

The
Chubb
Corporation

Supplementary
Investor
Information

June 30, 2010

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

(in millions, except per share amounts)

	<u>June 30</u> <u>2010</u>	<u>% of Total</u>	<u>Dec. 31</u> <u>2009</u>	<u>% of Total</u>
Invested Assets (at carrying value)				
Short Term Investments	\$ 2,211	5%	\$ 1,918	5%
Fixed Maturities				
Tax Exempt	19,629	47	19,587	47
Taxable	16,652	40	16,991	40
Equity Securities	1,263	3	1,433	3
Other Invested Assets	2,240	5	2,075	5
Total Invested Assets	<u>\$41,995</u>	<u>100%</u>	<u>\$42,004</u>	<u>100%</u>
Unrealized Appreciation of Investments				
Fixed Maturities	\$ 1,830		\$ 1,388	
Equity Securities	33		218	
	1,863		1,606	
Deferred Income Tax Liability	652		562	
	<u>\$ 1,211</u>		<u>\$ 1,044</u>	
Capitalization				
Long Term Debt	\$ 3,975		\$ 3,975	
Shareholders' Equity	15,533		15,634	
Total Capitalization	<u>\$19,508</u>		<u>\$19,609</u>	
Debt as a Percentage of Total Capitalization	20.4%		20.3%	
Actual Common Shares Outstanding	314.5		332.0	
Book Value Per Common Share	\$ 49.39		\$ 47.09	
Book Value Per Common Share, with Available-for-Sale Fixed Maturities at Amortized Cost	\$ 45.61		\$ 44.37	

THE CHUBB CORPORATION
SHARE REPURCHASE ACTIVITY

(dollars in millions, except per share amounts)

	<u>Periods Ended June 30</u>		<u>From December 2005 to June 30, 2010</u>
	<u>Second Quarter 2010</u>	<u>Six Months 2010</u>	
Cost of Shares Repurchased	\$ 636	\$ 980	\$ 6,932
Average Cost Per Share	\$ 51.14	\$ 50.54	\$ 50.15
Shares Repurchased	12,433,151	19,394,818	138,234,693

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. In June 2010, the Board of Directors authorized an increase of 14,000,000 shares to the authorization approved in December 2009. The authorization has no expiration date. As of June 30, 2010, 16,765,307 shares remained under the share repurchase authorization.

THE CHUBB CORPORATION
SUMMARY OF INVESTED ASSETS
CORPORATE

	Cost or Amortized Cost		Carrying Value (a)	
	June 30 2010	Dec. 31 2009	June 30 2010	Dec. 31 2009
	<i>(in millions)</i>			
Short Term Investments	\$ 761	\$ 1,017	\$ 761	\$ 1,017
Taxable Fixed Maturities	1,271	1,286	1,325	1,327
Equity Securities	205	205	148	202
Other Invested Assets	<u>37</u>	<u>25</u>	<u>37</u>	<u>25</u>
TOTAL	<u>\$ 2,274</u>	<u>\$ 2,533</u>	<u>\$ 2,271</u>	<u>\$ 2,571</u>

PROPERTY AND CASUALTY

	Cost or Amortized Cost		Carrying Value (a)	
	June 30 2010	Dec. 31 2009	June 30 2010	Dec. 31 2009
	<i>(in millions)</i>			
Short Term Investments	\$ 1,450	\$ 901	\$ 1,450	\$ 901
Fixed Maturities				
Tax Exempt	18,615	18,720	19,629	19,587
Taxable	14,565	15,184	15,327	15,664
Equity Securities	1,025	1,010	1,115	1,231
Other Invested Assets	<u>2,203</u>	<u>2,050</u>	<u>2,203</u>	<u>2,050</u>
TOTAL	<u>\$ 37,858</u>	<u>\$ 37,865</u>	<u>\$ 39,724</u>	<u>\$ 39,433</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 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 June 30			
	Second Quarter		Six Months	
	2010	2009	2010	2009
	<i>(in millions)</i>			
CORPORATE INVESTMENT INCOME	\$ 22	\$ 9	\$ 30	\$ 18
PROPERTY AND CASUALTY INVESTMENT INCOME				
Tax Exempt Interest	\$ 190	\$ 187	\$ 379	\$ 373
Taxable Interest	114	114	235	228
Other	12	15	21	26
Investment Expenses	(5)	(4)	(11)	(9)
TOTAL	\$ 311	\$ 312	\$ 624	\$ 618
Effective Tax Rate	19.2%	19.4%	19.2%	19.3%
After-Tax Annualized Yield	3.26%	3.42%	3.26%	3.41%

