may otherwise have to any Underwriter, the Company, each director of the Company, each officer of the Company who signs the Registration Statement or to any controlling person of that Underwriter or the Company.

(c) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company and the Selling Stockholder, each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company or the Selling Stockholder within the meaning of the Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or the Selling Stockholder or any such director, officer or controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance

upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, and shall reimburse the Company, the Selling Stockholder and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company, the Selling Stockholder or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Underwriter may otherwise have to the Company, the Selling Stockholder or any such director, officer or controlling person.

(d) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that each indemnified party shall have the right to employ separate counsel to represent it (and, in the case of the Underwriters, such separate counsel shall represent jointly the Representatives and those other Underwriters and their respective controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the

Underwriters against an indemnifying party under this Section 8) if, in the reasonable judgment of such indemnified party, it is advisable for such indemnified party and its directors, officers and controlling persons to be represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the indemnifying party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld), but if settled with such consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment to the extent provided in the preceding paragraphs.

(e) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), (b) or (c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the Company, the Selling Stockholder and the Underwriters with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholder or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by pro rata allocation (even if the Underwriters

were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(e) shall be deemed to include, for purposes of this Section 8(e), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Preferred Stock underwritten by it and distributed to the public was offered to the public exceeds the amount of any damages which such Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this

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Section 8(e) are several in proportion to their respective underwriting obligations and not joint. Promptly after receipt by an indemnified party under this Section 8(e) of the notice of the commencement of any action against such party in respect of which a claim for contribution may be made against an indemnifying party under this Section 8(e), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in Section 8(d) above has not been given with respect to such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8(e).

(f) The Underwriters severally confirm that the statements

with respect to the public offering of the Preferred Stock set forth on the cover page of the Prospectus Supplement and under the captions "Plan of Distribution" in the Prospectus and "Underwriting" in the Prospectus Supplement are correct and were furnished in writing to the Company by or on behalf of the Underwriters severally for inclusion in the Registration Statement and the Prospectus, and the Company and the Selling Stockholder acknowledge that such statements are the only statements so furnished by the Underwriters.

(g) The Selling Stockholder confirms that the statements under the caption "Selling Stockholder" in the Prospectus are correct and were furnished in writing to the Company by or on behalf of the Selling Stockholder for inclusion in the Registration Statement and the Prospectus, and the Underwriters and the Company acknowledge that such statements are the only statements so furnished by the Selling Stockholder.

9. Termination. (a) The obligations of the Underwriters hereunder may be terminated by the Representatives, in their absolute discretion, by notice given to and received by the Company and the Selling Stockholder prior to delivery of and payment for the Preferred Stock, if prior to that time any of the events described in Section 10(i) or 10(j) shall have occurred or if the Underwriters shall decline to purchase the Preferred Stock for any reason permitted under this Agreement;

(b) The obligations of the Selling Stockholder hereunder may be terminated by the Selling Stockholder by notice given to and received by the Company and the Underwriters prior to delivery and payment for the Preferred Stock, if prior to that time any of the events described in Section 10(i) shall have occurred or if the Selling Stockholder shall decline to sell the Preferred Stock for any reason permitted under this Agreement; and

(c) If the Company shall impose an Information Blackout Period to begin at any time between the date hereof and the Delivery Date, this Agreement shall terminate without liability to any of the Company, the Selling Stockholder or the Underwriters, and the Selling Stockholder may exercise its registration rights under the Registration Rights Agreement at any time following the expiration of such Information Blackout Period.

10. Conditions of Underwriters' and Selling Stockholder's Obligations. The respective obligations of the Underwriters and the Selling Stockholder hereunder are subject to the accuracy, when made and on the Delivery Date, of the representations and warranties of the Company and the Selling Stockholder contained herein, to the performance by the Company and the Selling

Stockholder of their respective obligations hereunder, and to each of the following additional terms and conditions.

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(a) The Prospectus Supplement shall have been timely filed with the Commission in accordance with Section 7(a) of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with.

(b) Neither any Underwriter nor the Selling Stockholder shall have discovered after the date hereof and disclosed to the Company on or prior to the Delivery Date that the Registration Statement or the Prospectus or any amendment or supplement thereto contains an untrue statement of a fact which is material or omits to state a fact which is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) Simpson Thacher & Bartlett, counsel for the Underwriters, shall have furnished to the Underwriters their opinion, reasonably satisfactory in all respects to the Underwriters, with respect to this Agreement, the Preferred Stock, the Conversion Stock, the Registration Statement, the Prospectus, the Certificate of Designations and all such other related legal matters as the Representatives shall reasonably request and the Company and the Selling Stockholder shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Charles O. Prince, III, General Counsel of the Company, shall have furnished to the Representatives and to the

Selling Stockholder his opinion addressed to the Underwriters and to the Selling Stockholder and dated the Delivery Date to the effect that:

(i) The Company and each of its Significant Subsidiaries have been duly incorporated, are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification (other than the jurisdictions in which the failure to so qualify would not have a material adverse effect on the Company or the Company and its subsidiaries taken as a whole); the Company and each of its Significant Subsidiaries have all power and authority necessary to own or hold their respective properties and to conduct their respective businesses as described in the Prospectus;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company (including the shares of Preferred Stock being delivered on the Delivery Date) have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof contained in the Prospectus; all of the shares of Conversion Stock have been duly and validly authorized and reserved for issuance upon conversion of the Preferred Stock, and, when issued and delivered in accordance with the terms of the Certificate of Designation upon conversion will

be duly and validly issued, fully paid and non-

assessable;

(iii) The Common Stock (including the Conversion Stock) conforms in all material respects as to legal matters to the description of the Common Stock of the Company, and the Preferred Stock conforms in all material respects as to legal matters to the description of the Preferred Stock contained in the Prospectus under the caption "Description of Offered Securities"; and the statements made in the Prospectus under the captions "Description of Capital Stock" and "Description of Offered Securities" insofar as they purport to summarize the terms of the Company's capital stock (including the Preferred Stock and the Conversion Stock), fairly present in all material respects the information called for with respect thereto by the Rules and Regulations;

(iv) To the best of such counsel's knowledge, except for rights pursuant to the Registration Rights Agreement and except for rights under any contract, agreement or understanding which have been waived prior to the date hereof, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act;

(v) The Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Prospectus Supplement was filed with the Commission pursuant to the subparagraph of Rule 424(b)

of the Rules and Regulations specified in such opinion on the date specified therein and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose is pending or threatened by the Commission;

(vi) The Registration Statement and the Prospectus and any further amendments or supplements thereto made by the Company prior to the Delivery Date (except that no opinion need be expressed as to the financial statements and other financial and statistical

information contained therein) comply as to form in all material respects with the requirements of the Act and the Rules and Regulations; and the documents incorporated by reference in the Prospectus and any further amendments or supplements thereto made by the Company prior to the Delivery Date (except that no opinion need be expressed as to the financial statements and other financial and statistical information contained therein), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder;

(vii) To the best of such counsel's knowledge, except as disclosed in the Registration Statement or the

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Prospectus there are no legal or governmental proceedings or investigations pending or threatened against the Company or any of its subsidiaries or of which any property or assets of the Company or any of its subsidiaries are the subject which, if determined adversely to the Company or any of its subsidiaries, is reasonably likely to have a material adverse effect on the consolidated financial position, stockholders' equity, results of operations or business of the Company and its subsidiaries;

(viii) To the best of such counsel's knowledge, there are no contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Act or by the Rules and Regulations which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules and Regulations;

(ix) To the best of such counsel's knowledge, neither

the Company nor any of its Significant Subsidiaries is in violation of its corporate charter or by-laws, or in default under any material agreement, indenture or instrument (except, in the case of any such material agreement, indenture or instrument, for any such violation or default which would not have a material adverse effect on the Company and its subsidiaries taken as a whole);

(x) The Company has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all corporate action required to be taken by the Company for the due and proper authorization and issuance of the Conversion Stock has been duly and validly taken;

(xi) This Agreement has been duly authorized, executed and delivered by the Company; the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by the Company, do not conflict with and will not result in the creation or imposition of any lien, charge or encumbrance upon or preemptive rights with respect to any of the assets of the Company or any of its Significant Subsidiaries pursuant to the terms of, or constitute a material default under, any agreement, indenture or instrument listed as an exhibit to the Registration Statement to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound, except where such conflict, lien, charge, encumbrance, preemptive right or default would not have a material adverse effect on the Company and its Significant Subsidiaries taken as a whole, and will not result in a violation of the corporate charter or by-laws of the Company or any of its Significant Subsidiaries or, to such counsel's knowledge, any material statute or any material order, rule or regulation of any court or governmental agency having jurisdiction over the Company, any of its subsidiaries or their property, the effect of which conflict, lien, charge, encumbrance, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Company or the Company and its subsidiaries taken as a whole; and except for such consents, approvals,

authorizations or filings as may be required under all applicable insurance laws and regulations, no other consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transaction contemplated hereby, except such as may be required by the Act, the Exchange Act or state securities laws, or the New York Stock Exchange or except where the failure to obtain such consent, authorization or order, or to effect such filing or registration, would not have a material adverse effect on the Company and its subsidiaries taken as a whole; and

(xii) The Company is not an "investment company" within the meaning of the Investment Company Act and the rules and regulations of the Commission thereunder.

In rendering such opinion, such counsel may state that his opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the State of New York and the General Corporation Law of the State of Delaware. Such counsel shall also have furnished to the Representatives and to the Selling Stockholder a written statement (which may be included in such opinion), addressed to the Underwriters and to the Selling Stockholder and dated the Delivery Date, in form and substance satisfactory to the Representatives and to the Selling Stockholder to the effect that (x) such counsel is general counsel to the Company, has acted as counsel to the Company in connection with previous financing transactions and has acted as counsel to the Company in connection with the preparation of the Registration Statement, and (y) based on the foregoing, no facts have come to the attention of such counsel which lead him to believe that (I) the Registration Statement, as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Prospectus contains any untrue statement of a material fact or omits to state a material fact required to be

stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (II) any document incorporated by reference in the Prospectus, when it was filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The foregoing opinion and statement may be qualified by a statement to the effect that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus except for the statements made in the Prospectus under the captions "Description of Capital Stock" and "Description of Offered Securities," insofar as such statements relate to the Preferred Stock, the Conversion Stock or the Common Stock, and concern legal matters.

(e) The Selling Stockholder shall have furnished to the Representatives and, with respect only to paragraphs (i) and (ii) below, to the Company, a written opinion of Louise M. Parent, its general counsel, addressed to the Underwriters and to the Company, with respect only to paragraphs (i) and

(ii) below, and dated the Delivery Date, in form and substance satisfactory to the Representatives, to the effect that:

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(i) The Selling Stockholder has been duly organized and is validly existing and in good standing under the laws of New York; the Selling Stockholder has all necessary power and authority to execute and deliver this Agreement; the execution, delivery and performance of this Agreement by the Selling Stockholder will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of,

or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument known to such counsel to which the Selling Stockholder is a party or by which the Selling Stockholder is bound, or result in a violation of any material statute or a violation of any material order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over the Selling Stockholder, the effect of which conflict, lien, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Selling

Stockholder; and, except for the registration of the Preferred Stock and the Conversion Stock under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act, applicable state securities laws and the New York Stock Exchange and no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required to be made, obtained or filed by the Selling Stockholder for the execution, delivery and performance of this Agreement by the Selling Stockholder and the consummation of the transactions contemplated hereby;

(ii) This Agreement has been duly authorized and executed and delivered by or on behalf of the Selling Stockholder;

(iii) Immediately prior to the Delivery Date, (i) to such counsel's knowledge, the Preferred Stock to be sold by the Selling Stockholder under this Agreement was owned by the Selling Stockholder free and clear of all liens, encumbrances, equities or claims (other than those arising pursuant to this Agreement), and (ii) the Selling Stockholder had full right, power and authority to sell, assign, transfer and deliver such Preferred Stock to be sold by the Selling Stockholder hereunder; and

(iv) Upon delivery to the Underwriters of the Preferred Stock registered in the name of the Selling Stockholder and endorsed in blank by the Selling Stockholder, the Underwriters have acquired all of the Selling Stockholder's rights in the Preferred Stock to be sold by the Selling Stockholder on the Delivery Date under this Agreement, free of any adverse claims, assuming that each of the several Underwriters has purchased

such Preferred Stock in good faith and without notice of any such adverse claims within the meaning of the Uniform Commercial Code as in effect in the State of New York.

In rendering such opinion, such counsel may (i) state that her opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the State of New York and the Business Corporation Law of the State of New

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York and (ii) in rendering the opinions in Sections 11(e)(iii) and (iv) above, rely upon a certificate of the Selling Stockholder in respect of matters of fact as to ownership of and liens, encumbrances, equities or claims on the Preferred Stock sold by the Selling Stockholder, provided that such counsel shall furnish copies thereof to the Representatives and state that she believes that both the Underwriters and she are justified in relying upon such certificate. In rendering the opinion in Sections 11(e)(iii) and (iv) above, such counsel may assume that the Preferred Stock has been duly and validly authorized and issued by the Company, is fully paid and non-assessable, is not subject to any preemptive rights or other rights to subscribe for or purchase the Preferred Stock granted to any holder on the date thereof of any outstanding shares of capital stock of the Company and is subject to no liens, encumbrances, equities or claims created by the Company or the Underwriters. Such counsel shall also have furnished to the Representatives a written statement, addressed to the Underwriters and dated the Delivery Date, in form and substance satisfactory to the Representatives, to the effect that (x) such counsel is general counsel to the Selling Stockholder and has acted as counsel to the Selling Stockholder in connection with the preparation of the Registration Statement, and (y) based on the foregoing, no facts have come to the attention of such counsel which lead her to believe that the Registration Statement, as of the Effective Date, contained any untrue statement of a material fact relating to the Selling Stockholder or omitted to state such a material fact required to

be stated therein or necessary in order to make the statements therein not misleading, or that the Prospectus contains any untrue statement of a material fact relating to the Selling Stockholder or omits to state such a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The foregoing opinion and statement may be qualified by a statement to the effect that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus.

(f) The Company shall have furnished to the Selling Stockholder and the Representatives a letter (used in this paragraph, the "comfort letter") of KPMG Peat Marwick, addressed to the Selling Stockholder and the Underwriters and dated the Delivery Date (i) confirming that they are independent public accountants within the meaning of the Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission and (ii) stating, as of the date thereof, the conclusions and findings of such firm with respect to the financial information and other matters as have been requested by the Representatives to be included in such comfort letter.

(g) The Company shall have furnished to the Selling Stockholder and to the Representatives a certificate, dated the Delivery Date, of its Chairman of the Board, any Vice Chairman, its President or a Vice President and its chief financial officer or treasurer stating that:

(i) The representations, warranties and agreements of the Company in Section 1 are true and correct in all material respects as of such date; the Company has complied in all material respects with all its agreements contained herein and the conditions set forth in Section 10(a) have been fulfilled; and

(ii) They have carefully examined the Registration Statement and the Prospectus and, in their opinion, (A) as of the Effective Date, the Registration Statement and Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (B) since the Effective Date, no event has occurred which should have been set forth in a supplement to or amendment of the Prospectus which has not been set forth in such a supplement or amendment.

(h) The Selling Stockholder shall have furnished to the Representatives and to the Company a certificate, dated the Delivery Date, signed on its behalf by its Chairman, President or a Vice President and its Treasurer or an Assistant Treasurer or its Secretary, stating that the representations, warranties and agreements of the Selling Stockholder in Section 2 and, with respect to the Company, in paragraphs (a) and (d) of Section 2, are true and correct as of the Delivery Date and the Selling Stockholder has complied with all its agreements contained herein to be performed at or prior to the Delivery Date.

(i) Since the respective dates as of which information is given in the Prospectus there shall not have been any material adverse change in or affecting the business, properties, financial condition, results or operations of the Company or the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case, is, in the judgment of Lehman Brothers Inc., so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Preferred Stock being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(j) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market shall have been suspended or minimum prices shall have been established on either of such exchanges or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have

been declared by Federal or New York state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of a majority in interest of the several Underwriters, impracticable or inadvisable to proceed with the public offering or delivery of the Preferred Stock being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to Simpson Thacher &

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Bartlett, counsel for the Underwriters and to counsel for the Selling Stockholder and, to the extent delivered to the Company pursuant to paragraphs (e) and (h) of Section 10, to counsel for the Company.

