

The
Chubb
Corporation

Supplementary
Investor
Information

September 30, 2008

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

Beginning in the third quarter of 2008, the “net losses paid” and “increase (decrease) in outstanding losses” amounts in the property and casualty underwriting results reflect the impact of foreign currency fluctuations differently than in the past.

The property and casualty underwriting results for 2007 that follow this page reflect modification to previously reported net losses paid and increase (decrease) in outstanding losses. Since net losses paid and increase (decrease) in outstanding losses for each line of business and in total have been modified by offsetting amounts, incurred losses for each line of business and in total are unchanged.

THE CHUBB CORPORATION
SUPPLEMENTARY INVESTOR INFORMATION
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THE CHUBB CORPORATION
CONSOLIDATED BALANCE SHEET HIGHLIGHTS

	<u>Sept. 30</u> <u>2008</u>	<u>Dec. 31</u> <u>2007</u>
	<i>(in millions)</i>	
Invested Assets (at carrying value)		
Short Term Investments	\$ 2,380	\$ 1,839
Fixed Maturities		
Tax Exempt	18,135	18,559
Taxable	15,211	15,312
Equity Securities	1,702	2,320
Other Invested Assets	<u>2,220</u>	<u>2,051</u>
Total Invested Assets	<u>\$39,648</u>	<u>\$40,081</u>
Capitalization		
Long Term Debt	\$ 3,975	\$ 3,460
Shareholders' Equity	<u>13,604</u>	<u>14,445</u>
Total Capitalization	<u>\$17,579</u>	<u>\$17,905</u>
DEBT AS A PERCENTAGE OF TOTAL CAPITALIZATION	22.6%	19.3%
Actual Common Shares Outstanding	355.7	374.6
Book Value Per Common Share	\$ 38.25	\$ 38.56
Book Value Per Common Share, with Available-for-Sale Fixed Maturities at Amortized Cost	\$ 39.14	\$ 37.87

THE CHUBB CORPORATION
SHARE REPURCHASE ACTIVITY
(dollars in millions, except per share amounts)

	<u>Periods Ended September 30</u>		<u>From December 2005 to September 30, 2008</u>
	<u>Third Quarter 2008</u>	<u>Nine Months 2008</u>	
Cost of Shares Repurchased	\$284	\$1,147	\$4,723
Average Cost Per Share	\$48.05	\$50.51	\$51.01
Shares Repurchased	5,914,324	22,711,788	92,599,118

In December 2005, the Board of Directors authorized the repurchase of up to 28,000,000 shares of the Corporation's common stock. No shares remain under the 2005 share repurchase authorization.

In December 2006, the Board of Directors authorized the repurchase of up to 20,000,000 shares 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 December 2006. No shares remain under the 2006 share repurchase authorization.

In December 2007, the Board of Directors authorized the repurchase of up to 28,000,000 shares of the Corporation's common stock. The authorization has no expiration date. As of September 30, 2008, 3,400,882 shares remained under the share repurchase authorization.

THE CHUBB CORPORATION
SUMMARY OF INVESTED ASSETS
CORPORATE

	Cost or Amortized Cost		Carrying Value (a)	
	Sept. 30 2008	Dec. 31 2007	Sept. 30 2008	Dec. 31 2007
	<i>(in millions)</i>			
Short Term Investments	\$ 1,447	\$ 934	\$ 1,447	\$ 934
Taxable Fixed Maturities	985	1,050	974	1,045
Equity Securities	255	289	301	478
TOTAL	<u>\$ 2,687</u>	<u>\$ 2,273</u>	<u>\$ 2,722</u>	<u>\$ 2,457</u>

PROPERTY AND CASUALTY

	Cost or Amortized Cost		Carrying Value (a)	
	Sept. 30 2008	Dec. 31 2007	Sept. 30 2008	Dec. 31 2007
	<i>(in millions)</i>			
Short Term Investments	\$ 933	\$ 905	\$ 933	\$ 905
Fixed Maturities				
Tax Exempt	18,365	18,208	18,135	18,559
Taxable	14,481	14,216	14,237	14,267
Equity Securities	1,405	1,618	1,401	1,842
Other Invested Assets	2,220	2,051	2,220	2,051
TOTAL	<u>\$ 37,404</u>	<u>\$ 36,998</u>	<u>\$ 36,926</u>	<u>\$ 37,624</u>

(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, which include private equity limited partnerships, are carried at Chubb's equity in the net assets of the partnerships.

