

The  
Chubb  
Corporation

Supplementary  
Investor  
Information

December 31, 2009

This report is for informational purposes only. It should be read in conjunction with documents filed by The Chubb Corporation with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.



**THE CHUBB CORPORATION**  
**SUPPLEMENTARY INVESTOR INFORMATION**  
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**THE CHUBB CORPORATION**  
**CONSOLIDATED BALANCE SHEET HIGHLIGHTS**  
**AS OF DECEMBER 31**

*(in millions, except per share amounts)*

	<u>2009</u>		<u>2008</u>	
		<u>% of Total</u>		<u>% of Total</u>
<b>Invested Assets (at carrying value)</b>				
Short Term Investments	\$ 1,918	5%	\$ 2,478	7%
Fixed Maturities				
Tax Exempt	19,587	47	18,345	47
Taxable	16,991	40	14,410	37
Equity Securities	1,433	3	1,479	4
Other Invested Assets	<u>2,075</u>	<u>5</u>	<u>2,026</u>	<u>5</u>
<b>Total Invested Assets</b>	<u>\$42,004</u>	<u>100%</u>	<u>\$38,738</u>	<u>100%</u>
<b>Unrealized Appreciation (Depreciation) of Investments</b>				
Fixed Maturities	\$ 1,388		\$ (136)	
Equity Securities	<u>218</u>		<u>(84)</u>	
	1,606		(220)	
Deferred Income Tax Liability (Asset)	<u>562</u>		<u>(77)</u>	
	<u>\$ 1,044</u>		<u>\$ (143)</u>	
<b>Capitalization</b>				
Long Term Debt	\$ 3,975		\$ 3,975	
Shareholders' Equity	<u>15,634</u>		<u>13,432</u>	
<b>Total Capitalization</b>	<u>\$19,609</u>		<u>\$17,407</u>	
<b>Debt as a Percentage of Total Capitalization</b>	20.3%		22.8%	
<b>Actual Common Shares Outstanding</b>	332.0		352.3	
<b>Book Value Per Common Share</b>	\$ 47.09		\$ 38.13	
<b>Book Value Per Common Share</b> , with Available-for-Sale Fixed Maturities at Amortized Cost	\$ 44.37		\$ 38.38	

**THE CHUBB CORPORATION**  
**SHARE REPURCHASE ACTIVITY**

*(dollars in millions, except per share amounts)*

	<b>Periods Ended December 31</b>		<b>From December 2005 to December 31, 2009</b>
	<b>Fourth Quarter 2009</b>	<b>Twelve Months 2009</b>	
Cost of Shares Repurchased	\$489	\$1,065	\$5,952
Average Cost Per Share	\$49.65	\$47.09	\$50.08
Shares Repurchased	9,842,744	22,623,775	118,839,875

In December 2005 and December 2006, the Board of Directors authorized the repurchase of up to 28,000,000 shares and 20,000,000 shares, respectively, of the Corporation's common stock. In March 2007, the Board of Directors authorized an increase of 20,000,000 shares to the authorization approved in 2006. In December 2007 and 2008, the Board of Directors authorized the repurchase of up to 28,000,000 shares and 20,000,000 shares, respectively, of the Corporation's common stock. No shares remain under these share repurchase authorizations.

In December 2009, the Board of Directors authorized the repurchase of up to 25,000,000 shares of the Corporation's common stock. The authorization has no expiration date. As of December 31, 2009, 22,160,125 shares remained under the share repurchase authorization.

**THE CHUBB CORPORATION**  
**SUMMARY OF INVESTED ASSETS**  
**AS OF DECEMBER 31**  
**CORPORATE**

	Cost or Amortized Cost		Carrying Value (a)	
	2009	2008	2009	2008
	<i>(in millions)</i>			
Short Term Investments	\$ 1,017	\$ 1,602	\$ 1,017	\$ 1,602
Taxable Fixed Maturities	1,286	774	1,327	780
Equity Securities	205	451	202	504
Other Invested Assets	25	—	25	—
<b>TOTAL</b>	<b><u>\$ 2,533</u></b>	<b><u>\$ 2,827</u></b>	<b><u>\$ 2,571</u></b>	<b><u>\$ 2,886</u></b>

**PROPERTY AND CASUALTY**

	Cost or Amortized Cost		Carrying Value (a)	
	2009	2008	2009	2008
	<i>(in millions)</i>			
Short Term Investments	\$ 901	\$ 876	\$ 901	\$ 876
Fixed Maturities				
Tax Exempt	18,720	18,299	19,587	18,345
Taxable	15,184	13,818	15,664	13,630
Equity Securities	1,010	1,112	1,231	975
Other Invested Assets	2,050	2,026	2,050	2,026
<b>TOTAL</b>	<b><u>\$ 37,865</u></b>	<b><u>\$ 36,131</u></b>	<b><u>\$ 39,433</u></b>	<b><u>\$ 35,852</u></b>

- (a) Short term investments are carried at amortized cost, which approximates fair value. Fixed maturities and equity securities are carried at fair value. Other invested assets include private equity limited partnerships carried at Chubb's equity in the net assets of the partnerships.