11. Reimbursement of Underwriters' Expenses. If (a) notice shall have been given pursuant to Section 12(a) preventing this Agreement from becoming effective, (b) the Selling Stockholder shall fail to tender the Preferred Stock for delivery to the Underwriters for any reason permitted under this Agreement or (c) the Underwriters shall decline to purchase the Preferred Stock for any reason permitted under this Agreement (including the termination of this Agreement pursuant to Section 9(a)), the Company and the Selling Stockholder shall reimburse the Underwriters for the fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by

them in connection with this Agreement and the proposed purchase of the Preferred Stock, and upon demand the Company and the Selling Stockholder shall pay the full amount thereof to the Representatives. If this Agreement is terminated pursuant to Section 4 by reason of the default of one or more Underwriters, neither the Company nor the Selling Stockholder shall be obligated, to reimburse any defaulting Underwriter on account of those expenses. If this Agreement is terminated pursuant to Section 9(c), neither the Company nor the Selling Stockholder shall be obligated to reimburse the expenses of any Underwriter. Nothing herein shall affect the rights of the Selling Stockholder or the Company under the Registration Rights Agreement including, without limitation, with respect to obligations of reimbursement of Underwriters' expenses.

12. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-528-8822);

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to the address of the

Company set forth in the Registration Statement, Attention: President; and

(c) if to the Selling Stockholder, shall be delivered or sent by mail, telex or facsimile transmission to American Express Company, American Express Tower, World Financial Center, New York, New York 10285, Attention: General Counsel;

provided, however, that any notice to an Underwriter pursuant to Section 8(d) shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its acceptance telex to the Representatives, which address will be supplied to any other party hereto by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Selling Stockholder shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Lehman Brothers Inc. on behalf of the Representatives, and the Company and the Underwriters shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Selling Stockholder.

13. Persons Entitled to Benefit of Agreement. This

Underwriters, the Company, the Selling Stockholder and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any Underwriter (as used herein, "control" and "controlling" shall be within the meaning of Section 15 of the Act) and for the benefit of the person or persons, if any, controlling the Selling Stockholder; (b) the indemnity agreement of the Underwriters contained in Section 8 of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement, the Selling Stockholder, and any person or persons controlling the Company or the Selling Stockholder; (c) the representations, warranties, indemnities and agreements of the Selling Stockholder contained in this Agreement shall be deemed to be for the benefit of the person or persons, if any, controlling the Underwriters; and (d) the indemnities of the Selling Stockholder and the representations of the Selling Stockholder contained in Section 2(a) and 2(d) of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement and any person or persons controlling the Company. Nothing in this Agreement is intended or shall be construed to give any person other than the persons referred to in this paragraph any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

14. Survival. The respective indemnities, representations, warranties and agreements of the Company, the Selling Stockholder and the Underwriters contained in this Agreement or on behalf of them respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Preferred Stock and shall remain

in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

15. Certain Definitions. For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "subsidiary" and "significant subsidiary" have the respective meanings set forth in Regulation S-X of the Rules and Regulations.

16. Governing Law; Counterparts. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

17. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

the Company, the Selling Stockholder and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

THE TRAVELERS INC.

By _____

Title:

THE SELLING STOCKHOLDER:

AMERICAN EXPRESS COMPANY

By _____

Title:

Accepted:

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS INC.

As Representatives of the several
Underwriters named in Schedule 1

By: LEHMAN BROTHERS INC.

By _____

Authorized Representative

SCHEDULE 1

Underwriter -----	Number of Shares -----
Smith Barney Shearson Inc.	
Lehman Brothers Inc.	

Total

=====

SCHEDULE 2

Significant Subsidiaries of the Company

CC Holdings, Inc.
Commercial Credit Company
Associated Madison Companies, Inc.
The Travelers Insurance Group, Inc.
The Travelers Insurance Company
Primerica Insurance Holdings, Inc.
Primerica Life Insurance Company
The Travelers Indemnity Company

Smith Barney Shearson Holdings Inc.
Smith Barney Shearson Inc.

THE TRAVELERS INC.

Warrants to Purchase Common Stock

UNDERWRITING AGREEMENT

_____, 1994

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS INC.

As Representatives of the several
Underwriters named in Schedule 1,
c/o LEHMAN BROTHERS INC.
Three World Financial Center
New York, New York 10285

Dear Sirs:

American Express Company, a New York corporation and a stockholder (the "Selling Stockholder") of The Travelers Inc., a Delaware corporation (the "Company"), proposes to sell to the several Underwriters (the "Underwriters") named in Schedule 1 hereto warrants (the "Warrants") for the purchase of an aggregate of 3,749,466 shares of Common Stock. The Warrants will be subject to the provisions of a Warrant Agreement (the "Warrant Agreement") to be dated as of March 1, 1994, between the Company and The First National Bank of Boston, as warrant agent (the "Warrant Agent"). The shares of Common Stock issuable upon the exercise of the Warrants are hereinafter called the "Warrant Stock." This is to confirm the agreement concerning the purchase by the Underwriters of the Warrants and the other matters contained herein.

1. Representations, Warranties and Agreements of the Company. The Company represents, warrants and agrees, for the benefit of the Underwriters and the Selling Stockholder, that:

(a) A registration statement on Form S-3 (File No. 33-52281), and each amendment thereto, with respect to the Warrants have been prepared by the Company in conformity in all material respects with the requirements of the Securities Act of 1933, as amended (the "Act"), and the rules and regulations (the "Rules and Regulations") of the

Securities and Exchange Commission (the "Commission") thereunder and have been filed with the Commission under the Act, and such registration statement, as so amended, has

become effective under the Act. Copies of such registration statement and each amendment thereto have been delivered by the Company to you as the representatives (the "Representatives") of the Underwriters. As used in this Agreement, "Effective Time" means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; "Effective Date" means the date of the Effective Time; "Preliminary Prospectus" means each prospectus included in such registration statement, or amendments thereof, before it became effective under the Act and any prospectus supplement filed with the Commission by the Company with the consent of the Representatives pursuant to Rule 424(a) of the Rules and Regulations; "Registration Statement" means such registration statement as amended at the Effective Time, including any documents incorporated by reference therein at such time and all information contained in the prospectus supplement to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations in accordance with Section 7(a) hereof and deemed to be a part of the registration statement as of the Effective Time pursuant to paragraph (b) of Rule 430A of the Rules and Regulations (the "Prospectus Supplement"); and "Prospectus" means such final prospectus as first filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations. Reference made herein to any Preliminary Prospectus or to the Prospectus shall be deemed to refer to

and include any documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or the Prospectus, as the case may be, and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any document filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of such Preliminary Prospectus or the Prospectus, as the case may be, and incorporated by reference in such Preliminary Prospectus or the Prospectus, as the case may be. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus.

(b) The Registration Statement conforms, and the Prospectus and any further amendments or supplements thereto will, when they become effective or, in the case of further amendments or supplements to the Prospectus as of the date thereof, as the case may be, conform, in all material respects to the requirements of the Act and the Rules and Regulations and do not and will not, as of the applicable effective date (as to the Registration Statement and any amendment thereto) and as of the date thereof (as to the Prospectus and any amendment or supplement thereto), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty as to information contained in or omitted from the Registration Statement or the Prospectus or any amendments or supplements thereto in reliance upon and in conformity with written information furnished to the Company by the Selling Stockholder or through the Representatives by or on behalf of any Underwriter specifically for inclusion therein.

(c) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of

the Exchange Act and the rules and regulations of the Commission thereunder, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus at any time during the period after the Effective Date when the Underwriters are required to deliver a Prospectus in connection with the offering and sale of the Warrants, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company has all necessary corporate power and authority to exchange for the Warrants the warrant dated July 31, 1993 to purchase 3,749,466 shares of Common Stock held by the Selling Stockholder (the "Selling Stockholder Warrant") and to execute and deliver the Warrants, this Agreement and the Warrant Agreement and perform its obligations hereunder and thereunder; all corporate action required to be taken by the Company for the due and proper authorization, and reservation for the issuance of Warrant Stock upon exercise of the Warrants has been duly and validly taken; and this Agreement and the Warrant Agreement have been duly authorized, executed and delivered by the Company and constitute the valid and legally binding agreements of the Company enforceable against the Company in accordance with their terms, except as may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally.

(e) Neither the Company nor any of its Significant Subsidiaries (as defined in Section 1(i) below) is in violation of its corporate charter or by-laws or in default under any agreement, indenture or instrument, the effect of which violation or default would be material to the Company or the Company and its significant subsidiaries taken as a whole; the execution, delivery and performance of this Agreement and the Warrant Agreement by the Company and the

consummation of the transactions contemplated hereby and thereby will not conflict with, result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the Company or any of its Significant Subsidiaries pursuant to the terms of, or constitute a default under, any agreement, indenture or instrument to which the Company or any of its Significant Subsidiaries is a party, or by which the Company or any of its Significant Subsidiaries is bound or result in a violation of the corporate charter or by-laws of the Company or any of its Significant Subsidiaries or any statute or any order, rule or regulation of any court or governmental agency having jurisdiction over the Company, any of its subsidiaries or their property, the effect of which conflict, lien, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Company or the Company and its subsidiaries taken as a whole; and except as required by the

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Act, the Exchange Act, applicable state securities laws and the New York Stock Exchange, and such consents, approvals, authorizations or filings as have been obtained or made under all applicable insurance laws and regulations, no other consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance of this Agreement and the Warrant Agreement.

(f) Except as described in or contemplated by the Registration Statement and the Prospectus, there has not been any material adverse change in, or any development which materially and adversely affects, the business, properties, financial condition or results of operations of the Company or of the Company and its subsidiaries taken as a whole, from the dates as of which information is given in

the Registration Statement and the Prospectus.

(g) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and conform in all material respects to the description thereof contained in the Prospectus.

(h) The Warrants have been duly and validly authorized and issued by the Company and constitute validly issued and outstanding warrants of the Company entitling the holders thereof to purchase shares of the Common Stock upon the terms and in the manner set forth therein and in the Warrant Agreement; the Warrant Stock has been validly reserved for issuance upon exercise of the Warrants and payment of the exercise price therefor, and when certificates for such shares of Warrant Stock are issued and delivered by the Company to the Warrant Agent upon exercise of Warrants, the Warrant Stock will be validly authorized, issued and outstanding, fully paid and nonassessable and the Warrant Stock and the Warrants conform to the descriptions thereof contained in the Prospectus.

(i) The Company and each of its Significant Subsidiaries have been duly incorporated, are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and are in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification (other than any such jurisdictions in which the failure to so qualify would not have a material adverse effect on the Company or the Company and its subsidiaries taken as a whole), and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged and none of the subsidiaries of the Company other than the subsidiaries listed on Schedule 3 hereto (collectively, the "Significant Subsidiaries") is a "significant subsidiary" (as defined in Section 15).

(j) Except as disclosed in the Registration Statement or the Prospectus, there are no litigation or governmental proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries or of which any property or assets of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, is reasonably likely to have a material adverse effect on the consolidated financial position,

stockholders' equity, business or results of operations of the Company and its subsidiaries.

(k) The consolidated financial statements of the Company, including the related notes and supporting schedules, incorporated by reference in the Registration Statement, in any Preliminary Prospectus or the Prospectus present fairly in all material respects the consolidated financial condition and results of operations of the Company at the dates and for the periods indicated, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as disclosed therein). The pro forma financial information incorporated by reference in the Registration Statement and in any Preliminary Prospectus or the Prospectus has been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and the assumptions used in the preparation thereof were, at the time such pro forma financial information was filed with the Commission, in the Company's opinion, reasonable.

(l) There are no contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Act or by the Rules and Regulations which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules and Regulations, or that are required to be summarized in the Prospectus that are not so summarized.

(m) Except for rights pursuant to the Registration Rights Agreement (as defined in Section 7(d)) and except for rights under any contract, agreement or understanding which have been waived prior to the date hereof, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the

Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(n) Neither the Company nor any of its subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and the rules and regulations of the Commission thereunder.

(o) The Company has not taken, and will not take, directly or indirectly, any action, other than any stabilization activity in connection with the offering of the Warrants that may be conducted by Smith Barney Shearson Inc., which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security to facilitate the sale or resale of the Warrants.

2. Representations, Warranties and Agreements of the Selling Stockholder. The Selling Stockholder represents, warrants and agrees that:

(a) The Selling Stockholder has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its organization; the Selling Stockholder has full right, power and authority necessary to

execute and deliver this Agreement and perform its obligations under this Agreement; this Agreement has been duly authorized and executed and delivered by or on behalf of the Selling Stockholder; the execution, delivery and

performance of this Agreement by the Selling Stockholder will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder is bound or result in any material violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Selling Stockholder the effect of which conflict, lien, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Selling Stockholder; and, except for the registration of the Warrants and the Warrant Stock under the Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act, applicable state securities laws and the New York Stock Exchange and under applicable insurance laws and regulations in connection with the purchase of the Warrants and distribution of the Warrants by the Underwriters, no consent, authorization or order of, or filing or registration with, any court or governmental agency is required to be made, obtained or filed by the Selling Stockholder for the execution, delivery and performance of this Agreement by the Selling Stockholder and the consummation by the Selling Stockholder of the transactions contemplated hereby and thereby.

(b) On the Delivery Date, the Selling Stockholder will have good and valid title to the Warrants, free and clear of any and all liens, encumbrances, equities or claims, with full right and authority to sell and deliver the Warrants against payment as contemplated herein; upon the delivery of and payment for the Warrants as contemplated herein, the Underwriters will receive good title to the Warrants purchased by them, respectively, from the Selling Stockholder, free and clear of any and all liens, encumbrances, equities or claims.

(c) The Selling Stockholder has not taken, and will not take, directly or indirectly, any action other than any stabilization activity in connection with the offering of Warrants that may be conducted by Lehman Brothers Inc. which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Warrants.

(d) The information pertaining to the Selling Stockholder

under the caption "Selling Stockholder" in the Prospectus is complete and accurate in all material respects.

3. Purchase of the Securities by the Underwriters. On the basis of the representations, warranties and agreements contained in, and subject to the terms and conditions of, this Agreement, the Selling Stockholder agrees to sell the Warrants to the several Underwriters and each of the Underwriters, severally and not jointly, agrees to purchase the number of Warrants set opposite that Underwriter's name in Schedule 1 hereto. The price to be paid by the Underwriters to the Selling Stockholder for the Warrants shall be \$_____ per Warrant.

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The Selling Stockholder shall not be obligated to deliver any of the Warrants to be delivered on the Delivery Date (as defined below) except upon payment for all the Warrants to be purchased on such date as hereinafter provided.

4. Defaulting Underwriters. If, on the Delivery Date, any Underwriter defaults in the performance of its obligations under this Agreement, the remaining non-defaulting Underwriters shall be obligated to purchase the Warrants which the defaulting Underwriter agreed but failed to purchase on such date in the respective proportions which the number of Warrants set forth opposite the name of each remaining non-defaulting Underwriter in Schedule 1 hereto bears to the total number of Warrants set forth opposite the names of all the remaining non-defaulting Underwriters in Schedule 1 hereto; provided, however, that the remaining non-defaulting Underwriters shall not be obligated to purchase any Warrants on the Delivery Date if the total number of Warrants which the defaulting Underwriter or Underwriters agreed but failed to purchase on such date exceeds 9.09% of the total number of Warrants to be purchased on the Delivery Date, and any remaining non-defaulting Underwriter shall not be obligated to purchase more than 110% of the number of Warrants which it agreed to purchase on the Delivery Date pursuant to the terms of Section 3. If the foregoing maximums are exceeded, the remaining non-

defaulting Underwriters, or those other underwriters satisfactory to the Representatives who so agree, shall have the right, but shall not be obligated, to purchase, in such proportion as may be agreed upon among them, all the Warrants to be purchased on the Delivery Date. If the remaining Underwriters or other underwriters satisfactory to the Representatives do not elect to purchase the Warrants which the defaulting Underwriter or Underwriters agreed but failed to purchase, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholder except that the Company will continue to be liable for the payment of expenses to the extent set forth in Sections 7(1) and 11 hereof.

Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or the Selling Stockholder for damages caused by its default. If other underwriters are obligated or agree to purchase the Warrants of a defaulting or withdrawing Underwriter, the Representatives, the Selling Stockholder or the Company may postpone the Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company, counsel for the Selling Stockholder or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement.

5. Delivery of and Payment for the Securities. Delivery of and payment for the Warrants shall be made at the office of Lehman Brothers Inc., 3 World Financial Center, New York, New York, at 10:00 A.M., New York City time, on the fifth full business day following the date of this Agreement or at such other date, time or place as shall be determined by agreement among the Representatives, the Company and the Selling Stockholder. This date and time are sometimes referred to as the "Delivery Date." On the Delivery Date, the Selling Stockholder shall deliver the Selling Stockholder Warrant to the Company and the Company shall issue to the Selling Stockholder certificates representing the Warrants, registered in the name of the Selling Stockholder. On the Delivery Date, the Selling Stockholder shall deliver or cause to be delivered such certificates representing the Warrants, registered in the name of the Selling Stockholder and endorsed in blank by the Selling Stockholder to the Representatives for the account of each Underwriter against

payment to or upon the order of the Selling Stockholder of the purchase price by certified or official bank check or checks payable in New York Clearing House (next-day) funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. Upon delivery, the Warrants shall be registered by the Company or its agent in such names and in such denominations as the Representatives shall request in writing not less than two full business days prior to the Delivery Date. For the purpose of expediting the checking and packaging of the certificates for the Warrants, the Company shall make the certificates available for inspection by the Representatives in New York, New York, not later than 2:00 P.M., New York City time, on the business day prior to the Delivery Date.

6. Independent Underwriter. (a) The Company hereby confirms its engagement of the services of Lehman Brothers Inc. (the "Independent Underwriter") as, and the Independent Underwriter hereby confirms its agreement with the Company to render services as, a "qualified independent underwriter" within the meaning of Section 2(1) of Schedule E of the By-laws of the National Association of Securities Dealers, Inc. ("Schedule E") with respect to the offering and sale of the Warrants.

(b) The independent Underwriter hereby represents and warrants to, and agrees with, the Company and the other Underwriters that with respect to the offering and sale of the Warrants as described in the Prospectus:

(i) The Independent Underwriter constitutes a "qualified independent underwriter" within the meaning of Section 2(1) of Schedule E;

(ii) The Independent Underwriter has participated in the preparation of the Registration Statement and the Prospectus and has exercised the usual standards of "due diligence" with respect thereto;

(iii) The Independent Underwriter has undertaken the legal responsibilities and liabilities of an underwriter under the Act, including those inherent in Section 11 thereof;

(iv) Based upon, among other factors, the information

set forth in the Prospectus and its review of such other documents and the taking of such other actions as the Independent Underwriter, in its sole discretion, has deemed necessary or appropriate for the purposes of delivering its recommendation hereunder, the Independent Underwriter recommends, as of the date of the execution and delivery of this Agreement, that the public offering price for the Warrants not exceed the amount set forth in Schedule 2 hereto, which price should in no way be considered or relied upon as an indication of the value of Warrants; and

(v) The Independent Underwriter will furnish to the other Underwriters on the date hereof a letter, dated the date hereof, substantially to the effect of clauses (i) through (iv) above.

(c) The Company, the Independent Underwriter and the other Underwriters agree to comply in all material respects with all of the requirements of Schedule E applicable to them in connection with the offering and sale of the Warrants. The Company agrees to cooperate with the

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Underwriter, including the Independent Underwriter, to enable the Underwriters to comply with Schedule E and the Independent Underwriter to perform the services contemplated by this Agreement.

(d) The Independent Underwriter hereby consents to the references to it as set forth under the captions "Plan of Distribution" and "Underwriting" in the Prospectus.

7. Further Agreements of the Company. The Company agrees, for the benefit of the Underwriters and the Selling Stockholder:

(a) To prepare the Prospectus Supplement in a form approved

by the Representatives and the Selling Stockholder and, if required by applicable law, to file such Prospectus Supplement pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or to the Prospectus prior to the Delivery Date except in accordance herewith; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus by the Underwriters is required in connection with the offering or sale of the Warrants contemplated hereby; and to maintain the effectiveness of the Registration Statement with the Commission until such time as all shares of Warrant Stock issuable upon the exercise of the Warrants shall have been issued;

(b) To furnish promptly to the Representatives and to the Selling Stockholder a signed copy of the Registration Statement as originally filed, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith;

(c) To deliver promptly to the Representatives and to the Selling Stockholder such number of the following documents as the Representatives and the Selling Stockholder shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement); (ii) each Preliminary Prospectus, the Prospectus Supplement and any amended or supplemented Prospectus and (iii) any document incorporated by reference in the Prospectus (excluding exhibits thereto); and, for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Warrants contemplated hereby, if during such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document which, upon filing, will become incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act (other than filings by the Company of its

Annual and Quarterly reports on Forms 10-K and 10-Q, respectively), to notify the Representatives and upon their request promptly (or, if in effect, upon completion of any

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Information Blackout Period (as hereinafter defined)) to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, if required by applicable law;

(d) For so long as the Underwriters are required to deliver a prospectus in connection with the offering and sale of the Warrants contemplated hereby, to file with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may be required by the Act or requested by the Commission and approved by the Representatives; provided, however, that the Company shall not be required to comply with this Section 7(d) during any period in which the Company has notified the Selling Stockholder and the Representatives that, pursuant to and in accordance with the Registration Rights Agreement between the Company and the Selling Stockholder, dated as of July 31, 1993 and amended as of February __, 1994 (the "Registration Rights Agreement"), the Company is imposing an Information Blackout (as defined in the Registration Rights Agreement) (such period, an "Information Blackout Period"); and provided, further, that the Underwriters shall not offer and sell any Warrants until they shall have received (i) notification from the Company of the expiration of such Information Blackout Period (which Information Blackout Period shall expire as provided in the Registration Rights Agreement) and (ii) any such amendment or supplement has been prepared and filed with the Commission;

(e) Prior to filing with the Commission (i) for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Warrants contemplated hereby, any post-effective amendment to the Registration Statement or supplement to the Prospectus (other than documents incorporated by reference therein), (ii) prior to the Delivery Date, any document which, upon filing, will become incorporated by reference in the Prospectus or (iii) for so long as the Underwriters are required to deliver a prospectus in connection with the offering or sale of the Warrants contemplated hereby, any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Representatives, the Selling Stockholder, counsel for the Underwriters and counsel for the Selling Stockholder and obtain the consent of the Representatives to the filing (which consent shall not be unreasonably withheld);

(f) For so long as the Underwriters are required to deliver a prospectus in connection with the offering and sale of the Warrants contemplated hereby, to advise the Selling Stockholder and the Representatives promptly (i) when the Registration Statement, or any amendment thereto, has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish the Representatives with copies thereof, (ii) of any request or proposed request by the Commission for an amendment to the Registration Statement, a supplement to the Prospectus or for any additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus or the Prospectus or the initiation or threat of any stop order

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proceeding, (iv) of receipt by the Company of any notification with respect to the suspension of the

qualification of the Warrants for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose, and (v) of the happening of any event which makes untrue any statement of a material fact made in the Registration Statement or the Prospectus, or which requires the making of a change in the Registration Statement or the Prospectus in order to make any material statement therein not misleading;

(g) If the Commission shall issue a stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the qualification of the Warrants or the Warrant Stock for offering or sale in any jurisdiction, to use its reasonable efforts to obtain the lifting of any such order at the earliest possible time;

(h) As soon as practicable after the Effective Date, to make generally available to its security holders an earnings statement (which need not be audited), conforming with the requirements of Section 11(a) of the Act, covering a period of at least twelve months beginning after the Effective Date;

(i) Prior to the Effective Date, to apply for the listing of the Warrants on the New York Stock Exchange and to use its best efforts to (i) complete that listing, subject only to official notice of issuance, prior to the Delivery Date and (ii) complete the listing of the Warrant Stock on the New York Stock Exchange, prior to the issuance of such Stock;

(j) To use its best efforts to qualify the Warrants for offer and sale under the securities laws of such jurisdictions as the Representatives may reasonably request and to endeavor to comply with such laws as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be reasonably necessary to complete the distribution of the Warrants; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(k) For a period of 60 days from the date of this Agreement, not to offer for sale, sell or otherwise dispose of (or enter into any transaction which is designed to, or could be expected to, result in the disposition by any person of), directly or indirectly, any shares of Common Stock (other than the shares which may be issuable upon conversion of the Series B Preferred Stock covered by the Registration Statement, the shares issuable upon conversion

of any outstanding convertible debt, the Warrant Stock, shares issued pursuant to employee benefit plans, deferred share plans, qualified stock option plans or other employee compensation plans existing on the date hereof or pursuant to currently outstanding options or warrants), or sell or grant options, rights or warrants with respect to any shares of Common Stock (other than the grant of options pursuant to employee benefit plans or other agreements between the Company and any employees of the Company consistent with the past practice of the Company), without the prior written consent of the Representatives, which consent shall not be unreasonably withheld (for purposes of this paragraph 7(k), sales of securities by affiliates of the Company in their capacity as agent [^] or in the ordinary course of such

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affiliate's business shall not be deemed to be sales by the Company);

(1) To pay the costs incident to the sale, delivery and exercise of the Warrants, and any taxes payable in that connection; the costs incident to the preparation, printing and filing under the Act of the Registration Statement and any amendments and exhibits thereto; the costs of distributing the Registration Statement as originally filed and each amendment thereto and any post-effective amendments thereof (including, in each case, exhibits), any Preliminary Prospectus, the Prospectus and any amendment or supplement to the Prospectus, and any document incorporated by reference therein, all as provided in this Agreement; the costs of producing and copying this Agreement; the costs of distributing the terms of agreement relating to the organization of the underwriting syndicate and the selling group to the members thereof by mail, telex or other means of communication; the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of sale of the Warrants, any

applicable listing or other fees; the fees and expenses of qualifying the Warrants under the securities laws of the several jurisdictions as provided in Section 7(j) and of preparing, printing and distributing a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); and all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; provided that, except as provided in this Section 7 and Section 11, the Underwriters shall pay their own costs and expenses, including the fees and expenses of their counsel, any transfer taxes on the Warrants which they may sell and the expenses of advertising any offering of the Warrants made by the Underwriters; nothing herein contained is intended as shall be construed to limit the obligation of the Company to pay expenses incurred by the Selling Stockholder not enumerated herein if and to the extent required to be paid by the Company pursuant to the terms of the Registration Rights Agreement.

8. Indemnification and Contribution. (a) The Company shall indemnify and hold harmless each Underwriter and the Selling Stockholder and each director or officer of the Selling Stockholder and each person, if any, who controls any Underwriter or the Selling Stockholder within the meaning of the Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof to which such Underwriter, the Selling Stockholder, such director or officer of the Selling Stockholder or such controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter, the Selling Stockholder, each such director or officer of the Selling Stockholder and each such controlling person for any legal or other expenses reasonably incurred by that Underwriter, Selling Stockholder, director or officer of the Selling Stockholder or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company shall not be liable to any Underwriter in any such case to the extent that any

such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by the Selling Stockholder or through the Representatives by or on behalf of any Underwriter specifically for inclusion therein; and provided, further, that the Company shall not be liable to any Underwriter in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any such amendment or supplement thereto in connection with any sale of Preferred Stock by such Underwriter during an Information Blackout Period; and provided further that as to any Preliminary Prospectus this indemnity agreement shall not inure to the benefit of any Underwriter or any person controlling that Underwriter on account of any loss, claim, damage, liability or action arising from the sale of Preferred Stock to any person by that Underwriter if that Underwriter failed to send or give a copy of the Prospectus, as the same may be amended or supplemented, to that person within the time required by the Act, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Prospectus was corrected in the Prospectus, unless such failure resulted from non-compliance by the Company with Section 7(c). For purposes of the last proviso to the immediately preceding sentence, the term "Prospectus" shall not be deemed to include the documents incorporated therein by reference, and no Underwriter shall be obligated to send or give any supplement or amendment to any document incorporated by reference in any Preliminary Prospectus or the Prospectus to any person other than a person to whom such Underwriter had delivered such incorporated document or documents in response to a written request therefor. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter, the Selling Stockholder, directors or officers of the Selling Stockholder or to any controlling person of that Underwriter or the Selling Stockholder.

(b) The Selling Stockholder will indemnify and hold harmless the Company, each director of the Company and each officer of the Company who signed the Registration Statement, each Underwriter and each person, if any, who controls any Underwriter or the Company within the meaning of the Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof to which such Underwriter, the Company, such director or officer of the Company or such controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage or liability arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein not misleading, but in each case only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished by the Selling Stockholder to the Company specifically for inclusion therein, and shall reimburse each Underwriter, the Company, each director of the Company, each officer of the Company who signs the Registration Statement and each such controlling person for any legal or other expenses

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reasonably incurred by such Underwriter, the Company, each director of the Company, each such officer of the Company or such controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. Notwithstanding the provisions of this Section 8(b), the aggregate liability of the Selling Stockholder under this Section 8(b) shall not exceed the proceeds received by the Selling Stockholder from the sale of Warrants under this Agreement. The foregoing indemnity agreement is in addition to any liability

which the Selling Stockholder may otherwise have to any Underwriter, the Company, each director of the Company, each officer of the Company who signs the Registration Statement or to any controlling person of that Underwriter or the Company.

(c) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company and the Selling Stockholder, each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company or the Selling Stockholder within the meaning of the Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or the Selling Stockholder or any such director, officer or controlling person may become subject, under the Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, and shall reimburse the Company, the Selling Stockholder and any such director, officer or controlling person for any legal or other expenses reasonably incurred by the Company, the Selling Stockholder or any such director, officer or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Underwriter may otherwise have to the Company, the Selling Stockholder or any such director, officer or controlling person.

(d) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying

party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this

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Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that each indemnified party shall have the right to employ separate counsel to represent it (and in the case of the Underwriters, such separate counsel shall represent jointly the Representatives and those other Underwriters and their respective controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 8) if, in the reasonable judgment of such indemnified party, it is advisable for such indemnified party and its directors, officers and controlling persons to be represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the indemnifying party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld), but if settled with such consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment to the extent provided in the preceding paragraphs.

(e) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), (b) or (c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the Company, the Selling Stockholder and the Underwriters with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholder or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 8 were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(e) shall be deemed to include, for purposes of this Section 8(e), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Warrants

underwritten by it and distributed to the public was offered to the public exceeds the amount of any damages which such Underwriter has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 8(e) are several in proportion to their respective underwriting obligations and not joint. Promptly after receipt by an indemnified party under this Section 8(e) of the notice of the commencement of any action against such party in respect of which a claim for contribution may be made against an indemnifying party under this Section 8(e), such indemnified party shall notify the indemnifying party in writing of the commencement thereof if the notice specified in Section 8(d) above has not been given with respect to such action; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8(e).

(f) The Underwriters severally confirm that the statements with respect to the public offering of the Warrants set forth on the cover page of the Prospectus Supplement and under the captions "Plan of Distribution" in the Prospectus and "Underwriting" in the Prospectus Supplement are correct and were furnished in writing to the Company by or on behalf of the Underwriters severally for inclusion in the Registration Statement and the Prospectus, and the Company and the Selling Stockholder acknowledge that such statements are the only statements so furnished by the Underwriters.

(g) The Selling Stockholder confirms that the statements under the caption "Selling Stockholder" in the Prospectus are correct and were furnished in writing to the Company by or on behalf of the Selling Stockholder for inclusion in the Registration Statement and the Prospectus, and the Underwriters and the Company acknowledge that such statements are the only statements so furnished by the Selling Stockholder.