THE CHUBB CORPORATION
INVESTMENT INCOME AFTER TAXES

	Periods Ended September 30			
	Third Quarter		Nine Months	
	2008	2007	2008	2007
	<i>(in millions)</i>			
CORPORATE INVESTMENT INCOME	<u>\$ 13</u>	<u>\$ 21</u>	<u>\$ 39</u>	<u>\$ 57</u>
PROPERTY AND CASUALTY INVESTMENT INCOME				
Tax Exempt Interest	\$ 185	\$ 185	\$ 554	\$ 545
Taxable Interest	125	124	379	357
Other	21	20	62	56
Investment Expenses	(4)	(5)	(14)	(16)
TOTAL	<u>\$ 327</u>	<u>\$ 324</u>	<u>\$ 981</u>	<u>\$ 942</u>
Effective Tax Rate	20.4%	20.0%	20.3%	19.9%
After-Tax Annualized Yield	3.48%	3.51%	3.49%	3.47%

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

	Sept. 30 2008	Dec. 31 2007	Sept. 30 2007
	<i>(in millions)</i>		
Estimated Statutory Policyholders' Surplus	\$12,750	\$12,998	\$12,750
Rolling Year Statutory Net Premiums Written	\$11,866	\$11,829	\$11,809
Ratio of Statutory Net Premiums Written to Policyholders' Surplus	0.93:1	0.91:1	0.93:1

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
NINE MONTHS ENDED SEPTEMBER 30, 2008

	Net Unpaid Losses			IBNR Increase (Decrease)	All Other Unpaid Losses Increase (Decrease)
	9/30/08	12/31/07	Increase (Decrease) <i>(in millions)</i>		
Personal Insurance					
Automobile	\$ 409	\$ 411	\$ (2)	\$ 1	\$ (3)
Homeowners	829	705	124	101	23
Other	830	748	82	82	—
Total Personal	2,068	1,864	204	184	20
Commercial Insurance					
Multiple Peril	1,668	1,619	49	98	(49)
Casualty	5,775	5,540	235	304	(69)
Workers' Compensation	1,978	1,910	68	52	16
Property and Marine	925	677	248	160	88
Total Commercial	10,346	9,746	600	614	(14)
Specialty Insurance					
Professional Liability	7,421	7,526	(105)	184	(289)
Surety	143	71	72	(1)	73
Total Specialty	7,564	7,597	(33)	183	(216)
Total Insurance	19,978	19,207	771	981	(210)
Reinsurance Assumed	984	1,109	(125)	(76)	(49)
Total	\$20,962	\$20,316	\$ 646	\$ 905	\$ (259)