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

	June 30 2010	Dec. 31 2009	June 30 2009
Estimated Statutory Policyholders' Surplus	\$14,400	\$14,526	\$13,300
Rolling Year Statutory Net Premiums Written	\$11,151	\$11,074	\$11,366
Ratio of Statutory Net Premiums Written to Policyholders' Surplus	0.77:1	0.76:1	0.85:1

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
SIX MONTHS ENDED JUNE 30, 2010

	Net Unpaid Losses			IBNR Increase (Decrease)	All Other Unpaid Losses Increase (Decrease)
	<u>6/30/10</u>	<u>12/31/09</u>	<u>Increase (Decrease)</u> <i>(in millions)</i>		
Personal Insurance					
Automobile	\$ 395	\$ 400	\$ (5)	\$ (15)	\$ 10
Homeowners	786	665	121	87	34
Other	<u>854</u>	<u>872</u>	<u>(18)</u>	<u>22</u>	<u>(40)</u>
Total Personal	<u>2,035</u>	<u>1,937</u>	<u>98</u>	<u>94</u>	<u>4</u>
Commercial Insurance					
Multiple Peril	1,715	1,615	100	89	11
Casualty	6,034	5,988	46	104	(58)
Workers' Compensation	2,162	2,138	24	31	(7)
Property and Marine	<u>805</u>	<u>758</u>	<u>47</u>	<u>42</u>	<u>5</u>
Total Commercial	<u>10,716</u>	<u>10,499</u>	<u>217</u>	<u>266</u>	<u>(49)</u>
Specialty Insurance					
Professional Liability	7,371	7,552	(181)	(96)	(85)
Surety	<u>63</u>	<u>58</u>	<u>5</u>	<u>—</u>	<u>5</u>
Total Specialty	<u>7,434</u>	<u>7,610</u>	<u>(176)</u>	<u>(96)</u>	<u>(80)</u>
Total Insurance	20,185	20,046	139	264	(125)
Reinsurance Assumed	<u>667</u>	<u>740</u>	<u>(73)</u>	<u>(55)</u>	<u>(18)</u>
Total	<u>\$20,852</u>	<u>\$20,786</u>	<u>\$ 66</u>	<u>\$ 209</u>	<u>\$ (143)</u>