**THE CHUBB CORPORATION**  
**INVESTMENT INCOME AFTER TAXES**

	Periods Ended December 31			
	Fourth Quarter		Twelve Months	
	2009	2008	2009	2008
	<i>(in millions)</i>			
<b>CORPORATE INVESTMENT INCOME</b>	\$ 13	\$ 12	\$ 40	\$ 51
<b>PROPERTY AND CASUALTY INVESTMENT INCOME</b>				
Tax Exempt Interest	\$ 192	\$ 188	\$ 755	\$ 742
Taxable Interest	119	118	465	497
Other	13	15	55	77
Investment Expenses	(7)	(5)	(23)	(19)
<b>TOTAL</b>	<b>\$ 317</b>	<b>\$ 316</b>	<b>\$ 1,252</b>	<b>\$ 1,297</b>
<b>Effective Tax Rate</b>	19.3%	19.2%	19.2%	20.0%
<b>After-Tax Annualized Yield</b>	3.34%	3.45%	3.39%	3.49%

After-tax annualized yield is based on the average invested assets for the periods presented, with fixed maturities at amortized cost and equity securities at fair value.

**STATUTORY POLICYHOLDERS' SURPLUS**  
**AS OF DECEMBER 31**

	2009	2008	2007
		<i>(in millions)</i>	
Estimated Statutory Policyholders' Surplus	\$14,500	\$12,281	\$12,998
Rolling Year Statutory Net Premiums Written	\$11,074	\$11,759	\$11,829
Ratio of Statutory Net Premiums Written to Policyholders' Surplus	0.76:1	0.96:1	0.91:1

Statutory Policyholders' Surplus and Net Premiums Written include all domestic and foreign property and casualty subsidiaries.

**THE CHUBB CORPORATION**  
**PROPERTY AND CASUALTY**  
**CHANGE IN NET UNPAID LOSSES**  
**TWELVE MONTHS ENDED DECEMBER 31, 2009**

	Net Unpaid Losses			IBNR Increase (Decrease)	All Other Unpaid Losses Increase (Decrease)
	12/31/09	12/31/08	Increase (Decrease) <i>(in millions)</i>		
<b>Personal Insurance</b>					
Automobile	\$ 400	\$ 391	\$ 9	\$ (8)	\$ 17
Homeowners	665	715	(50)	(14)	(36)
Other	872	815	57	44	13
Total Personal	1,937	1,921	16	22	(6)
<b>Commercial Insurance</b>					
Multiple Peril	1,615	1,586	29	58	(29)
Casualty	5,988	5,660	328	224	104
Workers' Compensation	2,138	1,982	156	83	73
Property and Marine	758	839	(81)	(32)	(49)
Total Commercial	10,499	10,067	432	333	99
<b>Specialty Insurance</b>					
Professional Liability	7,552	7,175	377	380	(3)
Surety	58	68	(10)	(1)	(9)
Total Specialty	7,610	7,243	367	379	(12)
Total Insurance	20,046	19,231	815	734	81
<b>Reinsurance Assumed</b>	740	924	(184)	(118)	(66)
<b>Total</b>	\$20,786	\$20,155	\$ 631	\$ 616	\$ 15