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 457	\$ 472	\$ 1,859	\$ 1,831	\$ 571	\$ 489	\$ 2,887	\$ 2,792
Increase (Decrease) in Unearned Premiums	(8)	(20)	33	82	25	14	50	76
Net Premiums Earned	465	492	1,826	1,749	546	475	2,837	2,716
Net Losses Paid	279	310	845	792	287	244	1,411	1,346
Increase (Decrease) in Outstanding Losses	(3)	(9)	132	5	84	54	213	50
Net Losses Incurred	276	301	977	797	371	298	1,624	1,396
Expenses Incurred	133	134	601	579	186	159	920	872
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 56	\$ 57	\$ 248	\$ 373	\$ (11)	\$ 18	\$ 293	\$ 448
Ratios After Dividends to Policyholders:								
Loss	59.4%	61.2%	53.5%	45.6%	67.9%	62.8%	57.2%	51.4%
Expense	29.1	28.4	32.3	31.6	32.6	32.5	31.9	31.2
Combined	88.5%	89.6%	85.8%	77.2%	100.5%	95.3%	89.1%	82.6%
Premiums Written as a % of Total	5.2%	5.3%	20.9%	20.7%	6.4%	5.5%	32.5%	31.5%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 915	\$ 926	\$1,281	\$1,300	\$ 666	\$ 686	\$ 957	\$ 909	\$3,819	\$3,821
Increase (Decrease) in Unearned Premiums	(21)	(26)	(3)	4	9	2	33	5	18	(15)
Net Premiums Earned	936	952	1,284	1,296	657	684	924	904	3,801	3,836
Net Losses Paid	422	442	596	611	277	261	501	435	1,796	1,749
Increase (Decrease) in Outstanding Losses	61	(1)	256	257	81	96	253	18	651	370
Net Losses Incurred	483	441	852	868	358	357	754	453	2,447	2,119
Expenses Incurred	324	322	362	365	152	155	329	321	1,167	1,163
Dividends Incurred	—	—	—	—	26	11	—	—	26	11
Statutory Underwriting Income (Loss)	\$ 129	\$ 189	\$ 70	\$ 63	\$ 121	\$ 161	\$ (159)	\$ 130	\$ 161	\$ 543
Ratios After Dividends to Policyholders:										
Loss	51.6%	46.3%	66.3%	67.0%	56.7%	53.0%	81.6%	50.1%	64.8%	55.4%
Expense	35.4	34.8	28.3	28.1	23.8	23.0	34.4	35.3	30.8	30.5
Combined	87.0%	81.1%	94.6%	95.1%	80.5%	76.0%	116.0%	85.4%	95.6%	85.9%
Premiums Written as a % of Total	10.3%	10.4%	14.4%	14.7%	7.5%	7.7%	10.8%	10.3%	43.0%	43.1%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 1,847	\$ 1,893	\$ 276	\$ 257	\$ 2,123	\$ 2,150
Increase (Decrease) in Unearned Premiums	<u>(120)</u>	<u>(86)</u>	<u>24</u>	<u>23</u>	<u>(96)</u>	<u>(63)</u>
Net Premiums Earned	<u>1,967</u>	<u>1,979</u>	<u>252</u>	<u>234</u>	<u>2,219</u>	<u>2,213</u>
Net Losses Paid	1,167	1,049	40	5	1,207	1,054
Increase (Decrease) in Outstanding Losses	<u>(18)</u>	<u>122</u>	<u>72</u>	<u>(2)</u>	<u>54</u>	<u>120</u>
Net Losses Incurred	<u>1,149</u>	<u>1,171</u>	<u>112</u>	<u>3</u>	<u>1,261</u>	<u>1,174</u>
Expenses Incurred	472	465	85	77	557	542
Dividends Incurred	<u>—</u>	<u>—</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>
Statutory Underwriting Income (Loss)	<u>\$ 346</u>	<u>\$ 343</u>	<u>\$ 52</u>	<u>\$ 152</u>	<u>\$ 398</u>	<u>\$ 495</u>