9. Termination. (a) The obligations of the Underwriters hereunder may be terminated by the Representatives, in their absolute discretion, by notice given to and received by the Company and the Selling Stockholder prior to delivery of and payment for the Warrants, if prior to that time any of the events described in Section 10(i) or 10(j) shall have occurred or if the Underwriters shall decline to purchase the Warrants for any reason permitted under this Agreement;

(b) The obligations of the Selling Stockholder hereunder

may be terminated by the Selling Stockholder by notice given to and received by the Company and the Underwriters prior to delivery and payment for the Warrants, if prior to that time any of the events described in Section 10(i) shall have occurred or if the Selling Stockholder shall decline to sell the Warrants for any reason permitted under this Agreement; and

(c) If the Company shall impose an Information Blackout Period to begin at any time between the date hereof and the Delivery Date, this Agreement shall terminate without liability to any of the Company, the Selling Stockholder or the Underwriters, and the Selling Stockholder may exercise its registration rights under the Registration Rights Agreement at any time following the expiration of such Information Blackout Period.

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10. Conditions of Underwriters' and Selling Stockholder's Obligations. The respective obligations of the Underwriters and the Selling Stockholder hereunder are subject to the accuracy, when made and on the Delivery Date, of the representations and warranties of the Company and the Selling Stockholder contained herein, to the performance by the Company and the Selling Stockholder of their respective obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus Supplement shall have been timely filed with the Commission in accordance with Section 7(a) of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with.

(b) Neither any Underwriter nor the Selling Stockholder shall have discovered after the date hereof and disclosed to the Company on or prior to the Delivery Date that the Registration Statement or the Prospectus or any amendment or supplement thereto contains an untrue statement of a fact which is material or omits to state a fact which is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) Simpson Thacher & Bartlett, counsel for the Underwriters, shall have furnished to the Underwriters their opinion, reasonably satisfactory in all respects to the Underwriters, with respect to this Agreement, the Warrant Agreement, the Warrants, the Warrant Stock, the Registration Statement and the Prospectus, and all other legal matters as the Representatives shall reasonably request and the Company and the Selling Stockholder shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Charles O. Prince, III, General Counsel of the Company, shall have furnished to the Representatives and to the Selling Stockholder his opinion addressed to the Underwriters and to the Selling Stockholder and dated the Delivery Date to the effect that:

(i) The Company and each of its Significant Subsidiaries have been duly incorporated, are validly existing and in good standing under the laws of their respective jurisdictions of incorporation, are duly qualified to do business and in good standing as foreign corporations in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification (other than the jurisdictions in which the failure to so qualify would not have a material adverse effect on the Company or the Company and its subsidiaries taken as a whole); the Company and each of its Significant Subsidiaries have all power and authority necessary to own or hold their respective properties and to conduct their respective businesses as described in the Prospectus;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the description thereof

contained in the Prospectus; all of the shares of Warrant Stock have been duly and validly authorized and reserved for issuance upon the exercise of the Warrants, and, when issued and delivered in accordance with the terms of the Warrant Agreement and upon exercise will be duly and validly issued, fully paid and non-assessable;

(iii) The Common Stock (including the Warrant Stock) conforms in all material respects as to legal matters to the description of the Common Stock of the Company contained in the Prospectus under the caption "Description of Offered Securities"; the Warrants conform in all material respects as to legal matters to the description of the Warrants under the caption "Description of Offered Securities"; and the statements made in the Prospectus under the captions "Description of Capital Stock" and "Description of Offered Securities" insofar as they purport to summarize the terms of the Company's capital stock (including the Warrants), fairly present in all material respects the information called for with respect thereto by the Rules and Regulations;

(iv) To the best of such counsel's knowledge, except for rights pursuant to the Registration Rights Agreement and except for rights under any contract, agreement or understanding which have been waived prior to the date hereof, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other

registration statement filed by the Company under the Act;

(v) The Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Prospectus Supplement was filed with the Commission pursuant to the subparagraph of Rule 424(b) of the Rules and Regulations specified in such opinion on the date specified therein and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose is pending or threatened by the Commission;

(vi) The Registration Statement and the Prospectus and any further amendments or supplements thereto made by the Company prior to the Delivery Date (except that no opinion need be expressed as to the financial statements and other financial and statistical information contained therein) comply as to form in all material respects with the requirements of the Act and the Rules and Regulations; and the documents incorporated by reference in the Prospectus and any further amendments or supplements thereto made by the Company prior to the Delivery Date (except that no opinion need be expressed as to the financial statements and other financial and statistical information contained therein), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange

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Act and the rules and regulations of the Commission thereunder;

(vii) To the best of such counsel's knowledge, except as disclosed in the Registration Statement or the Prospectus, there are no legal or governmental

proceedings or investigations pending or threatened against the Company or any of its subsidiaries or of which any property or assets of the Company or any of its is the subject which, if determined adversely to the Company or any of its subsidiaries, is reasonably likely to have a material adverse effect on the consolidated financial position, stockholders' equity, results of operations or business of the Company and its subsidiaries;

(viii) To the best of such counsel's knowledge, there are no contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Act or by the Rules and Regulations which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules and Regulations;

(ix) To the best of such counsel's knowledge, neither the Company nor any of its Significant Subsidiaries is in violation of its corporate charter or by-laws, or in default under any material agreement, indenture or instrument (except, in the case of any such material agreement, indenture or instrument, for any such violation or default which would not have a material adverse effect on the Company and its subsidiaries taken as a whole);

(x) The Company has all necessary corporate power and authority to execute and deliver this Agreement and the Warrant Agreement and to perform its obligations hereunder and thereunder; and all corporate action required to be taken by the Company for the due and proper authorization and issuance of the Warrant Stock has been duly and validly taken;

(xi) This Agreement and the Warrant Agreement have each been duly authorized, executed and delivered by the Company; the execution, delivery and performance of this Agreement and the Warrant Agreement, the exchange of the Selling Stockholder Warrant for the Warrants, and the issuance and delivery of the Warrants and the Warrant Stock and the consummation of the transactions contemplated hereby and thereby by the Company do not conflict with, and will not result in the creation or imposition of any lien, charge or encumbrance upon or preemptive rights with respect to any of the assets of the Company or any of its Significant Subsidiaries pursuant to the terms of, or constitute a material default under, any agreement, indenture or instrument listed as an exhibit to the Registration Statement to

which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound, except where such conflict, lien, charge, encumbrance, preemptive right or default would not have a material adverse effect on the Company and its Significant Subsidiaries taken as a whole, and will not result in a violation of the corporate charter or by-laws of the Company or any of its Significant Subsidiaries or, to such counsel's knowledge, any material statute or any material order,

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rule or regulation of any court or governmental agency having jurisdiction over the Company, any of its subsidiaries or their property the effect of which conflict, lien, charge, encumbrance, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Company or the Company and its subsidiaries taken as a whole; and except for such consents, approvals, authorizations or filings as may be required under all applicable insurance laws and regulations, no other consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the execution, delivery and performance of this Agreement and the Warrant Agreement by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, except such as may be required by the Act, the Exchange Act, applicable state securities laws, or the New York Stock Exchange or except where the failure to obtain such consent, authorization or order, or to effect such filing or registration, would not have a material adverse effect on the Company and its subsidiaries taken as a whole; and

(xii) The Company is not an "investment company" within

the meaning of the Investment Company Act and the rules and regulations of the Commission thereunder.

In rendering such opinion, such counsel may (i) state that his opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the State of New York and the General Corporation Law of the State of Delaware. Such counsel shall also have furnished to the Representatives and to the Selling Stockholder a written statement (which may be included in such opinion), addressed to the Underwriters and to the Selling Stockholder and dated the Delivery Date, in form and substance satisfactory to the Representatives and to the Selling Stockholder to the effect that (x) such counsel is general counsel to the Company, has acted as counsel to the Company in connection with previous financing transactions and has acted as counsel to the Company in connection with the preparation of the Registration Statement, and (y) based on the foregoing, no facts have come to the attention of such counsel which lead him to believe that (I) the Registration Statement, as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Prospectus contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (II) any document incorporated by reference in the Prospectus, when it was filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The foregoing opinion and statement may be qualified by a statement to the effect that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus except for the statements made in the Prospectus under the captions "Description of Capital Stock" and "Description of Offered Securities", insofar as such statements relate to the

Warrants, the Warrant Stock or the Common Stock and concern legal matters.

(e) The Selling Stockholder shall have furnished to the Representatives and, with respect only to paragraphs (i) and (ii) below, to the Company, a written opinion of Louise M. Parent, its general counsel, addressed to the Underwriters and to the Company, with respect only to paragraphs (i) and (ii) below, and dated the Delivery Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) The Selling Stockholder has been duly organized and is validly existing and in good standing under the laws of New York; the Selling Stockholder has all necessary, power and authority to execute and deliver this Agreement; the execution, delivery and performance of this Agreement by the Selling Stockholder will not conflict with or result in a breach or violation in any material respect of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument known to such counsel to which the Selling Stockholder is a party or by which the Selling Stockholder is bound, or result in a violation of any material statute or a violation of any material order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over the Selling Stockholder, the effect of which conflict, lien, charge, encumbrance, default or violation, individually or in the aggregate, is reasonably likely to have a material adverse effect on the business, properties, financial condition or results of operations of the Selling Stockholder; and, except for the registration of the Warrants and the Warrant Stock under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act, applicable state securities laws, and the New York Stock Exchange in connection with the purchase of the Warrants by the Underwriters, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required to be made, obtained or filed by the Selling Stockholder for the execution, delivery and performance of this

Agreement by the Selling Stockholder and the consummation by the Selling Stockholder of the transactions contemplated hereby and thereby;

(ii) This Agreement has been duly authorized and executed and delivered by or on behalf of the Selling Stockholder;

(iii) Immediately prior to the Delivery Date, (i) to such counsel's knowledge, the Warrants to be sold by the Selling Stockholder under this Agreement were owned by the Selling Stockholder free and clear of all liens, encumbrances, equities or claims (other than those arising pursuant to this Agreement), and (ii) the Selling Stockholder had full right, power and authority to sell, assign, transfer and deliver such Warrants to be sold by the Selling Stockholder hereunder; and

(iv) Upon delivery to the Underwriters of the Warrants registered in the name of the Selling Stockholder and endorsed in blank by the Selling Stockholder, the Underwriters have acquired all of the Selling

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Stockholder's rights in the Warrants to be sold by the Selling Stockholder on the Delivery Date under this Agreement, free and clear of any adverse claims, assuming that each of the several Underwriters has purchased such Warrants in good faith and without notice of any such adverse claims within the meaning of the Uniform Commercial Code as in effect in the State of New York.

In rendering such opinion, such counsel may (i) state that her opinion is limited to matters governed by the Federal laws of the United States of America, the laws of the State of New York and the Business Corporation Law of the State of New York and (ii) in rendering the opinions in Sections 11(e)(iii)

and (iv) above, rely upon a certificate of the Selling Stockholder in respect of matters of fact as to ownership of and liens, encumbrances, equities or claims on the Warrants sold by the Selling Stockholder, provided that such counsel shall furnish copies thereof to the Representatives and state that she believes that both the Underwriters and she are justified in relying upon such certificate. In rendering the opinion in Sections 11(e) (iii) and (iv) above, such counsel may assume that the Warrants have been duly and validly authorized and issued by the Company, are fully paid and non-assessable, are not subject to any preemptive rights or other rights to subscribe for or purchase the Warrants granted to any holder on the date thereof of any outstanding shares of capital stock of the Company and are subject to no liens, encumbrances, equities or claims created by the Company or the Underwriters. Such counsel shall also have furnished to the Representatives a written statement, addressed to the Underwriters and dated the Delivery Date, in form and substance satisfactory to the Representatives, to the effect that (x) such counsel is general counsel to the Selling Stockholder and has acted as counsel to the Selling Stockholder in connection with the preparation of the Registration Statement, and (y) based on the foregoing, no facts have come to the attention of such counsel which lead her to believe that the Registration Statement, as of the Effective Date, contained any untrue statement of a material fact relating to the Selling Stockholder or omitted to state such a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Prospectus contains any untrue statement of a material fact relating to the Selling Stockholder or omits to state such a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The foregoing opinion and statement may be qualified by a statement to the effect that such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus.

(f) The Company shall have furnished to the Selling Stockholder and the Representatives a letter (used in this paragraph, the "comfort letter") of KPMG Peat Marwick addressed to the Selling Stockholder and the Underwriters and dated the Delivery Date (i) confirming that they are independent public accountants within the meaning of the Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission and (ii) stating, as of the date thereof, the conclusions and findings of such firm with respect to the financial information and other matters as have been reasonably requested by the Representatives to be included in such comfort letter.

(g) The Company shall have furnished to the Selling Stockholder and to the Representatives a certificate, dated the Delivery Date, of its Chairman of the Board, any Vice Chairman, its President or a Vice President and its chief financial officer or treasurer stating that:

(i) The representations, warranties and agreements of the Company in Section 1 are true and correct in all material respects as of such date; the Company has complied in all material respects with all its agreements contained herein and the conditions set forth in Section 10(a) have been fulfilled; and

(ii) They have carefully examined the Registration Statement and the Prospectus and, in their opinion, (A) as of the Effective Date, the Registration Statement and Prospectus did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (B) since the Effective Date, no event has occurred which should have been set forth in a supplement to or amendment of the Prospectus which has not been set forth in such a supplement or amendment.

(h) The Selling Stockholder shall have furnished to the Representatives and to the Company a certificate, dated the Delivery Date, signed on its behalf by its Chairman, President or a Vice President and its Treasurer or an Assistant Treasurer or its Secretary, stating that the representations, warranties and agreements of the Selling Stockholder in Section 2 and, with respect to the Company, in paragraph (a) and (d) of Section 2 are true and correct

as of the Delivery Date and the Selling Stockholder has complied with all its agreements contained herein to be performed at or prior to the Delivery Date.

(i) Since the respective dates as of which information is given in the Prospectus there shall not have been any material adverse change, or any development involving a prospective change, in or affecting the business, properties, financial condition, results or operations of the Company or the Company and its subsidiaries taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case, is, in the judgment of Lehman Brothers Inc., so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Warrants being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

(j) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange or the over-the-counter market shall have been suspended or minimum prices shall have been established on either of such exchanges or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a banking moratorium shall have been declared by Federal or New York state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States or (iv) there shall have occurred such a

material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States

shall be such) as to make it, in the judgment of a majority in interest of the several Underwriters, impracticable or inadvisable to proceed with the public offering or delivery of the Warrants being delivered on the Delivery Date on the terms and in the manner contemplated in the Prospectus.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to Simpson Thacher & Bartlett, counsel for the Underwriters and to counsel for the Selling Stockholder and, to the extent delivered to the Company pursuant to paragraphs (e) and (h) of Section 10, to counsel for the Company.

11. Reimbursement of Underwriters' Expenses. If (a) notice shall have been given pursuant to Section 12(a) preventing this Agreement from becoming effective, (b) the Selling Stockholder shall fail to tender the Warrants for delivery to the Underwriters for any reason permitted under this Agreement or (c) the Underwriters shall decline to purchase the Warrants for any reason permitted under this Agreement (including the termination of this Agreement pursuant to Section 9(a)), the Company and the Selling Stockholder shall reimburse the Underwriters for the fees and expenses of their counsel and for such other out-of-pocket expenses as shall have been incurred by them in connection with this Agreement and the proposed purchase of the Warrants, and upon demand the Company and the Selling Stockholder shall pay the full amount thereof to the Representatives. If this Agreement is terminated pursuant to Section 4 by reason of the default of one or more Underwriters, neither the Company nor the Selling Stockholder shall be obligated to reimburse any defaulting Underwriter on account of those expenses. If this Agreement is terminated pursuant to Section 9(c), neither the Company nor the Selling Stockholder shall be obligated to reimburse the expenses of any Underwriter. Nothing herein shall affect the rights of the Selling Stockholder or the Company under the Registration Rights Agreement including, without limitation, with respect to obligations of reimbursement of Underwriters' expenses.

12. Notices, etc. All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-528-8822);

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention:

President; and

(c) if to the Selling Stockholder, shall be delivered or sent by mail, telex or facsimile transmission to American Express Company, American Express Tower, World Financial Center, New York, New York 10285, Attention: General Counsel;

provided, however, that any notice to an Underwriter pursuant to Section 8(d) shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its acceptance telex to the Representatives, which address will be supplied to any other party hereto by the

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Representatives upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Selling Stockholder shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Lehman Brothers Inc. on behalf of the Representatives, and the Company and the Underwriters shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Selling Stockholder.

13. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, the Selling Stockholder and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the person or persons, if any, who control any Underwriter (as used herein "control" and "controlling" shall be within the meaning of Section 15 of the Act) and for the benefit of the person or persons, if any, controlling the Selling Stockholder; (b) the indemnity agreement

of the Underwriters contained in Section 8 of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement, the Selling Stockholder and any person or persons controlling the Company or the Selling Stockholder; (c) the representations, warranties, indemnities and agreements of the Selling Stockholder contained in this Agreement shall be deemed to be for the benefit of the person or persons, if any, controlling the Underwriters; and (d) the indemnities of the Selling Stockholder and the representations of the Selling Stockholder contained in Section 2(a) and 2(d) of this Agreement shall be deemed to be for the benefit of directors of the Company, officers of the Company who have signed the Registration Statement and any person or persons controlling the Company. Nothing in this Agreement is intended or shall be construed to give any person other than the persons referred to in this paragraph any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

14. Survival. The respective indemnities, representations, warranties and agreements of the Company, the Selling Stockholder and the Underwriters contained in this Agreement or on behalf of them respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Warrants and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

15. Certain Definitions. For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "subsidiary" and "significant subsidiary" have the respective meanings set forth in Regulation S-X of the Rules and Regulations.

16. Governing Law; Counterparts. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement may be executed in one or more counterparts, and if executed in more than one counterpart, the executed counterparts shall together constitute a single instrument.

17. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement among the Company, the Selling Stockholder and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

THE TRAVELERS INC.

By _____

Title:

THE SELLING STOCKHOLDER:

AMERICAN EXPRESS COMPANY

By _____

Title:

Accepted:

SMITH BARNEY SHEARSON INC.

LEHMAN BROTHERS INC.

As Representatives of the several
Underwriters named in Schedule 1

By: LEHMAN BROTHERS INC.

By _____

Authorized Representative

SCHEDULE 1

Underwriter

Number of
Warrants

Smith Barney Shearson Inc.
Lehman Brothers Inc.

Total

=====

SCHEDULE 2

Significant Subsidiaries of the Company

CC Holdings, Inc.
Commercial Credit Company
Associated Madison Companies, Inc.
The Travelers Insurance Group, Inc.
The Travelers Insurance Company
Primerica Insurance Holdings, Inc.
Primerica Life Insurance Company
The Travelers Indemnity Company

Smith Barney Shearson Holdings Inc.
Smith Barney Shearson Inc.

Certificate of Designation
of
5.50% Convertible Preferred Stock, Series B
of
Primerica Corporation

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Primerica Corporation, a Delaware corporation (the
"Corporation"), hereby certifies that:

1. The Certificate of Incorporation, as amended, of the Corporation (the "Certificate of Incorporation") fixes the total number of shares of all classes of capital stock that the Corporation shall have the authority to issue at five hundred million (500,000,000) shares of common stock, par value \$.01 per share ("Common Stock") and ten million (10,000,000) shares of preferred stock, par value \$1.00 per share ("Preferred Stock").

2. The Certificate of Incorporation expressly grants to the Board of Directors of the Corporation (the "Board of Directors") authority to provide for the issuance of the shares of Preferred Stock in series, and to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

3. Pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation, the Board of Directors, by action duly taken on July 28, 1993, adopted resolutions that provide for a series of Preferred Stock as follows:

RESOLVED, that an issue of a series of Preferred Stock is hereby provided for, and the number of shares to be included in such series is established, and the designation, powers, preference and rights, and qualifications, limitations or restrictions thereof, of such series are fixed, hereby as follows:

1. Designation and Number of Shares. The designation of such series shall be 5.50% Convertible Preferred Stock, Series B (the "Series B Convertible

Preferred Stock"), and the number of shares constitut-

ing such series shall be 2,500,000. The number of authorized shares of Series B Convertible Preferred Stock may be reduced (but not below the number of shares thereof then outstanding) by further resolution duly adopted by the Board of Directors or the Executive Committee and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such reduction has been so authorized, but the number of authorized shares of Series B Convertible Preferred Stock shall not be increased.

2. Dividends. Dividends on each share of Series B Convertible Preferred Stock shall be cumulative from the date of original issue of such share and shall be payable, when and as declared by the Board of Directors out of funds legally available therefor, in cash on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1993.

Each quarterly period beginning on February 15, May 15, August 15 and November 15 in each year and ending on and including the day next preceding the first day of the next such quarterly period shall be a "Dividend Period." If a share of Series B Convertible Preferred Stock is outstanding during an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period shall be \$.6875 (or one-fourth of 5.50% of the Liquidation Preference (as defined in Section 6) for such share). If a share of Series B Convertible Preferred Stock is outstanding for less than an entire Dividend Period, the dividend payable on such share on the first day of the calendar month immediately following the last day of such Dividend Period on which such share shall be outstanding shall be the product of \$.6875 multiplied by the ratio (which shall not exceed one) that the number of days that such share was outstanding during such Dividend Period bears to the number of days in such Dividend Period.

Each dividend on the shares of Series B Convertible Preferred Stock shall be paid to the holders of record of shares of Series B Convertible Preferred Stock as they appear on the stock register of the

nor less than 10 days preceding the payment date of such dividend, as shall be fixed in advance by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed in advance by the Board of Directors.

If there shall be outstanding shares of any other class or series of preferred stock of the Corporation ranking on a parity as to dividends with the Series B Convertible Preferred Stock, the Corporation, in making any dividend payment on account of arrears on the Series B Convertible Preferred Stock or such other class or series of preferred stock, shall make payments ratably upon all outstanding shares of Series B Convertible Preferred Stock and such other class or series of preferred stock in proportion to the respective amounts of dividends in arrears upon all such outstanding shares of Series B Convertible Preferred Stock and such other class or series of preferred stock to the date of such dividend payment.

Holders of shares of Series B Convertible Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on such shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment that is in arrears.

3. Redemption. The Series B Convertible Preferred Stock is not subject to any mandatory redemption pursuant to a sinking fund or otherwise. The Corporation, at its option, may redeem shares of Series B Convertible Preferred Stock, as a whole or in part, at any time or from time to time on or after July 30, 1996 at the following redemption prices per share (expressed as a percentage of the Liquidation Preference (as defined in Section 6 hereof)), if redeemed during the 12-month period beginning July 30 of the year indicated:

Year	Redemption Price
----	-----
1996	103.85%
1997	103.30%
1998	102.75%
1999	102.20%
2000	101.65%
2001	101.10%
2002	100.55%

and thereafter at a price of \$50.00 per share, plus, in each case, accrued and accumulated but unpaid dividends thereon to but excluding the date fixed for redemption (the "Redemption Price").

If the Corporation shall redeem shares of Series B Convertible Preferred Stock pursuant to this Section 3, notice of such redemption shall be given by first class mail, postage prepaid, not less than 30 or more than 90 days prior to the redemption date, to each holder of record of the shares to be redeemed, at such holder's address as shown on the stock register of the Corporation. Each such notice shall state: (a) the redemption date; (b) the number of shares of Series B Convertible Preferred Stock to be redeemed and, if less than all such shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (c) the Redemption Price; (d) the place or places where certificates for such shares are to be surrendered for payment of the Redemption Price; and (e) that dividends on the shares to be redeemed will cease to accrue on such redemption date. Notice having been mailed as aforesaid, from and after the redemption date (unless default shall be made by the Corporation in providing money for the payment of the Redemption Price) dividends on the shares of Series B Convertible Preferred Stock so called for redemption shall cease to accrue, and such shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation

(except the right to receive from the Corporation the Redemption Price) shall cease. Upon surrender in accordance with such notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), the Corporation shall redeem such shares at the Redemption Price. If less than all the outstanding shares of Series B Con-

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vertible Preferred Stock are to be redeemed, the Corporation shall select those shares to be redeemed from outstanding shares of Series B Convertible Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method reasonably determined by the Board of Directors in good faith to be equitable.

The Corporation shall not redeem less than all the outstanding shares of Series B Convertible Preferred Stock pursuant to this Section 3, or purchase or acquire any shares of Series B Convertible Preferred Stock otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of shares of Series B Convertible Preferred Stock, unless full cumulative dividends shall have been paid or declared and set apart for payment upon all outstanding shares of Series B Convertible Preferred Stock for all past Dividend Periods, and unless all matured obligations of the Corporation with respect to all sinking funds, retirement funds or purchase funds for all series of Preferred Stock then outstanding have been met.

4. Shares to be Retired. All shares of Series B Convertible Preferred Stock redeemed by the Corporation shall be retired and canceled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be reissued.

5. Voting. Except as otherwise provided in this Section 5 or as otherwise required by law, the Series B Convertible Preferred Stock shall have no voting rights.

If six quarterly dividends (whether or not consecutive) payable on shares of Series B Convertible Preferred Stock are in arrears at the time of the record date to determine stockholders for any annual meeting of stockholders of the Corporation, the number of directors of the Corporation shall be increased by two, and the holders of shares of Series B Convertible Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) shall be entitled

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at such annual meeting of stockholders to elect two directors of the Corporation, with the remaining directors of the Corporation to be elected by the holders of shares of any other class or classes or series of stock entitled to vote therefor. In any such election, holders of shares of Series B Convertible Preferred Stock shall have one vote for each share held.

At all meetings of stockholders at which holders of Preferred Stock shall be entitled to vote for Directors as a single class, the holders of a majority of the outstanding shares of all classes and series of capital stock of the Corporation having the right to vote as a single class shall be necessary to constitute a quorum, whether present in person or by proxy, for the election by such single class of its designated Directors. In any election of Directors by stockholders voting as a class, such Directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. At any such meeting, the election of Directors by stockholders voting as a class shall be valid notwithstanding that a quorum of other stockholders voting as one or more classes may not be present or represented at such meeting.

Any director who has been elected by the holders of shares of Series B Convertible Preferred Stock (voting separately as a class with the holders of shares of any one or more other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) may be removed at any time, with or without cause, only by the affirmative

vote of the holders of the shares at the time entitled to cast a majority of the votes entitled to be cast for the election of any such director at a special meeting of such holders called for that purpose, and any vacancy thereby created may be filled by the vote of such holders. If a vacancy occurs among the Directors elected by such stockholders voting as a class, other than by removal from office as set forth in the preceding sentence, such vacancy may be filled by the remaining Director so elected, or his successor then in office, and the Director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of Directors.

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The voting rights of the holders of the Series B Convertible Preferred Stock to elect Directors as set forth above shall continue until all dividend arrearages on the Series B Convertible Preferred Stock have been paid or declared and set apart for payment. Upon the termination of such voting rights, the terms of office of all persons who may have been elected pursuant to such voting rights shall immediately terminate, and the number of directors of the Corporation shall be decreased by two.

Without the consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of the total number of shares of Preferred Stock then outstanding, voting separately as a class without regard to series, with the holders of shares of Series B Convertible Preferred Stock being entitled to cast one vote per share, the Corporation may not:

(i) create any class of stock that shall have preference as to dividends or distributions of assets over the Series B Convertible Preferred Stock; or

(ii) alter or change the provisions of the Certificate of Incorporation (including any Certificate of Amendment or Certificate of Designation relating to the Series B Convertible Preferred Stock) so as to adversely affect the powers, preferences or rights of the holders of shares of Series B Convertible Pref-

erred Stock;

provided, however, that if such creation or such al-

teration or change would adversely affect the powers, preferences or rights of one or more, but not all, series of Preferred Stock at the time outstanding, such alteration or change shall require consent of the holders of shares entitled to cast at least two-thirds of the votes entitled to be cast by the holders of all of the shares of all such series so affected, voting as a class.

6. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series B Convertible Preferred Stock shall be entitled to receive out of the assets of the Corporation available

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for distribution to stockholders, before any distribution of assets shall be made to the holders of the Common Stock or of any other shares of stock of the Corporation ranking as to such distribution junior to the Series B Convertible Preferred Stock, a liquidating distribution in an amount equal to \$50.00 per share (the "Liquidation Preference") plus an amount equal to any accrued and accumulated but unpaid dividends thereon to the date of final distribution. The holders of the Series B Convertible Preferred Stock shall not be entitled to receive the Liquidation Preference and such accrued dividends, however, until the liquidation preference of any other class of stock of the Corporation ranking senior to the Series B Convertible Preferred Stock as to rights upon liquidation, dissolution or winding up shall have been paid (or a sum set aside therefor sufficient to provide for payment) in full.

If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution are insufficient to pay in full the amounts payable with respect to the Series B Convertible Preferred Stock and any other shares of stock of the Corporation ranking as to any such distribution on a parity with the Series B Con-

vertible Preferred Stock, the holders of the Series B Convertible Preferred Stock and of such other shares shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

After payment to the holders of the Series B Convertible Preferred Stock of the full preferential amounts provided for in this Section 6, the holders of the Series B Convertible Preferred Stock shall be entitled to no further participation in any distribution of assets by the Corporation.

Consolidation or merger of the Corporation with or into one or more other corporations, or a sale, whether for cash, shares of stock, securities or properties, of all or substantially all of the assets of the Corporation, shall not be deemed or construed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 6 if the preferences or special voting rights of the hold-

ers of shares of Series B Convertible Preferred Stock are not impaired thereby.

7. Limitation on Dividends on Junior Stock. So long as any Series B Convertible Preferred Stock shall be outstanding, the Corporation shall not declare any dividends on the Common Stock or any other stock of the Corporation ranking as to dividends or distributions of assets junior to the Series B Convertible Preferred Stock (the Common Stock and any such other stock being herein referred to as "Junior Stock"), or make any payment on account of, or set apart money for, a sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Junior Stock, or make any distribution in respect thereof, whether in cash or property or in obligations or stock of the Corporation, other than a distribution of Junior Stock (such dividends, payments, setting apart and distributions being herein called "Junior Stock Payments"), unless the following conditions shall be satisfied at the date of such declaration in the case of any such dividend, or the date of such setting apart in the case of any such

fund, or the date of such payment or distribution in the case of any other Junior Stock Payment:

(i) full cumulative dividends shall have been paid or declared and set apart for payment on all outstanding shares of Preferred Stock other than Junior Stock; and

(ii) the Corporation shall not be in default or in arrears with respect to any sinking fund or other similar fund or agreement for the purchase, redemption or other retirement of any shares of Preferred Stock other than Junior Stock;

provided, however, that any funds theretofore deposit-

ed in any sinking fund or other similar fund with respect to any Preferred Stock in compliance with the provisions of such sinking fund or other similar fund may thereafter be applied to the purchase or redemption of such Preferred Stock in accordance with the terms of such sinking fund or other similar fund regardless of whether at the time of such application full cumulative dividends upon shares of Series B Convertible Preferred Stock outstanding to the last

dividend payment date shall have been paid or declared and set apart for payment by the Corporation.

8. Conversion Rights. The shares of Series B Convertible Preferred Stock shall be convertible, in whole or in part, at the option of the holder(s) thereof, into shares of Common Stock subject to the following terms and conditions:

(a) The shares of Series B Convertible Preferred Stock shall be convertible at the office of any transfer agent of the Corporation, and at such other office or offices, if any, as the Board of Directors may designate, into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100 of a share) of common stock, \$.01 par value per share, of the Corporation ("Common Stock") at the rate of that number of shares of Common Stock for each share of Series B Convertible Preferred Stock that is

equal to \$50.00 divided by the Conversion Price applicable per share of Common Stock at the time of conversion (the "Conversion Price"). The Conversion Price shall initially be \$49.00. The Conversion Price shall be adjusted in certain instances as provided below.

(b) In order to convert shares of Series B Convertible Preferred Stock into Common Stock, the holder thereof shall surrender the certificate or certificates evidencing such shares of Series B Convertible Preferred Stock at the office of the transfer agent for the Series B Convertible Preferred Stock, which certificate or certificates, if the Corporation shall so require, shall be duly endorsed to the Corporation or in blank, or accompanied by proper instruments of transfer to the Corporation or in blank, accompanied by (i) an irrevocable written notice to the Corporation that the holder elects so to convert such shares of Series B Convertible Preferred Stock and specifying the name or names (with address or addresses) in which a certificate or certificates evidencing shares of Common Stock are to be issued and (ii) if required pursuant to paragraph (p) of this Section 8, an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Corporation demonstrating that such taxes have been paid).