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2009	2008	2009	2008	2009	2008	2009	2008
Net Premiums Written	\$ 577	\$ 602	\$ 2,339	\$ 2,449	\$ 741	\$ 775	\$ 3,657	\$ 3,826
Decrease (Increase) in Unearned Premiums	<u>2</u>	<u>10</u>	<u>35</u>	<u>(22)</u>	<u>(2)</u>	<u>(27)</u>	<u>35</u>	<u>(39)</u>
Net Premiums Earned	<u>579</u>	<u>612</u>	<u>2,374</u>	<u>2,427</u>	<u>739</u>	<u>748</u>	<u>3,692</u>	<u>3,787</u>
Net Losses Paid	352	370	1,195	1,208	393	406	1,940	1,984
Increase (Decrease) in Outstanding Losses	<u>3</u>	<u>(13)</u>	<u>(64)</u>	<u>34</u>	<u>44</u>	<u>82</u>	<u>(17)</u>	<u>103</u>
Net Losses Incurred	<u>355</u>	<u>357</u>	<u>1,131</u>	<u>1,242</u>	<u>437</u>	<u>488</u>	<u>1,923</u>	<u>2,087</u>
Expenses Incurred	168	176	766	796	235	250	1,169	1,222
Dividends Incurred	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Statutory Underwriting Income (Loss)	<u>\$ 56</u>	<u>\$ 79</u>	<u>\$ 477</u>	<u>\$ 389</u>	<u>\$ 67</u>	<u>\$ 10</u>	<u>\$ 600</u>	<u>\$ 478</u>
<b>Ratios After Dividends to Policyholders:</b>								
Loss	61.3%	58.3%	47.6%	51.2%	59.1%	65.2%	52.1%	55.1%
Expense	<u>29.1</u>	<u>29.3</u>	<u>32.8</u>	<u>32.5</u>	<u>31.7</u>	<u>32.3</u>	<u>32.0</u>	<u>32.0</u>
Combined	<u>90.4%</u>	<u>87.6%</u>	<u>80.4%</u>	<u>83.7%</u>	<u>90.8%</u>	<u>97.5%</u>	<u>84.1%</u>	<u>87.1%</u>
Premiums Written as a % of Total	5.2%	5.1%	21.1%	20.8%	6.7%	6.6%	33.0%	32.5%