Ratios After Dividends to Policyholders:						
Loss	58.4%	59.2%	45.0%	1.3%	56.9%	53.1%
Expense	<u>25.6</u>	<u>24.5</u>	<u>31.1</u>	<u>30.2</u>	<u>26.3</u>	<u>25.2</u>
Combined	<u>84.0%</u>	<u>83.7%</u>	<u>76.1%</u>	<u>31.5%</u>	<u>83.2%</u>	<u>78.3%</u>
Premiums Written as a % of Total	20.8%	21.4%	3.1%	2.9%	23.9%	24.3%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 8,829	\$ 8,763	\$ 54	\$ 100	\$ 8,883	\$ 8,863
Increase (Decrease) in Unearned Premiums	(28)	(2)	(15)	(62)	(43)	(64)
Net Premiums Earned	8,857	8,765	69	162	8,926	8,927
Net Losses Paid	4,414	4,149	132	184	4,546	4,333
Increase (Decrease) in Outstanding Losses	918	540	(125)	(180)	793	360
Net Losses Incurred	5,332	4,689	7	4	5,339	4,693
Expenses Incurred	2,644	2,577	25	72	2,669	2,649
Dividends Incurred	29	13	—	—	29	13
Statutory Underwriting Income (Loss)	<u>\$ 852</u>	<u>\$ 1,486</u>	<u>\$ 37</u>	<u>\$ 86</u>	889	1,572
Increase in Deferred Acquisition Costs					<u>29</u>	<u>64</u>
GAAP Underwriting Income					<u>\$ 918</u>	<u>\$ 1,636</u>
Ratios After Dividends to Policyholders:						
Loss	60.4%	53.6%	* %	* %	60.0%	52.7%
Expense	<u>30.1</u>	<u>29.4</u>	<u>*</u>	<u>*</u>	<u>30.2</u>	<u>29.9</u>
Combined	<u>90.5%</u>	<u>83.0%</u>	<u>* %</u>	<u>* %</u>	<u>90.2%</u>	<u>82.6%</u>
Premiums Written as a % of Total	99.4%	98.9%	0.6%	1.1%	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 NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 6,718	\$ 6,917	\$ 2,165	\$ 1,946	\$ 8,883	\$ 8,863
Increase (Decrease) in Unearned Premiums	<u>(43)</u>	<u>(61)</u>	<u>—</u>	<u>(3)</u>	<u>(43)</u>	<u>(64)</u>
Net Premiums Earned	<u>6,761</u>	<u>6,978</u>	<u>2,165</u>	<u>1,949</u>	<u>8,926</u>	<u>8,927</u>
Net Losses Paid	3,657	3,559	889	774	4,546	4,333
Increase (Decrease) in Outstanding Losses	<u>660</u>	<u>144</u>	<u>133</u>	<u>216</u>	<u>793</u>	<u>360</u>
Net Losses Incurred	<u>4,317</u>	<u>3,703</u>	<u>1,022</u>	<u>990</u>	<u>5,339</u>	<u>4,693</u>
Expenses Incurred	1,900	1,964	769	685	2,669	2,649
Dividends Incurred	<u>29</u>	<u>13</u>	<u>—</u>	<u>—</u>	<u>29</u>	<u>13</u>
Statutory Underwriting Income (Loss)	<u>\$ 515</u>	<u>\$ 1,298</u>	<u>\$ 374</u>	<u>\$ 274</u>	889	1,572
Increase in Deferred Acquisition Costs					<u>29</u>	<u>64</u>
GAAP Underwriting Income					<u>\$ 918</u>	<u>\$ 1,636</u>
Ratios After Dividends to Policyholders:						
Loss Expense	<u>64.1%</u>	<u>53.2%</u>	<u>47.2%</u>	<u>50.8%</u>	<u>60.0%</u>	<u>52.7%</u>
Combined	<u>92.5%</u>	<u>81.6%</u>	<u>82.7%</u>	<u>86.0%</u>	<u>90.2%</u>	<u>82.6%</u>
Premiums Written as a % of Total	75.6%	78.0%	24.4%	22.0%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 154	\$ 161	\$ 646	\$ 657	\$ 195	\$ 159	\$ 995	\$ 977