A payment or adjustment shall not be made by the Corporation upon any conversion on account of any dividends accrued on the shares of Series B Convertible Preferred Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

Shares of Series B Convertible Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after

the conversion date, the Corporation shall issue and shall deliver at such office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with payment in lieu of any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of Series B Convertible Preferred Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the date fixed for redemption, unless default shall be made in payment of the Redemption Price.

(c) In case the Corporation shall pay or make a dividend or other distribution on any class of capital stock of the Corporation in Common Stock, the Conversion Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced to a price determined by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective at the opening of business on the day following the date fixed for such determination. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the

Conversion Price which would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. For the purposes of this paragraph (c), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(d) In case the Corporation shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Average Market Price (as defined below) of Common Stock on the date fixed for the determination of stockholders entitled to receive such rights or warrants, the Conversion Price in effect at the close of business on the date fixed for such determination shall be reduced to a price determined by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Average Market Price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective at the opening of business on the day following the date fixed for such determination. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In the event that such rights or warrants are not so issued, the Conversion Price shall again be adjusted

to be the Conversion Price which would then be in effect if the date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. For the purposes of this paragraph (d), the number of shares of Common Stock at any time outstanding shall not include shares held in

the treasury of the Corporation, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. As used herein the term "Average Market Price" of the Common Stock shall mean the average of the daily reported closing sales prices, regular way, per share of the Common Stock on the New York Stock Exchange (the "NYSE") or, if the Common Stock is not principally traded on the NYSE, such other market on which the Common Stock is listed or principally traded, for the 10 consecutive trading days prior to the date of determination.

(e) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the close of business on the date upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Price in effect at the close of business on the date upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective at the opening of business on the day following the date upon which such subdivision or combination becomes effective.

(f) In case the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding (i) any rights or warrants referred to in paragraph (d) of this Section 8, (ii) any dividend or distribution paid in cash or other property out of the retained earnings of the Corporation and (iii) any dividend or distribution referred to in paragraph (c) of this Section 8), then

either (at the option of the Corporation) (A) the Corporation shall elect to include in such distribution the holders of Series B Convertible Preferred Stock (as of the record date for such distribution) as if such holders had converted all shares of Series B Convertible Preferred Stock into Common Stock immediately prior to such record date (such conversion as-

sumed to be made at the Conversion Price in effect without regard to the adjustment provided in the following clause (B)), or (B) the Conversion Price shall be reduced to a price determined by multiplying the Conversion Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Average Market Price per share of the Common Stock on the date fixed for such determination less the then fair market value (as reasonably determined in good faith by the Board of Directors) on such date of the portion of the assets or evidences of indebtedness so to be distributed applicable to one share of Common Stock and the denominator shall be such Average Market Price per share of the Common Stock, such adjustment to become effective at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any conversion of the Series B Convertible Preferred Stock prior to the date such subsequent adjustment is made. If the Corporation makes an election under clause (A) of this paragraph (f) with respect to any such distribution payable on the Series B Convertible Preferred Stock (an "Elected Corporation Dividend"), the Corporation may in lieu of such distribution elect to pay to the holder of any share of Series B Convertible Preferred Stock the fair market value (determined as provided above) of such Elected Corporation Dividend in cash (the "Cash Equivalent").

(g) The reclassification (including any reclassification upon a consolidation or merger in which

the Corporation is the continuing corporation, but not including any transactions for which an adjustment is provided in paragraph (i) below) of Common Stock into securities including other than Common Stock shall be

deemed to involve (i) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and "the date fixed for such determination" within the meaning of paragraph (f) of this Section 8) and (ii) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the date upon which such subdivision becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the date upon which such subdivision or combination becomes effective" within the meaning of paragraph (e) of this Section 8).

(h) The Corporation may make such reductions in the Conversion Price, in addition to those required by paragraphs (c), (d), (e), (f) and (g) above, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(i) In case of any consolidation of the Corporation with, or merger of the Corporation into, any other corporation, partnership, joint venture, association or other entity (a "Person"), any merger of another Person into the Corporation (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock) or any sale or transfer of all or substantially all of the assets of the Corporation, then each share of Series B Convertible Preferred Stock shall be convertible only into the kind and amount (if any) of securities, cash or other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock into which such share of Series B Convertible Preferred Stock was convertible immediately prior to

such consolidation, merger, sale or transfer. The

above provisions of this paragraph (i) shall similarly apply to successive consolidations, mergers, sales or transfers.

(j) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price; provided, however, that any adjustments

which by reason of this subparagraph (j) are not required to be made shall be carried forward and taken into account in determining whether any subsequent adjustment shall be required.

(k) Notwithstanding any other provision of this Section 8, no adjustment to the Conversion Price shall reduce the Conversion Price below the then par value per share of the Common Stock, and any such purported adjustment shall instead reduce the Conversion Price to such par value.

(l) Whenever the Conversion Price is adjusted as herein provided the Corporation shall compute the adjusted Conversion Price in accordance with this Section 8 and shall prepare a certificate signed by the Treasurer of the Corporation setting forth the adjusted Conversion Price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the transfer agent or agents for the Series B Convertible Preferred Stock and a copy mailed as soon as practicable to the holders of record of the shares of Series B Convertible Preferred Stock.

(m) In case:

(i) the Corporation shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than in cash out of its retained earnings; or

(ii) the Corporation shall authorize the granting to the holders of its Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(iii) of any reclassification of the capital stock of the Corporation (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or of the sale or transfer of all or substantially all of the assets of the Corporation; or

(iv) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in any such case, the Corporation shall cause to be filed with the transfer agent or agents, if any, for the Series B Convertible Preferred Stock, and shall cause to be mailed to the holders of record of the outstanding shares of Series B Convertible Preferred Stock, at least 30 days (or 15 days in any case specified in clause (i) or (ii) above) prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up (but no failure to mail such notice or any defect therein or in the mailing thereof shall affect the validity of the corporate action required to be specified in such notice).

(n) The Corporation shall at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of shares of Series B Convertible Preferred Stock, the full number of shares of Common Stock then deliverable upon the conversion of all shares of Series B Convertible Preferred Stock then outstanding.

(o) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the market price per share of Common Stock (as determined in good faith by the Board of Directors or in any manner prescribed by the Board of Directors) at the close of business on the day of conversion.

(p) The Corporation will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of Series B Convertible Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series B Convertible Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established to the satisfaction of the Corporation that such tax has been paid.

(q) For the purpose of this Section 8, the term "Common Stock" shall include any stock of any class of the Corporation which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which is not subject to redemption by the Corporation. However, shares issuable on conversion of shares of Series B Convertible Preferred Stock shall include only shares of the class designated as Common Stock of the Corporation as of [Closing Date], or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; provided that if at any time there shall be more than -----
one such resulting class, the shares of each such

class then so issuable shall be substantially in the proportion which the total number of shares of such

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class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(r) In any case in which this Section 8 shall require that an adjustment shall become effective on the day following a record date for an event, the Corporation may defer until the occurrence of such event (i) issuing to the holder of any share of Series B Convertible Preferred Stock, if such share is converted after such record date and before the occurrence of such event, the additional Common Stock (and associated Elected Corporation Dividend or Cash Equivalent, if any) issuable upon such conversion by reason of the adjustment required by such event over and above Common Stock (and associated Elected Corporation Dividend or Cash Equivalent, if any) issuable upon such conversion before giving effect to such adjustment and (ii) paying to such holders any amount in cash in lieu of a fractional share of Common Stock pursuant to paragraph (p) of this Section 8; provided

that upon request of any such holder, the Corporation shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Common Stock and such cash, upon the occurrence of the event requiring such adjustment.

9. Sinking Fund. The Series B Convertible Preferred Stock shall not be subject to any right of mandatory payment or prepayment (except for liquidation, dissolution or winding up of the Corporation) or to any sinking fund.

10. Ranking. The Series B Convertible Preferred Stock shall rank on a parity with the Corporation's 8.125% Cumulative Preferred Stock, Series A and \$45,000 Cumulative Redeemable Preferred Stock, Series Z with respect to dividends and distributions of assets upon liquidation, dissolution or winding up of the Corporation.

11. Exchanges. Certificates representing shares of Series B Convertible Preferred Stock shall be exchangeable, at the option of the holder, for a new certificate or certificates of the same or different denominations repre-

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senting in the aggregate the same number of shares of Series B Convertible Preferred Stock.

Primerica Corporation has caused this Certificate to be duly executed by its Senior Vice President, and attested by its Assistant Secretary this July 30, 1993.

Primerica Corporation

By /s/ Charles O. Prince, III

Charles O. Prince, III
Senior Vice President

Attest:

/s/ Mark J. Amrhein

Mark J. Amrhein
Assistant Secretary

WARRANT AGREEMENT

Between

THE TRAVELERS INC.

And

THE FIRST NATIONAL BANK OF BOSTON,
Warrant Agent

Warrants to Purchase Common Stock

Dated as of March 1, 1994

This WARRANT AGREEMENT (the "Agreement") is dated as of March 1, 1994, between THE TRAVELERS INC., a Delaware corporation (the "Company"), and THE FIRST NATIONAL BANK OF BOSTON, a national banking association, as warrant agent (the "Warrant Agent").

WHEREAS, the Company proposes to issue 3,749,466 Warrants (the "Warrants"), each entitling the holder thereof to purchase one share (each a "Share") of the Company's Common Stock, \$.01 par value (the "Common Stock"); and

WHEREAS, the Warrant Agent, at the request of the Company, has agreed to act as the agent of the Company in connection with the issuance, registration, transfer, exchange, exercise and conversion of Warrants;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein set forth, the parties hereto agree as follows:

SECTION 1. Appointment of Warrant Agent. The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions hereinafter in this Agreement set forth; and the Warrant Agent hereby accepts such appointment, upon the terms and conditions hereinafter set forth.

SECTION 2. Amount Issued. Subject to the provisions of this Agreement, Warrants to purchase no more than 3,749,466 Shares may be issued and delivered by the Company hereunder.

SECTION 3. Form of Warrant Certificates. The certificates evidencing the Warrants (the "Warrant Certificates") to be delivered pursuant to this Agreement shall be in registered form only. The Warrant Certificates and the forms of election to purchase Shares and of assignment to be printed on the reverse thereof shall be in substantially the form set forth in Exhibit A hereto together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Agreement, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with any rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Warrants, as evidenced by their execution of the Warrants.

SECTION 4. Execution of Warrant Certificates. Warrant Certificates shall be signed on behalf of the Company by its Chairman of the Board of Directors, its Chief Executive Officer, its President, a Vice President or its Treasurer and attested by its Secretary or Assistant Secretary, under its corporate seal. Each such signature upon the Warrant Certificates may be in the form of a facsimile signature of the current or any future Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary and may be imprinted or otherwise reproduced on the Warrant Certificates and for that purpose the Company may adopt and use the facsimile signature of any person who shall have been Chairman of the Board, Chief Executive Officer, President, Vice President, Treasurer, Secretary or Assistant Secretary, notwithstanding the fact that at the time the Warrant Certificates shall be countersigned and delivered or disposed of such person shall have ceased to hold such office. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Warrant Certificates.

If any officer of the Company who shall have signed any of the Warrant Certificates shall cease to be such officer

before the Warrant Certificates so signed shall have been countersigned by the Warrant Agent or disposed of by the Company, such Warrant Certificates nevertheless may be countersigned and delivered or disposed of as though such person had not ceased to be such officer of the Company; and any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificates, although at the date of the execution of this Agreement any such person was not such officer.

SECTION 5. Registration and Countersignature. Warrant Certificates shall be manually countersigned and dated the date of countersignature by the Warrant Agent and shall not be valid for any purpose unless so countersigned. The Warrants shall be numbered and shall be registered in a register (the "Warrant Register") to be maintained by the Warrant Agent.

The Warrant Agent's countersignature on all Warrants shall be in substantially the form set forth in Exhibit A hereto.

The Company and the Warrant Agent may deem and treat the registered holder of a Warrant Certificate as the absolute owner thereof (notwithstanding any notation of ownership or other writing thereon made by anyone), for the purpose of any exercise thereof or any distribution to the holder thereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

SECTION 6. Registration of Transfers and Exchanges. The Warrant Agent shall from time to time register the transfer of any outstanding Warrant Certificates in the Warrant Register, upon surrender of such Warrant Certificates, duly endorsed, and accompanied by a written instrument or instruments of transfer in form satisfactory to the Warrant Agent, duly signed by the registered holder or holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a participant in a recognized signature guarantee medallion program. Upon any such registration of transfer, a new Warrant Certificate shall be issued to the transferee.

Warrant Certificates may be exchanged at the option of the holder or holders thereof, when surrendered to the Warrant Agent at its offices or agency maintained in New York, New York or Boston, Massachusetts (or at such other offices or agencies as may be designated by the Agent) for the purpose of exchanging, transferring and exercising the Warrants (a "Warrant Agent Office"), or at the offices of any successor Warrant Agent as provided in Section 18 hereof, for another Warrant Certificate or other Warrant Certificates of like tenor and representing in the aggregate a like number of Warrants.

The Warrant Agent is hereby authorized to countersign, in accordance with the provisions of this Section 6 and Section 5, and deliver the new Warrant Certificates required pursuant to the provisions of this Section, and for the purpose of any distribution of Warrant Certificates contemplated by Section 13.

SECTION 7. Duration and Exercise of Warrants. The Warrants shall expire at (a) 5:00 p.m. New York City time (the "Close of Business") on July 31, 1998 or (b) the Close of Business on such later date as shall be determined in the sole discretion of the Company, in a written statement to the Warrant Agent and with notice to registered holders of Warrants in the manner provided for in Section 15 (such date

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of expiration being herein referred to as the "Expiration Date"). On and after the date of issuance of the Warrant, each Warrant may be exercised on any business day on or prior to the Close of Business on the Expiration Date. After the close of Business on the Expiration Date, the Warrants will become void and of no value.

Subject to the provisions of this Agreement, including Section 13, each Warrant shall entitle the holder thereof to purchase from the Company (and the Company shall issue and sell to such holder of the Warrant) one fully paid and nonassessable Share at \$39.00 (the "Exercise Price"), subject, in each case, to adjustment as set forth herein. The holder of a Warrant shall exercise such holder's right to purchase Shares by depositing with the Warrant Agent at a Warrant Agent Office the Warrant Certificate evidencing such Warrant with the form of election to purchase on the reverse thereof duly completed and signed by the registered holder or holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, such signature to be guaranteed by a participant in a recognized signature guarantee medallion program, and upon payment of the Exercise Price for the number of Shares in respect of which such Warrants are being exercised in lawful money of the United States of America.

Subject to Section 9, upon such surrender of a Warrant Certificate and payment of the Exercise Price, the Warrant

Agent shall requisition from the transfer agent for the Common Stock (the "Transfer Agent") for issuance and delivery to or upon the written order of the registered holder or holders of such Warrant Certificate and in such name or names as such registered holder may designate, a certificate or certificates for the Share or Shares issuable upon the exercise of the Warrant or Warrants evidenced by such Warrant Certificate. Such certificate or certificates shall be deemed to have been issued and any person so designated to be named therein shall be deemed to have become the holder of record of such Share or Shares as of the date of the surrender of such Warrant Certificate duly executed and payment of the Exercise Price. The Warrants evidenced by a Warrant Certificate shall be exercisable, at the election of the registered holder thereof, either as an entirety or from time to time for a portion of the number of Warrants specified in the Warrant Certificate. If less than all of the Warrants evidenced by a Warrant Certificate surrendered upon the exercise of Warrants are exercised at any time prior to the Expiration Date, a new Warrant Certificate or Certificates shall be issued for the remaining number of Warrants evidenced by the Warrant Certificate so surrendered, and the Warrant Agent is hereby authorized to countersign the required new Warrant Certificate or Certificates pursuant to the provisions of Section 6 and this Section 7.