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$1,121</b>	<b>\$1,210</b>	<b>\$1,514</b>	<b>\$1,654</b>	<b>\$ 761</b>	<b>\$ 851</b>	<b>\$1,264</b>	<b>\$1,278</b>	<b>\$4,660</b>	<b>\$4,993</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<b>32</b>	<b>19</b>	<b>55</b>	<b>32</b>	<b>25</b>	<b>11</b>	<b>(10)</b>	<b>(40)</b>	<b>102</b>	<b>22</b>
<b>Net Premiums Earned</b>	<b>1,153</b>	<b>1,229</b>	<b>1,569</b>	<b>1,686</b>	<b>786</b>	<b>862</b>	<b>1,254</b>	<b>1,238</b>	<b>4,762</b>	<b>5,015</b>
<b>Net Losses Paid</b>	<b>566</b>	<b>611</b>	<b>834</b>	<b>885</b>	<b>375</b>	<b>375</b>	<b>710</b>	<b>735</b>	<b>2,485</b>	<b>2,606</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b>8</b>	<b>—</b>	<b>231</b>	<b>237</b>	<b>145</b>	<b>101</b>	<b>(96)</b>	<b>187</b>	<b>288</b>	<b>525</b>
<b>Net Losses Incurred</b>	<b>574</b>	<b>611</b>	<b>1,065</b>	<b>1,122</b>	<b>520</b>	<b>476</b>	<b>614</b>	<b>922</b>	<b>2,773</b>	<b>3,131</b>
<b>Expenses Incurred</b>	<b>404</b>	<b>430</b>	<b>437</b>	<b>471</b>	<b>182</b>	<b>201</b>	<b>434</b>	<b>439</b>	<b>1,457</b>	<b>1,541</b>
<b>Dividends Incurred</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>34</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>34</b>
<b>Statutory Underwriting Income (Loss)</b>	<b>\$ 175</b>	<b>\$ 188</b>	<b>\$ 67</b>	<b>\$ 93</b>	<b>\$ 62</b>	<b>\$ 151</b>	<b>\$ 206</b>	<b>\$ (123)</b>	<b>\$ 510</b>	<b>\$ 309</b>
<b>Ratios After Dividends to Policyholders:</b>										
<b>Loss Expense</b>	<b>49.8%</b>	<b>49.7%</b>	<b>67.9%</b>	<b>66.6%</b>	<b>68.1%</b>	<b>57.5%</b>	<b>49.0%</b>	<b>74.5%</b>	<b>58.5%</b>	<b>62.8%</b>
<b>Combined</b>	<b>85.8%</b>	<b>85.3%</b>	<b>96.7%</b>	<b>95.0%</b>	<b>92.7%</b>	<b>82.1%</b>	<b>83.3%</b>	<b>108.8%</b>	<b>89.9%</b>	<b>93.9%</b>
<b>Premiums Written as a % of Total</b>	<b>10.1%</b>	<b>10.3%</b>	<b>13.7%</b>	<b>14.0%</b>	<b>6.9%</b>	<b>7.2%</b>	<b>11.4%</b>	<b>10.9%</b>	<b>42.1%</b>	<b>42.4%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$ 2,413</b>	<b>\$ 2,546</b>	<b>\$ 326</b>	<b>\$ 353</b>	<b>\$ 2,739</b>	<b>\$ 2,899</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<b>85</b>	<b>48</b>	<b>5</b>	<b>(12)</b>	<b>90</b>	<b>36</b>
<b>Net Premiums Earned</b>	<b>2,498</b>	<b>2,594</b>	<b>331</b>	<b>341</b>	<b>2,829</b>	<b>2,935</b>
<b>Net Losses Paid</b>	<b>1,410</b>	<b>1,608</b>	<b>21</b>	<b>132</b>	<b>1,431</b>	<b>1,740</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b>184</b>	<b>(52)</b>	<b>(9)</b>	<b>(2)</b>	<b>175</b>	<b>(54)</b>
<b>Net Losses Incurred</b>	<b>1,594</b>	<b>1,556</b>	<b>12</b>	<b>130</b>	<b>1,606</b>	<b>1,686</b>
<b>Expenses Incurred</b>	<b>635</b>	<b>636</b>	<b>108</b>	<b>108</b>	<b>743</b>	<b>744</b>
<b>Dividends Incurred</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Statutory Underwriting Income (Loss)</b>	<b>\$ 269</b>	<b>\$ 402</b>	<b>\$ 205</b>	<b>\$ 97</b>	<b>\$ 474</b>	<b>\$ 499</b>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	<b>63.8%</b>	<b>60.0%</b>	<b>3.7%</b>	<b>38.8%</b>	<b>56.9%</b>	<b>57.6%</b>
<b>Expense</b>	<b>26.3</b>	<b>25.0</b>	<b>33.7</b>	<b>31.1</b>	<b>27.2</b>	<b>25.7</b>
<b>Combined</b>	<b>90.1%</b>	<b>85.0%</b>	<b>37.4%</b>	<b>69.9%</b>	<b>84.1%</b>	<b>83.3%</b>
<b>Premiums Written as a % of Total</b>	<b>21.8%</b>	<b>21.6%</b>	<b>2.9%</b>	<b>3.0%</b>	<b>24.7%</b>	<b>24.6%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2009	2008	2009	2008	2009	2008
Net Premiums Written	\$11,056	\$11,718	\$ 21	\$ 64	\$11,077	\$11,782
Decrease (Increase) in Unearned Premiums	<u>227</u>	<u>19</u>	<u>27</u>	<u>27</u>	<u>254</u>	<u>46</u>
Net Premiums Earned	<u>11,283</u>	<u>11,737</u>	<u>48</u>	<u>91</u>	<u>11,331</u>	<u>11,828</u>
Net Losses Paid	5,856	6,330	150	179	6,006	6,509
Increase (Decrease) in Outstanding Losses	<u>446</u>	<u>574</u>	<u>(184)</u>	<u>(185)</u>	<u>262</u>	<u>389</u>
Net Losses Incurred	<u>6,302</u>	<u>6,904</u>	<u>(34)</u>	<u>(6)</u>	<u>6,268</u>	<u>6,898</u>
Expenses Incurred	3,369	3,507	8	39	3,377	3,546
Dividends Incurred	<u>28</u>	<u>40</u>	<u>—</u>	<u>—</u>	<u>28</u>	<u>40</u>
Statutory Underwriting Income (Loss)	<u>\$ 1,584</u>	<u>\$ 1,286</u>	<u>\$ 74</u>	<u>\$ 58</u>	1,658	1,344
Increase (Decrease) in Deferred Acquisition Costs					<u>(27)</u>	<u>17</u>
GAAP Underwriting Income					<u>\$ 1,631</u>	<u>\$ 1,361</u>
<b>Ratios After Dividends to Policyholders:</b>						
Loss	56.0%	59.0%	* %	* %	55.4%	58.5
Expense	<u>30.5</u>	<u>30.1</u>	<u>*</u>	<u>*</u>	<u>30.6</u>	<u>30.2</u>
Combined	<u>86.5%</u>	<u>89.1%</u>	<u>*</u> %	<u>*</u> %	<u>86.0%</u>	<u>88.7</u>
Premiums Written as a % of Total	99.8%	99.5%	0.2%	0.5%	100.0%	100.0

\* Combined, loss and expense ratios are no longer presented for Reinsurance Assumed since this business is in run-off.