Increase (Decrease) in Unearned Premiums	—	(2)	42	67	3	(7)	45	58
Net Premiums Earned	154	163	604	590	192	166	950	919
Net Losses Paid	88	102	298	260	95	104	481	466
Increase (Decrease) in Outstanding Losses	(1)	1	129	8	46	4	174	13
Net Losses Incurred	87	103	427	268	141	108	655	479
Expenses Incurred	45	45	208	206	63	54	316	305
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 22	\$ 15	\$ (31)	\$ 116	\$ (12)	\$ 4	\$ (21)	\$ 135
Ratios After Dividends to Policyholders:								
Loss	56.5%	63.2%	70.7%	45.4%	73.5%	65.1%	68.9%	52.1%
Expense	29.2	27.9	32.2	31.4	32.3	33.9	31.8	31.2
Combined	85.7%	91.1%	102.9%	76.8%	105.8%	99.0%	100.7%	83.3%
Premiums Written as a % of Total	5.3%	5.5%	22.3%	22.3%	6.7%	5.4%	34.3%	33.2%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 308	\$ 313	\$ 385	\$ 403	\$ 205	\$ 205	\$ 280	\$ 283	\$1,178	\$1,204
Increase (Decrease) in Unearned Premiums	—	(6)	(35)	(29)	(12)	(21)	(28)	(18)	(75)	(74)
Net Premiums Earned	<u>308</u>	<u>319</u>	<u>420</u>	<u>432</u>	<u>217</u>	<u>226</u>	<u>308</u>	<u>301</u>	<u>1,253</u>	<u>1,278</u>
Net Losses Paid	138	137	204	213	79	87	207	153	628	590
Increase (Decrease) in Outstanding Losses	<u>73</u>	<u>(11)</u>	<u>92</u>	<u>90</u>	<u>38</u>	<u>34</u>	<u>97</u>	<u>(19)</u>	<u>300</u>	<u>94</u>
Net Losses Incurred	<u>211</u>	<u>126</u>	<u>296</u>	<u>303</u>	<u>117</u>	<u>121</u>	<u>304</u>	<u>134</u>	<u>928</u>	<u>684</u>
Expenses Incurred	108	106	113	114	49	50	97	99	367	369
Dividends Incurred	—	—	—	—	9	4	—	—	9	4
Statutory Underwriting Income (Loss)	<u>\$ (11)</u>	<u>\$ 87</u>	<u>\$ 11</u>	<u>\$ 15</u>	<u>\$ 42</u>	<u>\$ 51</u>	<u>\$ (93)</u>	<u>\$ 68</u>	<u>\$ (51)</u>	<u>\$ 221</u>
Ratios After Dividends to Policyholders:										
Loss	68.5%	39.5%	70.5%	70.1%	56.3%	54.5%	98.7%	44.5%	74.6%	53.7%
Expense	<u>35.1</u>	<u>33.9</u>	<u>29.3</u>	<u>28.3</u>	<u>25.0</u>	<u>24.9</u>	<u>34.6</u>	<u>35.0</u>	<u>31.4</u>	<u>30.7</u>
Combined	<u>103.6%</u>	<u>73.4%</u>	<u>99.8%</u>	<u>98.4%</u>	<u>81.3%</u>	<u>79.4%</u>	<u>133.3%</u>	<u>79.5%</u>	<u>106.0%</u>	<u>84.4%</u>
Premiums Written as a % of Total	10.6%	10.7%	13.3%	13.7%	7.1%	7.0%	9.7%	9.6%	40.7%	41.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 617	\$ 647	\$ 92	\$ 79	\$ 709	\$ 726
Increase (Decrease) in Unearned Premiums	(32)	(12)	10	(1)	(22)	(13)
Net Premiums Earned	649	659	82	80	731	739
Net Losses Paid	462	384	14	—	476	384
Increase (Decrease) in Outstanding Losses	(76)	2	14	(1)	(62)	1
Net Losses Incurred	386	386	28	(1)	414	385
Expenses Incurred	153	150	27	25	180	175
Dividends Incurred	—	—	2	1	2	1
Statutory Underwriting Income (Loss)	<u>\$ 110</u>	<u>\$ 123</u>	<u>\$ 25</u>	<u>\$ 55</u>	<u>\$ 135</u>	<u>\$ 178</u>
Ratios After Dividends to Policyholders:						