The Warrant Agent shall account promptly to the Company with respect to Warrants exercised and concurrently pay or deliver to the Company all moneys and other consideration received by it on the purchase of Shares through the exercise of Warrants.

SECTION 8. Cancellation of Warrants. If the Company shall purchase or otherwise acquire Warrants, the Warrant Certificates representing such Warrants shall thereupon be delivered to the Warrant Agent and be cancelled by it and retired. The Warrant Agent shall cancel all Warrant Certificates surrendered for exchange, substitution, transfer or exercise in whole or in part. Such cancelled Warrant Certificates shall thereafter be disposed of in a manner satisfactory to the Company.

SECTION 9. Payment of Taxes. The Company will pay all documentary stamp taxes attributable to the initial issuance of Warrants and of Shares upon the exercise of Warrants; provided, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issue of any Warrant Certificates or any certificates for Shares in a name other than the registered holder of a Warrant Certificate surrendered upon the exercise of a Warrant, and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 10. Mutilated or Missing Warrant Certificates. If any of the Warrant Certificates shall be mutilated, lost, stolen or destroyed, the Company shall in its discretion issue, and the Warrant Agent shall countersign and deliver, in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate, or in lieu of and in substitution for the Warrant Certificate lost, stolen or destroyed, a new Warrant Certificate of like tenor and representing an equivalent number of Warrants, but only upon receipt of evidence of such mutilation, loss, theft or destruction, and, if required by the Company, of an indemnity or bond by such holder, in each case satisfactory to the Company and the Warrant Agent. Applicants for such substitute Warrant Certificates shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe.

SECTION 11. Reservation of Shares. For the purpose of enabling it to satisfy any obligation to issue Shares upon exercise of Warrants, the Company will at all times through the Close of Business on the Expiration Date, reserve and keep available, free from preemptive rights and out of its aggregate authorized but unissued or treasury shares of Common Stock, or such other stock or securities deliverable pursuant to paragraph (g) of Section 13, the number of Shares deliverable upon the exercise of all outstanding Warrants, and the Transfer Agent is hereby irrevocably authorized and directed at all times to reserve such number of authorized and unissued or treasury shares of Common Stock as shall be required for such purpose. The Company will keep a copy of

this Agreement on file with such Transfer Agent and with every transfer agent for any shares of the Company's capital stock issuable upon the exercise of Warrants pursuant to Section 13. The Warrant Agent is hereby irrevocably authorized to requisition from time to time from such Transfer Agent stock certificates issuable upon exercise of outstanding Warrants, and the Company will supply such Transfer Agent with duly executed stock certificates for such purpose.

Before taking any action that would cause an adjustment pursuant to Section 13 reducing the Exercise Price below the then par value (if any) of the Shares issuable upon exercise of the Warrants, the Company will take all corporate action that may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Shares at the Exercise Price as so adjusted.

The Company covenants that all Shares issued upon exercise of the Warrants will, upon issuance in accordance with the terms of this Agreement, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens, charges and security interests created by or imposed upon the Company with respect to the issuance and holding thereof.

SECTION 12. Obtaining of Governmental Approvals and

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Stock Exchange Listings; Prospectus Delivery. So long as any Warrants remain outstanding, the Company will take all necessary action (a) to obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities and to make and keep in effect all filings under federal and state securities acts and laws, that may be or become requisite in connection with the issuance, sale, transfer and delivery of the Warrant Certificates, the exercise of the Warrants and the issuance, sale, transfer and

delivery of the Shares issued upon exercise of Warrants, and (b) to have the shares of Common Stock, immediately upon their issuance upon exercise of Warrants, (i) listed on each national securities exchange on which the Common Stock is then listed or (ii) if the Common Stock is not then listed on any national securities exchange, listed for quotation on the NASD Automated Quotations system ("NASDAQ") National Market System ("NASDAQ/NMS") or such other over-the-counter quotation system on which the Common Stock may then listed. So long as any unexpired Warrants remain outstanding and if required in order to comply with the Securities Act of 1933, as amended (the "Act"), the Company agrees that it will file such post-effective amendments to the registration statement filed pursuant to the Act with respect to the Warrants (or such other registration statements or post-effective amendments or supplements) as may be necessary to permit the Company to deliver to each person exercising a Warrant a prospectus meeting the requirements of Section 10(a)(3) of the Act and otherwise complying therewith, and will deliver such a prospectus to each such person.

SECTION 13. Antidilution Provisions. The Exercise Price and the number of shares issuable upon exercise of each Warrant shall be subject to adjustment from time to time as provided in this Section 13.

(a) In case the Company shall pay or make a dividend or other distribution on any class of capital stock of the Company in Common Stock, the Exercise Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced to a price determined by multiplying such Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective at the opening of business on the day following the date fixed for such determination. In the event that such dividend or distribution is not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price that would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any exercise of the Warrant prior to the date such subsequent adjustment is made. For the purposes of this paragraph (a), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in

respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(b) In case the Company shall issue rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Average Market Price of Common Stock (as defined below) on the date fixed for the determination of stockholders entitled to receive such rights or warrants, the Exercise Price in effect at the close of business on the date

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fixed for such determination shall be reduced to a price determined by multiplying such Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such Average Market Price, and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective at the opening of business on the day following the date fixed for such determination. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In the event that such rights or warrants are not so issued, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if the date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed, but such subsequent adjustment

shall not affect the number of shares of Common Stock issued upon any exercise of the Warrant prior to the date such subsequent adjustment is made. For the purposes of this paragraph (b), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include Shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. As used herein the term Average Market Price of the Common Stock shall mean the average of the daily reported closing sales prices, regular way, per share of the Common Stock on the New York Stock Exchange (the "NYSE") or, if the Common Stock is not principally traded on the NYSE, such other market on which the Common Stock is listed or principally traded, for the 10 consecutive trading days prior to the date of determination.

(c) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Exercise Price in effect at the close of business on the date upon which such subdivision becomes effective shall be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Exercise Price in effect at the close of business on the date upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective at the opening of business on the day following the date upon which such subdivision or combination becomes effective.

(d) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding (i) any rights or warrants referred to in paragraph (b) of this Section 13, (ii) any dividend or distribution paid in cash or other property out of the retained earnings of the Company and (iii) any dividend or distribution referred to in paragraph (a) of this Section 13), then either (at the option of the Company) (A) the Company shall elect to include in such distribution each holder (as of the record date for such distribution) as if such holder had exercised the Warrant for Common Stock immediately prior to such record date (such exercise assumed to be made at the Exercise Price in effect without regard to the adjustment provided in the following clause (B)), or (B) the Exercise

Price shall be reduced to a price determined by multiplying the Exercise Price in effect at the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the Average Market Price per share of Common Stock on the date fixed for such determination less the fair market value (as reasonably determined in good faith by the Board of Directors of the Company (the "Board of Directors")) on such date of the portion of the assets or evidences of indebtedness so to be distributed applicable to one share of Common Stock and the denominator shall be the Average Market Price of Common Stock, such adjustment to become effective at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. In the event that such dividend or distribution is not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such date fixed for the determination of stockholders entitled to receive such dividend or other distribution had not been fixed, but such subsequent adjustment shall not affect the number of shares of Common Stock issued upon any exercise of the Warrant prior to the date such subsequent adjustment is made. If the Company makes an election under clause (A) of this paragraph (d) with respect to any such distribution payable on the Warrant (an "Elected Company Dividend"), the Company may in lieu of such distribution elect to pay to each holder the fair market value (determined as provided above) of such Elected Company Dividend in cash (the "Cash Equivalent").

(e) The reclassification (including any reclassification upon a consolidation or merger in which the Company is the continuing corporation, but not including any transactions for which an adjustment is provided in paragraph (g) below) of Common Stock into securities including other than Common Stock shall be deemed to involve (i) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be the date fixed for the determination of stockholders entitled to receive such distribution and the date fixed for such determination within

the meaning of paragraph (d) of this Section 13), and (ii) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be the date upon which such subdivision becomes effective or the date upon which such combination becomes effective, as the case may be, and the date upon which such subdivision or combination becomes effective within the meaning of paragraph (c) of this Section 13).

(f) The Company may make such reductions in the Exercise Price, in addition to those required by paragraphs (a), (b), (c), (d) and (e) of this Section 13, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(g) In case of any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock) or any sale or transfer of all or substantially all of the assets of the Company, each holder shall have the right thereafter, during the period such Warrant shall be outstanding, to exercise such Warrant only into the kind and amount (if any) of securities, cash or other property

receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock which would have been issuable if such Warrant had been exercised immediately prior to such consolidation, merger, sale or transfer (and the Person formed by such consolidation or resulting from such merger or which acquires such assets, as

the case may be, shall execute and deliver to each holder a new Warrant satisfactory in form and substance to each holder, providing for the foregoing). If the holders of the Common Stock may elect from choices the kind or amount of securities, cash or other property receivable upon such consolidation, merger, sale or transfer, then for the purpose of this Section 13 the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer shall be deemed to be the choice specified by each holder, which specification shall be made by each holder by the later of (i) 20 business days after the holder is provided with a final version of all information required by law or regulation to be furnished to holders of Common Stock concerning such choice, or if no such information is required, 20 business days after the Company notifies the holder of all material facts concerning such specification and (ii) the last time at which holders of Common Stock are permitted to make their specification known to the Company. If the holder fails to make any specification, the holder's choice shall be deemed to be whatever choice is made by a plurality of holders of Common Stock not affiliated with the Company or the other Person to the merger or consolidation or, if no such holders exist, as specified by the Board of Directors in good faith. The new Warrant referred to above shall provide for adjustments which, for events subsequent to the effective date of such new Warrant, shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 13. The above provisions of this paragraph (g) shall similarly apply to successive consolidations, mergers, sales or transfers.

(h) Whenever there shall be any change in the Exercise Price hereunder, then there shall be an adjustment (to the nearest hundredth of a Share) in the number of Shares of Common Stock issuable upon exercise of the Warrant, which adjustment shall become effective at the time such change in the Exercise Price becomes effective and shall be made by multiplying the number of shares of Common Stock issuable upon exercise of the Warrant immediately before such change in the Exercise Price by a fraction of which the numerator is the Exercise Price immediately before such change and the denominator is the Exercise Price immediately after such change.

(i) No adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this paragraph (i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding the foregoing, any adjustment required by this paragraph (i) shall be made no later than the expiration of the right to exercise

the Warrant or a portion thereof.

(j) In any case in which this Section 13 shall require that an adjustment shall become effective on the day following a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the holder, if the Warrant is exercised after such record date and before the occurrence of such event, the additional Common Stock (and associated Elected Company Dividend or Cash Equivalent, if any) issuable upon exercise by reason of the adjustment required by such event over and above Common Stock (and associated Elected Company Dividend or Cash Equivalent, if any) issuable upon such exercise before giving effect to such

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adjustment and (ii) paying to the holder any amount in cash in lieu of a fractional share of Common Stock pursuant to Section 4 above; provided, that, upon request of the holder, the Company shall deliver to the holder a due bill or other appropriate instrument evidencing holder's right to receive such additional Common Stock and such cash, upon the occurrence of the event requiring such adjustment.

SECTION 14. Fractional Warrants and Fractional Shares.

(a) The Company shall not be required to issue fractions of Warrants or to issue Warrant Certificates that evidence fractional Warrants. In lieu of such fractional Warrants there shall be paid to the registered holders of the Warrant Certificates with regard to which such fractional Warrants would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a full Warrant. For purposes of this Section 14(a), the current market value of a Warrant shall be the closing price of one Warrant (as determined pursuant to paragraph (c) below) for the trading day immediately prior to the date on which such fractional Warrant would have been otherwise issuable.

(b) Notwithstanding any adjustment pursuant to Section 13 in the number of Shares issuable upon the exercise of a Warrant, the Company shall not be required to issue fractions of Shares upon exercise of the Warrants or to distribute certificates which evidence fractional Shares. In lieu of fractional Shares, there shall be paid to the registered holders of Warrant Certificates at the time such Warrant Certificates are exercised as herein provided an amount in cash equal to the same fraction of the current market value of a share of Common Stock. For purposes of this Section 14(b), the current market value of a share of Common Stock shall be the closing price of a share of Common Stock (as determined pursuant to paragraph (c) below) for the trading day immediately prior to the date of such exercise.

(c) The closing price for each day shall be the last sale price, regular day, or, if no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if the Warrants or Common Stock, as the case may be, is not listed or admitted to trading on such exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Warrants or Common Stock, respectively, is listed or admitted to trading, or if the Warrants or Common Stock, as the case may be, is not listed or admitted to trading on any national securities exchange, as reported on NASDAQ/NMS or, if the Warrants or Common Stock, as the case may be, is not listed or admitted to trading on NASDAQ/NMS, as reported on NASDAQ.

SECTION 15. Notices to Warrantholders. Upon any adjustment of the number of Shares issuable upon exercise of each Warrant, the Exercise Price or the number of Shares issuable upon exercise of each Warrant pursuant to Section 13, the Company within 20 calendar days thereafter shall (i) cause to be filed with the Warrant Agent a certificate of a firm of independent public accountants of recognized standing selected by the Company (who may be the regular auditors of the Company) setting forth the Exercise Price and either the number of Shares issuable upon the exercise of each Warrant or the additional number of Warrants to be issued for each previously outstanding Warrant, as the case may be, after such adjustment and setting forth in reasonable detail the method of calculation and the facts upon which such adjustment was

made, which certificate shall be conclusive evidence of the correctness of the matters set forth therein, and (ii) cause to be given to each of the registered holders of the Warrant Certificates at such holder's address appearing on the Warrant Register written notice of such adjustments by first-class mail, postage prepaid. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 15.

In case:

(a) the Company shall declare a dividend (or any other distribution) on Common Stock payable otherwise than in cash out of its retained earnings; or

(b) the Company shall authorize the granting to the holders of Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any other rights; or

(c) of any reclassification of Common Stock (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(d) of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall (i) cause written notice of such event to be filed with the Warrant Agent and shall cause written notice of such event to be given to each of the registered holders of the Warrant Certificates at such holder's address appearing on the Warrant Register, by first-class mail, postage prepaid, and (ii) make a public announcement in a daily newspaper of general circulation in New York City of such event, such giving of notice and publication to be

completed at least 10 calendar days (or 20 calendar days in any case specified in clause (d) above) prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution or subscription rights or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. The failure to give the notice required by this Section 15 or any defect therein shall not affect the legality or validity of any distribution, right, warrant, dissolution, liquidation or winding up or the vote upon or any other action taken in connection therewith.

SECTION 16. Merger, Consolidation or Change of Name of Warrant Agent. Any corporation into which the Warrant Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Warrant Agent shall be a party, or any corporation succeeding to the shareholder services business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under the provisions of Section 18. If at the time such successor to the Warrant Agent shall succeed under this Agreement, any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the Warrant Agent may adopt the countersignature of the original Warrant Agent; and if at that time any of the Warrant Certificates shall not have been countersigned, any successor to the Warrant Agent may

countersign such Warrant Certificates either in the name of the predecessor Warrant Agent or in the name of the successor Warrant Agent; and in all such cases such Warrant Certificates

shall have the full force provided in the Warrant Certificates and in this Agreement.

If at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent whose name has changed may adopt the countersignature under its prior name; and if at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

SECTION 17. Warrant Agent. The Warrant Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Warrants, by their acceptance thereof, shall be bound:

(a) The statements contained herein and in the Warrant Certificates shall be taken as statement of the Company, and the Warrant Agent assumes no responsibility for the correctness of any of the same except such as describe the Warrant Agent or action taken or to be taken by it. Except as herein otherwise provided, the Warrant Agent assumes no responsibility with respect to the execution, delivery or distribution of the Warrant Certificates.

(b) The Warrant Agent shall not be responsible for any failure of the Company to comply with any of the covenants contained in this Agreement or in the Warrant Certificates to be complied with by the Company nor shall it at any time be under any duty or responsibility to any holder of a Warrant to make or cause to be made any adjustment in the Exercise Price or in the number of Shares issuable upon exercise of any Warrant (except as instructed by the Company), or to determine whether any facts exist which may require any such adjustments, or with respect to the nature or extent of or method employed in making any such adjustments when made.