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$ 8,383</b>	<b>\$ 8,920</b>	<b>\$ 2,694</b>	<b>\$ 2,862</b>	<b>\$11,077</b>	<b>\$11,782</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<b>300</b>	<b>79</b>	<b>(46)</b>	<b>(33)</b>	<b>254</b>	<b>46</b>
<b>Net Premiums Earned</b>	<b>8,683</b>	<b>8,999</b>	<b>2,648</b>	<b>2,829</b>	<b>11,331</b>	<b>11,828</b>
<b>Net Losses Paid</b>	<b>4,834</b>	<b>5,212</b>	<b>1,172</b>	<b>1,297</b>	<b>6,006</b>	<b>6,509</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b>24</b>	<b>308</b>	<b>238</b>	<b>81</b>	<b>262</b>	<b>389</b>
<b>Net Losses Incurred</b>	<b>4,858</b>	<b>5,520</b>	<b>1,410</b>	<b>1,378</b>	<b>6,268</b>	<b>6,898</b>
<b>Expenses Incurred</b>	<b>2,437</b>	<b>2,538</b>	<b>940</b>	<b>1,008</b>	<b>3,377</b>	<b>3,546</b>
<b>Dividends Incurred</b>	<b>28</b>	<b>40</b>	<b>—</b>	<b>—</b>	<b>28</b>	<b>40</b>
<b>Statutory Underwriting Income (Loss)</b>	<b>\$ 1,360</b>	<b>\$ 901</b>	<b>\$ 298</b>	<b>\$ 443</b>	<b>1,658</b>	<b>1,344</b>
<b>Increase (Decrease) in Deferred Acquisition Costs</b>					<b>(27)</b>	<b>17</b>
<b>GAAP Underwriting Income</b>					<b>\$ 1,631</b>	<b>\$ 1,361</b>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	<b>56.1%</b>	<b>61.6%</b>	<b>53.2%</b>	<b>48.7%</b>	<b>55.4%</b>	<b>58.5%</b>
<b>Expense</b>	<b>29.2</b>	<b>28.6</b>	<b>34.9</b>	<b>35.2</b>	<b>30.6</b>	<b>30.2</b>
<b>Combined</b>	<b>85.3%</b>	<b>90.2%</b>	<b>88.1%</b>	<b>83.9%</b>	<b>86.0%</b>	<b>88.7%</b>
<b>Premiums Written as a % of Total</b>	<b>75.7%</b>	<b>75.7%</b>	<b>24.3%</b>	<b>24.3%</b>	<b>100.0%</b>	<b>100.0%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2009	2008	2009	2008	2009	2008	2009	2008
Net Premiums Written	\$ 149	\$ 145	\$ 568	\$ 590	\$ 190	\$ 204	\$ 907	\$ 939
Decrease (Increase) in Unearned Premiums	1	2	27	11	3	(2)	31	11
Net Premiums Earned	150	147	595	601	193	202	938	950
Net Losses Paid	96	91	266	363	110	119	472	573
Increase (Decrease) in Outstanding Losses	1	(10)	(11)	(98)	(6)	(2)	(16)	(110)
Net Losses Incurred	97	81	255	265	104	117	456	463
Expenses Incurred	44	43	187	195	60	64	291	302
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income	\$ 9	\$ 23	\$ 153	\$ 141	\$ 29	\$ 21	\$ 191	\$ 185
<b>Ratios After Dividends to Policyholders:</b>								
Loss	64.7%	55.1%	42.9%	44.1%	53.9%	57.9%	48.6%	48.7%
Expense	29.5	29.7	32.9	33.0	31.6	31.4	32.1	32.2
Combined	94.2%	84.8%	75.8%	77.1%	85.5%	89.3%	80.7%	80.9%
Premiums Written as a % of Total	5.4%	5.0%	20.4%	20.4%	6.8%	7.0%	32.6%	32.4%