Loss	59.5%	58.6%	35.0%	(1.3)%	56.8%	52.2%
Expense	24.8	23.2	30.0	32.1	25.5	24.1
Combined	<u>84.3%</u>	<u>81.8%</u>	<u>65.0%</u>	<u>30.8%</u>	<u>82.3%</u>	<u>76.3%</u>
Premiums Written as a % of Total	21.2%	22.0%	3.2%	2.7%	24.4%	24.7%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 2,882	\$ 2,907	\$ 18	\$ 31	\$ 2,900	\$ 2,938
Increase (Decrease) in Unearned Premiums	(52)	(29)	(12)	(11)	(64)	(40)
Net Premiums Earned	2,934	2,936	30	42	2,964	2,978
Net Losses Paid	1,585	1,440	48	58	1,633	1,498
Increase (Decrease) in Outstanding Losses	412	108	(39)	(65)	373	43
Net Losses Incurred	1,997	1,548	9	(7)	2,006	1,541
Expenses Incurred	863	849	8	25	871	874
Dividends Incurred	11	5	—	—	11	5
Statutory Underwriting Income (Loss)	\$ 63	\$ 534	\$ 13	\$ 24	76	558
Increase (Decrease) in Deferred Acquisition Costs					(7)	11
GAAP Underwriting Income					\$ 69	\$ 569
Ratios After Dividends to Policyholders:						
Loss	68.3%	52.8%	*	%	67.9%	51.8%
Expense	30.1	29.3	*	%	30.2	29.8
Combined	98.4%	82.1%	*	%	98.1%	81.6%
Premiums Written as a % of Total	99.4%	98.9%	0.6%	1.1%	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 SEPTEMBER 30, 2008 AND 2007
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 2,239	\$ 2,325	\$ 661	\$ 613	\$ 2,900	\$ 2,938
Increase (Decrease) in Unearned Premiums	<u>—</u>	<u>15</u>	<u>(64)</u>	<u>(55)</u>	<u>(64)</u>	<u>(40)</u>
Net Premiums Earned	<u>2,239</u>	<u>2,310</u>	<u>725</u>	<u>668</u>	<u>2,964</u>	<u>2,978</u>
Net Losses Paid	1,352	1,220	281	278	1,633	1,498
Increase (Decrease) in Outstanding Losses	<u>320</u>	<u>(9)</u>	<u>53</u>	<u>52</u>	<u>373</u>	<u>43</u>
Net Losses Incurred	<u>1,672</u>	<u>1,211</u>	<u>334</u>	<u>330</u>	<u>2,006</u>	<u>1,541</u>
Expenses Incurred	638	657	233	217	871	874
Dividends Incurred	<u>11</u>	<u>5</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>5</u>
Statutory Underwriting Income (Loss)	<u>\$ (82)</u>	<u>\$ 437</u>	<u>\$ 158</u>	<u>\$ 121</u>	76	558
Increase (Decrease) in Deferred Acquisition Costs					<u>(7)</u>	<u>11</u>
GAAP Underwriting Income					<u>\$ 69</u>	<u>\$ 569</u>
Ratios After Dividends to Policyholders:						
Loss	75.0%	52.5%	46.1%	49.4%	67.9%	51.8%
Expense	<u>28.6</u>	<u>28.3</u>	<u>35.2</u>	<u>35.4</u>	<u>30.2</u>	<u>29.8</u>
Combined	<u>103.6%</u>	<u>80.8%</u>	<u>81.3%</u>	<u>84.8%</u>	<u>98.1%</u>	<u>81.6%</u>
Premiums Written as a % of Total	77.2%	79.1%	22.8%	20.9%	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, the after-tax appreciation or depreciation on the Corporation's available-for-sale fixed maturities, which are carried at fair value. The appreciation or depreciation on 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.