(c) The Warrant Agent may consult at any time with counsel satisfactory to it (who may be counsel for the Company) and the Warrant Agent shall incur no liability or responsibility to the Company or any holder of any Warrant Certificate in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or the advice of such counsel.

(d) The Warrant Agent shall incur no liability or responsibility to the Company or to any holder of any Warrant

Certificate for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(e) The Company agrees to pay to the Warrant Agent reasonable compensation for all services rendered by the Warrant Agent under this Agreement, to reimburse the Warrant Agent upon demand for all expenses, taxes and governmental charges and other charges of any kind and nature incurred by the Warrant Agent in the performance of its duties under this Agreement and to indemnify the Warrant Agent and save it harmless against any and all losses, liabilities and expenses, including judgments, costs and reasonable counsel fees and expenses, for anything done or omitted by the Warrant Agent

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arising out of or in connection with this Agreement except as a result of its negligence or bad faith.

(f) The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more registered holders of Warrant Certificates shall furnish the Warrant Agent with reasonable security and indemnity for any costs or expenses which may be incurred. All rights of action under this Agreement or under any of the Warrants may be enforced by the Warrant Agent without the possession of any of the Warrant Certificates or the production thereof at any trial or other proceeding relative thereto, and any such action, suit or proceeding instituted by the Warrant Agent shall be brought in its name as Warrant Agent, and any recovery or judgment shall be for the ratable benefit of the registered holders of the Warrants, as their respective rights or interests may appear.

(g) The Warrant Agent, and any stockholder, director, officer or employee thereof, may buy, sell or deal in any of the Warrants or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested or contract with or lend money to the Company or otherwise act as fully and freely as though they were not the Warrant Agent under this Agreement, or a stockholder, director, officer or employee of the Warrant Agent, as the case may be. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

(h) The Warrant Agent shall act hereunder solely as agent for the Company, and its duties shall be determined solely by the provisions hereof. the Warrant Agent shall not be liable for anything which it may do or refrain from doing in connection with this Agreement except for its own negligence or bad faith.

(i) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

(j) The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Warrant Agent) or in respect of the validity or execution of any Warrant Certificate (except its countersignature thereof), nor shall the Warrant Agent by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of the Shares to be issued pursuant to this Agreement or any Warrant Certificate or as to whether the Shares will when issued be validly issued, fully paid and nonassessable or as to the Exercise Price or the number of Shares issuable upon exercise of any Warrant.

(k) The Warrant Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the Chief Executive officer, the President, any Vice President, the Treasurer, the Secretary or an Assistant Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer or in good faith reliance upon any statement signed by any one of such officers of the Company with respect to any fact or

matter (unless other evidence in respect thereof is herein specifically prescribed) which may be deemed to be conclusively proved and established by such signed statement.

SECTION 18. Change of Warrant Agent. If the Warrant Agent shall resign (such resignation to become effective not earlier than 60 days after the giving of written notice thereof to the Company and the registered holders of Warrant Certificates) or shall become incapable of acting as Warrant Agent or if the Board of Directors shall by resolution remove the Warrant Agent (such removal to become effective not earlier than 30 days after the filing of a certified copy of such resolution with the Warrant Agent and the giving of written notice of such removal to the registered holders of Warrant Certificates), the Company shall appoint a successor to the Warrant Agent. If the Company shall fail to make such appointment within a period of 30 days after such removal or after it has been so notified in writing of such resignation or incapacity by the Warrant Agent or by the registered holder of any Warrant Certificate, then any registered holder of a Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a successor to the Warrant Agent. Pending appointment of a successor to the Warrant Agent, either by the Company or by such a court, the duties of the Warrant Agent shall be carried out by the Company. Any successor Warrant Agent, whether appointed by the Company or by such a court, shall be a bank or trust company, in good standing, incorporated under the laws of any state or of the United States of America. As soon as practicable after appointment of the successor Warrant Agent, the Company shall cause written notice of the change in the Warrant Agent to be given to each of the registered holders of the Warrant Certificates at such holder's address appearing on the Warrant Register. After appointment, the successor Warrant Agent shall be vested with the same powers, rights, duties and

responsibilities as if it had been originally named as Warrant Agent without further act or deed. The former Warrant Agent shall deliver and transfer to the successor Warrant Agent any property at the time held by it hereunder and execute and deliver, at the expense of the Company, any further assurance, conveyance, act or deed necessary for the purpose. Failure to give any notice provided for in this Section 18 or any defect therein, shall not affect the legality or validity of the removal of the Warrant Agent or the appointment of a successor Warrant Agent, as the case may be.

SECTION 19. Warrantholder Not Deemed a Stockholder. Nothing contained in this Agreement or in any of the Warrant Certificates shall be construed as conferring upon the holders thereof the right to vote or to receive dividends or to consent or to receive notice as stockholders in respect of the meetings of stockholders or for the election of directors of the Company or any other matter, or any rights whatsoever as stockholders of the Company.

SECTION 20. Delivery of Prospectus. If the Company is required under applicable federal or state securities laws to deliver a prospectus upon exercise of Warrants, the Company will furnish to the Warrant Agent sufficient copies of a prospectus, and the Warrant Agent agrees that upon the exercise of any Warrant Certificate by the holder thereof, the Warrant Agent will deliver to such holder, prior to or concurrently with the delivery of the certificate or certificates for the Shares issued upon such exercise, a copy of the prospectus.

SECTION 21. Notices to Company and Warrant Agent. Any notice or demand authorized by this Agreement to be given or made by the Warrant Agent or by any registered holder of any Warrant Certificate to or on the Company shall be sufficiently

given or made if sent by mail, first-class or registered, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

The Travelers Inc.
65 East 55th Street
New York, NY 10022
Attention: General Counsel

If the Company shall fail to maintain such office or agency or shall fail to give such notice of any change in the location thereof, presentation may be made and notices and demands may be served at the principal office of the Warrant Agent.

Any notice pursuant to this Agreement to be given by the Company or by any registered holder of any Warrant Certificate to the Warrant Agent shall be sufficiently given if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

The First National Bank of Boston
P.O. Box 1889 (M/S 45-01-19)
Boston, MA 02105
Attention: Shareholder Services Division

The Warrant Agent maintains a Warrant Agent Office at BancBoston Clearance Corporation, 55 Broadway, Third Floor, New York, New York and at The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts.

SECTION 22. Supplements and Amendments. The Company and the Warrant Agent may from time to time supplement or amend this Agreement without the approval of any holders of Warrant Certificates in order to cure any ambiguity, manifest error or other mistake in this Agreement, or to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision hereto, or to make any other provisions in regard to matters or questions arising hereunder that the Company and the Warrant Agent may deem necessary or desirable and that shall not adversely affect, alter or change the interests of the holders of the Warrants.

SECTION 23. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 24. Termination. This Agreement shall terminate at the Close of Business on the Expiration Date.

Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised. The provisions of Section 17 shall survive such termination.

SECTION 25. Governing Law. This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be construed in accordance with the laws of such State.

SECTION 26. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company, the Warrant Agent and the registered holders of the Warrant Certificates any legal or equitable right, remedy or claim under this Agreement, and this Agreement shall be for the sole and exclusive benefit of the Company, the Warrant Agent and the registered holders of the Warrant Certificates.

SECTION 27. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

SECTION 28. Headings. The headings of sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed and delivered as of the day and year first above written.

THE TRAVELERS INC.

By: _____

[Title]

ATTEST:

THE FIRST NATIONAL BANK OF BOSTON

By: _____

[Title]

ATTEST:

[FORM OF FACE OF WARRANT CERTIFICATE]

VOID AFTER JULY 31, 1998

NO. W-

WARRANT TO PURCHASE _____
SHARES OF COMMON STOCK

THE TRAVELERS INC.

1998 WARRANT TO PURCHASE COMMON STOCK

This Warrant Certificate certifies that _____ or registered assigns, is the registered holder of a 1998 Warrant (the "Warrant") of The Travelers Inc., a Delaware corporation (the "Company"), to purchase the number of shares (the "Shares") of Common Stock, \$0.01 par value per share (the "Common Stock"), of the Company set forth above. This Warrant expires at the Close of Business on July 31, 1998, unless such date is extended at the option of the Company, and entitles the holder to purchase from the Company the number of fully paid and nonassessable Shares set forth above at the initial exercise price (the "Exercise Price"), payable in lawful money of the United States of America, of \$39.00 per share.

Subject to the terms and conditions set forth herein and in the Warrant Agreement referred to on the reverse hereof, this Warrant may be exercised upon surrender of this Warrant Certificate and payment of the aggregate Exercise Price at the office or agency of the Warrant Agent in New York, New York or in Boston, Massachusetts (each such office, a "Warrant Agent Office").

The Exercise Price and the number of Shares issuable upon exercise of this Warrant are subject to adjustment upon the occurrence of certain events as set forth in the Warrant Agreement.

No Warrant may be exercised after the Close of Business on July 31, 1998 (the "Expiration Date"), unless the Company exercises its option to extend such date. After the Close of Business on the Expiration Date, the Warrants will become wholly void and of no value.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE WARRANT CERTIFICATE SET FORTH ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Warrant Certificate shall not be valid unless countersigned by the Warrant Agent.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by its duly authorized officers, and the corporate seal hereunto affixed.

Dated: _____,

THE TRAVELERS INC.

By: _____

[Corporate Seal of The Travelers Inc.]

ATTEST:

By: _____

Countersigned:
THE FIRST NATIONAL BANK OF BOSTON,
AS WARRANT AGENT

By: _____

[FORM OF REVERSE OF WARRANT CERTIFICATE]

THE TRAVELERS INC.

The Warrant evidenced by this Warrant Certificate is a part of a duly authorized issue of 1998 Warrants to purchase a maximum of 3,749,466 shares of Common Stock issued pursuant to a Warrant Agreement, dated as of March 1, 1994 (the "Warrant Agreement"), duly executed and delivered by the Company to The First National Bank of Boston, as Warrant Agent (the "Warrant Agent"). The Warrant Agreement hereby is incorporated by reference in and made a part of

this instrument and is hereby referenced to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Warrant Agent, the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants. A copy of the Warrant Agreement may be inspected at the Warrant Agent Office and is available upon written request addressed to the Company. All terms used herein that are defined in the Warrant Agreement have the meanings assigned to them therein.

Warrants may be exercised to purchase Shares from the Company before the Close of Business on the Expiration Date, at the Exercise Price set forth on the face hereof, subject to adjustment as described in the Warrant Agreement. The holder of the Warrant evidenced by this Warrant Certificate may exercise such Warrant by surrendering the Warrant Certificate, with the form of election to purchase set forth hereon properly completed and executed, together with payment of the aggregate Exercise Price, in lawful money of the United States of America, and any applicable transfer taxes, at a Warrant Agent Office.

In the event that upon any exercise of the Warrant evidenced hereby the number of Shares actually purchased shall be less than the total number of Shares issuable upon exercise of the Warrant evidenced hereby, there shall be issued to the holder hereof, or such holder's assignee, a new Warrant Certificate evidencing a Warrant to purchase the Shares not so purchased. No adjustment shall be made for any cash dividends on any Shares issuable upon exercise of this Warrant. After the Close of Business on the Expiration Date, unexercised Warrants shall become wholly void and of no value.

The Company shall not be required to issue fractions of Shares or any certificates that evidence fractional Shares. In lieu of such fractional Shares, there shall be paid to holders of the Warrant Certificates with regard to which such fractional Shares would otherwise be issuable an amount in cash equal to the same fraction of the current market value (as determined pursuant to the Warrant Agreement) of a full Share.

Warrant Certificates, when surrendered at the Warrant Agent Office by the registered holder thereof in person or by a legal representative or attorney duly authorized in writing, may be exchanged, in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor evidencing a Warrant to purchase in the aggregate a like number of Shares.

Upon due presentment for registration of transfer of this Warrant Certificate at the Warrant Agent Office, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing a Warrant or Warrants to purchase in the aggregate a like number of Shares shall be issued to the transferee in

exchange for this Warrant Certificate, subject to the limitations provided in

the Warrant Agreement, without charge, except for any tax or other governmental charge imposed in connection therewith.

The Company and Warrant Agent may deem and treat the registered holder hereof as the absolute owner of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

ELECTION TO EXERCISE

(TO BE EXECUTED UPON EXERCISE OF THE WARRANT)

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase _____ Shares and herewith tenders in payment for such Shares \$_____ in lawful money of the United States of America, in accordance with the terms hereof. The undersigned requests that a certificate representing the Shares be registered and delivered as follows:

Name

Address

Delivery Address (if different)

If such number of Shares is less than the aggregate number of Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the balance of such Shares be registered and delivered as follows:

Name (and Social Security or other taxpayer identification number if different from Holder)

Address

Social Security or Other Taxpayer
Identification Number of Holder

Signature

Note: The above signature must correspond with the name as written upon the face of this Warrant Certificate in every particular, without alteration or enlargement or any change whatsoever. If the certificate representing the Shares or any Warrant Certificate representing Warrants not exercised is to be registered in a name other than that in which this Warrant Certificate is registered, the signature of the holder hereof must be

guaranteed.

SIGNATURE GUARANTEED:

ASSIGNMENT

(TO BE EXECUTED BY THE REGISTERED HOLDER IF SUCH
HOLDER DESIRES TO TRANSFER THIS WARRANT CERTIFICATE)

FOR VALUE RECEIVED, the undersigned registered holder hereby sells,
assigns and transfers unto

Name of Assignee

Address of Assignee

this Warrant Certificate, together with all right, title and interest therein, and does irrevocably constitute and appoint _____ attorney, to transfer the within Warrant Certificate on the books of the Warrant Agent, with full power of substitution.

Dated

Signature

Note: The above signature must correspond with the name or written upon the face of this Warrant Certificate in every particular, without alteration or enlargement or any change whatsoever.

Social Security or Other Taxpayer
Identification Number of Assignee

SIGNATURE GUARANTEED:

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
The Travelers Inc.:

We consent to the use of our reports on the consolidated financial statements and schedules dated January 18, 1993, except as to Note 21, which is as of March 12, 1993, that are incorporated by reference or appear in the 1992 Annual Report on Form 10-K of Primerica Corporation (now known as The Travelers Inc.), incorporated herein by reference and to the reference to our firm under the heading "Experts" in Amendment No. 1 to the Registration Statement (No. 33-52281). Our report on the December 31, 1992 consolidated financial statements refers to a change in accounting for income taxes.

KPMG PEAT MARWICK

New York, New York
March 1, 1994

CONSENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors of
The Travelers Inc. (formerly Primerica Corporation):

We consent to the incorporation by reference in Amendment No. 1 to the Registration Statement on Form S-3 (the "Amendment") of The Travelers Inc. (formerly Primerica Corporation) (to be filed on or about March 1, 1994), of our report dated February 9, 1993, relating to our audit of the consolidated balance sheets of The Travelers Corporation and Subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of operations and retained earnings and cash flows for each of the three years in the period ending December 31, 1992, which report is included in the Annual Report on Form 10-K for the fiscal year ended December 31, 1992, of Primerica Corporation and includes an explanatory paragraph referring to changes in the method of accounting for post retirement benefits other than pensions, accounting for income taxes and accounting for foreclosed assets in 1992, and the reference to our firm under the heading "Experts" in the Amendment.

COOPERS & LYBRAND

Hartford, Connecticut
February 28, 1994

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Amendment No. 1 to Registration Statement on Form S-3 of The Travelers Inc. (formerly Primerica Corporation file no. 33-52281) and to the incorporation by reference therein of our report dated April 26, 1993, with respect to the combined statement of assets acquired and liabilities assumed of the Shearson Lehman Brothers and SLB Asset Management Divisions ("SLBD") of Lehman Brothers Holdings Inc. (formerly Shearson Lehman Brothers Holdings Inc.) as of December 31, 1992 and 1991, the related combined statement of operations of SLBD for the years then ended and the combined statement of cash provided by net income, as adjusted for non cash expenses and changes in assets acquired and liabilities assumed, exclusive of investing and financing activities for the year ended December 31, 1992 included in Primerica Corporation's Current Report on Form 8-K dated April 28, 1993, filed with the Securities and Exchange Commission.

ERNST & YOUNG

New York, New York
March 1, 1994