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$ 286</b>	<b>\$ 295</b>	<b>\$ 353</b>	<b>\$ 373</b>	<b>\$ 151</b>	<b>\$ 185</b>	<b>\$ 311</b>	<b>\$ 321</b>	<b>\$1,101</b>	<b>\$1,174</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<b>(1)</b>	<b>(2)</b>	<b>34</b>	<b>29</b>	<b>32</b>	<b>20</b>	<b>11</b>	<b>(7)</b>	<b>76</b>	<b>40</b>
<b>Net Premiums Earned</b>	<b>285</b>	<b>293</b>	<b>387</b>	<b>402</b>	<b>183</b>	<b>205</b>	<b>322</b>	<b>314</b>	<b>1,177</b>	<b>1,214</b>
<b>Net Losses Paid</b>	<b>157</b>	<b>189</b>	<b>229</b>	<b>289</b>	<b>95</b>	<b>98</b>	<b>183</b>	<b>234</b>	<b>664</b>	<b>810</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b>(7)</b>	<b>(61)</b>	<b>36</b>	<b>(19)</b>	<b>29</b>	<b>20</b>	<b>(38)</b>	<b>(66)</b>	<b>20</b>	<b>(126)</b>
<b>Net Losses Incurred</b>	<b>150</b>	<b>128</b>	<b>265</b>	<b>270</b>	<b>124</b>	<b>118</b>	<b>145</b>	<b>168</b>	<b>684</b>	<b>684</b>
<b>Expenses Incurred</b>	<b>98</b>	<b>106</b>	<b>104</b>	<b>109</b>	<b>40</b>	<b>49</b>	<b>104</b>	<b>110</b>	<b>346</b>	<b>374</b>
<b>Dividends Incurred</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>5</b>	<b>8</b>
<b>Statutory Underwriting Income</b>	<b>\$ 37</b>	<b>\$ 59</b>	<b>\$ 18</b>	<b>\$ 23</b>	<b>\$ 14</b>	<b>\$ 30</b>	<b>\$ 73</b>	<b>\$ 36</b>	<b>\$ 142</b>	<b>\$ 148</b>
<b>Ratios After Dividends to Policyholders:</b>										
<b>Loss</b>	<b>52.6%</b>	<b>43.7%</b>	<b>68.5%</b>	<b>67.2%</b>	<b>69.7%</b>	<b>59.9%</b>	<b>45.0%</b>	<b>53.5%</b>	<b>58.3%</b>	<b>56.7%</b>
<b>Expense</b>	<b>34.3</b>	<b>35.9</b>	<b>29.4</b>	<b>29.2</b>	<b>27.4</b>	<b>27.7</b>	<b>33.5</b>	<b>34.3</b>	<b>31.6</b>	<b>32.1</b>
<b>Combined</b>	<b>86.9%</b>	<b>79.6%</b>	<b>97.9%</b>	<b>96.4%</b>	<b>97.1%</b>	<b>87.6%</b>	<b>78.5%</b>	<b>87.8%</b>	<b>89.9%</b>	<b>88.8%</b>
<b>Premiums Written as a % of Total</b>	<b>10.3%</b>	<b>10.2%</b>	<b>12.7%</b>	<b>12.9%</b>	<b>5.4%</b>	<b>6.4%</b>	<b>11.2%</b>	<b>11.0%</b>	<b>39.6%</b>	<b>40.5%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$ 688</b>	<b>\$ 699</b>	<b>\$ 83</b>	<b>\$ 77</b>	<b>\$ 771</b>	<b>\$ 776</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<b>(49)</b>	<b>(72)</b>	<b>(3)</b>	<b>12</b>	<b>(52)</b>	<b>(60)</b>
<b>Net Premiums Earned</b>	<b>639</b>	<b>627</b>	<b>80</b>	<b>89</b>	<b>719</b>	<b>716</b>
<b>Net Losses Paid</b>	<b>412</b>	<b>441</b>	<b>7</b>	<b>92</b>	<b>419</b>	<b>533</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b>2</b>	<b>(34)</b>	<b>(2)</b>	<b>(74)</b>	<b>—</b>	<b>(108)</b>
<b>Net Losses Incurred</b>	<b>414</b>	<b>407</b>	<b>5</b>	<b>18</b>	<b>419</b>	<b>425</b>
<b>Expenses Incurred</b>	<b>170</b>	<b>164</b>	<b>28</b>	<b>23</b>	<b>198</b>	<b>187</b>
<b>Dividends Incurred</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>
<b>Statutory Underwriting Income</b>	<b>\$ 55</b>	<b>\$ 56</b>	<b>\$ 46</b>	<b>\$ 45</b>	<b>\$ 101</b>	<b>\$ 101</b>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	<b>64.8%</b>	<b>64.9%</b>	<b>6.3%</b>	<b>20.9%</b>	<b>58.4%</b>	<b>59.6%</b>
<b>Expense</b>	<b>24.7</b>	<b>23.5</b>	<b>34.2</b>	<b>31.1</b>	<b>25.7</b>	<b>24.2</b>
<b>Combined</b>	<b>89.5%</b>	<b>88.4%</b>	<b>40.5%</b>	<b>52.0%</b>	<b>84.1%</b>	<b>83.8%</b>
<b>Premiums Written as a % of Total</b>	<b>24.7%</b>	<b>24.1%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>27.7%</b>	<b>26.8%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2009	2008	2009	2008	2009	2008
Net Premiums Written	\$ 2,779	\$ 2,889	\$ 4	\$ 10	\$ 2,783	\$ 2,899
Decrease (Increase) in Unearned Premiums	55	(9)	3	12	58	3
Net Premiums Earned	2,834	2,880	7	22	2,841	2,902
Net Losses Paid	1,555	1,916	36	47	1,591	1,963
Increase (Decrease) in Outstanding Losses	4	(344)	(48)	(60)	(44)	(404)
Net Losses Incurred	1,559	1,572	(12)	(13)	1,547	1,559
Expenses Incurred	835	863	1	14	836	877
Dividends Incurred	6	11	—	—	6	11
Statutory Underwriting Income	<u>\$ 434</u>	<u>\$ 434</u>	<u>\$ 18</u>	<u>\$ 21</u>	452	455
Decrease in Deferred Acquisition Costs					(16)	(12)
GAAP Underwriting Income					<u>\$ 436</u>	<u>\$ 443</u>
<b>Ratios After Dividends to Policyholders:</b>						
Loss	55.1%	54.8%	* %	* %	54.6%	53.9%
Expense	30.1	30.0	*	*	30.1	30.4
Combined	<u>85.2%</u>	<u>84.8%</u>	<u>* %</u>	<u>* %</u>	<u>84.7%</u>	<u>84.3%</u>
Premiums Written as a % of Total	99.9%	99.7%	0.1%	0.3%	100.0%	100.0%

\* Combined, loss and expense ratios are no longer presented for Reinsurance Assumed since this business is in run-off.

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED DECEMBER 31, 2009 AND 2008  
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2009	2008	2009	2008	2009	2008
<b>Net Premiums Written</b>	<b>\$ 2,026</b>	<b>\$ 2,202</b>	<b>\$ 757</b>	<b>\$ 697</b>	<b>\$ 2,783</b>	<b>\$ 2,899</b>
<b>Decrease (Increase) in Unearned Premiums</b>	<u>93</u>	<u>36</u>	<u>(35)</u>	<u>(33)</u>	<u>58</u>	<u>3</u>
<b>Net Premiums Earned</b>	<u>2,119</u>	<u>2,238</u>	<u>722</u>	<u>664</u>	<u>2,841</u>	<u>2,902</u>
<b>Net Losses Paid</b>	1,231	1,555	360	408	1,591	1,963
<b>Increase (Decrease) in Outstanding Losses</b>	<u>(36)</u>	<u>(352)</u>	<u>(8)</u>	<u>(52)</u>	<u>(44)</u>	<u>(404)</u>
<b>Net Losses Incurred</b>	<u>1,195</u>	<u>1,203</u>	<u>352</u>	<u>356</u>	<u>1,547</u>	<u>1,559</u>
<b>Expenses Incurred</b>	588	638	248	239	836	877
<b>Dividends Incurred</b>	<u>6</u>	<u>11</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>11</u>
<b>Statutory Underwriting Income</b>	<u>\$ 330</u>	<u>\$ 386</u>	<u>\$ 122</u>	<u>\$ 69</u>	452	455
<b>Decrease in Deferred Acquisition Costs</b>					<u>(16)</u>	<u>(12)</u>
<b>GAAP Underwriting Income</b>					<u>\$ 436</u>	<u>\$ 443</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss Expense</b>	<u>56.6%</u> <u>29.1</u>	<u>54.0%</u> <u>29.1</u>	<u>48.8%</u> <u>32.8</u>	<u>53.6%</u> <u>34.3</u>	<u>54.6%</u> <u>30.1</u>	<u>53.9%</u> <u>30.4</u>
<b>Combined</b>	<u>85.7%</u>	<u>83.1%</u>	<u>81.6%</u>	<u>87.9%</u>	<u>84.7%</u>	<u>84.3%</u>
<b>Premiums Written as a % of Total</b>	72.8%	76.0%	27.2%	24.0%	100.0%	100.0%

## **THE CHUBB CORPORATION**

### **Definitions of Key Terms**

#### **Underwriting Income (Loss)**

Management evaluates underwriting results separately from investment results. The underwriting operations consist of four separate business units: personal insurance, commercial insurance, specialty insurance and reinsurance assumed. Performance of the business units is measured based on statutory underwriting results. Statutory accounting principles applicable to property and casualty insurance companies differ in certain respects from generally accepted accounting principles (GAAP). Under statutory accounting principles, policy acquisition and other underwriting expenses are recognized immediately, not at the time premiums are earned. Statutory underwriting income (loss) is arrived at by reducing premiums earned by losses and loss expenses incurred and statutory underwriting expenses incurred.

Management uses underwriting results determined in accordance with GAAP, among other measures, to assess the overall performance of the underwriting operations. To convert statutory underwriting results to a GAAP basis, policy acquisition expenses are deferred and amortized over the period in which the related premiums are earned. Underwriting income (loss) determined in accordance with GAAP is defined as premiums earned less losses and loss expenses incurred and GAAP underwriting expenses incurred.

#### **Property and Casualty Investment Income After Income Tax**

Management uses property and casualty investment income after income tax, a non-GAAP financial measure, to evaluate its investment performance because it reflects the impact of any change in the proportion of the investment portfolio invested in tax exempt securities and is therefore more meaningful for analysis purposes than investment income before income taxes.

#### **Book Value per Common Share with Available-for-Sale Fixed Maturities at Amortized Cost**

Book value per common share represents the portion of consolidated shareholders' equity attributable to one share of common stock outstanding as of the balance sheet date. Consolidated shareholders' equity includes, as part of accumulated other comprehensive income (loss), the after-tax appreciation or depreciation, including unrealized other-than-temporary impairment losses, of the Corporation's available-for-sale fixed maturities, which are carried at fair value. The appreciation or depreciation of available-for-sale fixed maturities is subject to fluctuation due to changes in interest rates and therefore could distort the analysis of trends. Management believes that book value per common share with available-for-sale fixed maturities at amortized cost, a non-GAAP financial measure, is an important measure of the underlying equity attributable to one share of common stock.

#### **Combined Loss and Expense Ratio or Combined Ratio**

The combined loss and expense ratio, expressed as a percentage, is the key measure of underwriting profitability. Management uses the combined loss and expense ratio calculated in accordance with statutory accounting principles applicable to property and casualty insurance companies to evaluate the performance of the underwriting operations. It is the sum of the ratio of losses and loss expenses to premiums earned (loss ratio) plus the ratio of statutory underwriting expenses to premiums written (expense ratio) after reducing both premium amounts by dividends to policyholders.

## THE CHUBB CORPORATION

### Definitions of Key Terms

#### Operating Income

Operating income, a non-GAAP financial measure, is net income excluding after-tax realized investment gains and losses. Management uses operating income, among other measures, to evaluate its performance because the realization of investment gains and losses in any given period is largely discretionary as to timing and can fluctuate significantly, which could distort the analysis of trends.

#### Return on Equity and Operating Return on Equity

Return on equity is the ratio of annualized net income divided by average shareholders' equity. Average shareholders' equity is the average of the beginning and all quarter-end balances within the period.

Operating return on equity, a non-GAAP measure, is the ratio of annualized operating income divided by average shareholders' equity excluding the after-tax unrealized appreciation or depreciation of investments. Consolidated shareholders' equity includes, as part of accumulated other comprehensive income (loss), the after-tax appreciation or depreciation, including unrealized other-than-temporary impairment losses, of the Corporation's available-for-sale fixed maturities and equity securities, which are carried at fair value. The appreciation or depreciation of available-for-sale fixed maturities and equity securities is subject to fluctuation and could distort the analysis of trends. Average shareholders' equity excluding the after-tax unrealized appreciation or depreciation of investments is the average of the beginning and all quarter-end balances within the period. Management uses operating return on equity, among other measures, to assess the overall performance of the Corporation.

	Periods Ended December 31			
	Fourth Quarter		Twelve Months	
	2009	2008	2009	2008
	<i>(dollars in millions)</i>			
Annualized Net Income	\$ 2,780	\$ 1,628	\$ 2,183	\$ 1,804
Average Shareholders' Equity	\$15,576	\$13,518	\$14,578	\$13,992
Return on Equity	17.8%	12.0%	15.0%	12.9%
Annualized Operating Income	\$ 2,276	\$ 2,276	\$ 2,168	\$ 2,045
Average Shareholders' Equity Excluding Unrealized Appreciation or Depreciation	\$14,480	\$13,734	\$14,065	\$13,885
Operating Return on Equity	15.7%	16.6%	15.4%	14.7%