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2010	2009	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 314	\$ 278	\$ 1,164	\$ 1,151	\$ 404	\$ 375	\$ 1,882	\$ 1,804
Decrease (Increase) in Unearned Premiums	(10)	4	13	35	(27)	(19)	(24)	20
Net Premiums Earned	304	282	1,177	1,186	377	356	1,858	1,824
Net Losses Paid	191	167	705	651	220	195	1,116	1,013
Increase (Decrease) in Outstanding Losses	(6)	5	122	(42)	(7)	30	109	(7)
Net Losses Incurred	185	172	827	609	213	225	1,225	1,006
Expenses Incurred	94	81	390	379	131	115	615	575
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 25	\$ 29	\$ (40)	\$ 198	\$ 33	\$ 16	\$ 18	\$ 243
Ratios After Dividends to Policyholders:								
Loss	60.9%	61.0%	70.3%	51.4%	56.5%	63.2%	65.9%	55.1%
Expense	29.9	29.1	33.5	32.9	32.4	30.7	32.7	31.9
Combined	90.8%	90.1%	103.8%	84.3%	88.9%	93.9%	98.6%	87.0%
Premiums Written as a % of Total	5.6%	5.0%	20.6%	20.6%	7.1%	6.7%	33.3%	32.3%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 540	\$ 561	\$ 812	\$ 815	\$ 409	\$ 424	\$ 691	\$ 673	\$2,452	\$2,473
Decrease (Increase) in Unearned Premiums	16	21	(49)	(25)	(40)	(15)	(63)	(61)	(136)	(80)
Net Premiums Earned	556	582	763	790	369	409	628	612	2,316	2,393
Net Losses Paid	259	273	373	398	201	192	302	365	1,135	1,228
Increase (Decrease) in Outstanding Losses	107	(6)	100	153	37	71	58	(45)	302	173
Net Losses Incurred	366	267	473	551	238	263	360	320	1,437	1,401
Expenses Incurred	204	207	225	228	95	97	231	228	755	760
Dividends Incurred	—	—	—	—	13	11	—	—	13	11
Statutory Underwriting Income (Loss)	\$ (14)	\$ 108	\$ 65	\$ 11	\$ 23	\$ 38	\$ 37	\$ 64	\$ 111	\$ 221
Ratios After Dividends to Policyholders:										
Loss	65.8%	45.9%	62.0%	69.7%	66.8%	66.1%	57.4%	52.3%	62.4%	58.8%
Expense	37.8	36.9	27.7	28.0	24.0	23.5	33.4	33.9	31.0	30.9
Combined	103.6%	82.8%	89.7%	97.7%	90.8%	89.6%	90.8%	86.2%	93.4%	89.7%
Premiums Written as a % of Total	9.6%	10.0%	14.4%	14.6%	7.2%	7.6%	12.2%	12.0%	43.4%	44.2%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 1,153	\$ 1,137	\$ 159	\$ 162	\$ 1,312	\$ 1,299
Decrease (Increase) in Unearned Premiums	79	98	8	9	87	107
Net Premiums Earned	1,232	1,235	167	171	1,399	1,406
Net Losses Paid	794	677	8	14	802	691
Increase (Decrease) in Outstanding Losses	(70)	111	4	(8)	(66)	103
Net Losses Incurred	724	788	12	6	736	794
Expenses Incurred	322	305	57	55	379	360
Dividends Incurred	—	—	3	4	3	4
Statutory Underwriting Income (Loss)	\$ 186	\$ 142	\$ 95	\$ 106	\$ 281	\$ 248
Ratios After Dividends to Policyholders:						
Loss	58.8%	63.8%	7.3%	3.6%	52.7%	56.6%
Expense	27.9	26.8	36.6	34.8	29.0	27.8
Combined	86.7%	90.6%	43.9%	38.4%	81.7%	84.4%
Premiums Written as a % of Total	20.4%	20.4%	2.8%	2.9%	23.2%	23.3%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 5,646	\$ 5,576	\$ 5	\$ 13	\$ 5,651	\$ 5,589
Decrease (Increase) in Unearned Premiums	(73)	47	3	18	(70)	65
Net Premiums Earned	5,573	5,623	8	31	5,581	5,654
Net Losses Paid	3,053	2,932	65	84	3,118	3,016
Increase (Decrease) in Outstanding Losses	345	269	(73)	(98)	272	171
Net Losses Incurred	3,398	3,201	(8)	(14)	3,390	3,187
Expenses Incurred	1,749	1,695	2	5	1,751	1,700
Dividends Incurred	16	15	—	—	16	15
Statutory Underwriting Income (Loss)	<u>\$ 410</u>	<u>\$ 712</u>	<u>\$ 14</u>	<u>\$ 40</u>	424	752
Increase in Deferred Acquisition Costs					43	20
GAAP Underwriting Income					<u>\$ 467</u>	<u>\$ 772</u>
Ratios After Dividends to Policyholders:						
Loss	61.1%	57.1%	* %	* %	60.9%	56.5%
Expense	31.1	30.5	*	*	31.1	30.5
Combined	<u>92.2%</u>	<u>87.6%</u>	<u>* %</u>	<u>* %</u>	<u>92.0%</u>	<u>87.0%</u>
Premiums Written as a % of Total	99.9%	99.8%	0.1%	0.2%	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 SIX MONTHS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 4,147	\$ 4,266	\$ 1,504	\$ 1,323	\$ 5,651	\$ 5,589
Decrease (Increase) in Unearned Premiums	<u>26</u>	<u>142</u>	<u>(96)</u>	<u>(77)</u>	<u>(70)</u>	<u>65</u>
Net Premiums Earned	<u>4,173</u>	<u>4,408</u>	<u>1,408</u>	<u>1,246</u>	<u>5,581</u>	<u>5,654</u>
Net Losses Paid	2,474	2,486	644	530	3,118	3,016
Increase (Decrease) in Outstanding Losses	<u>130</u>	<u>(5)</u>	<u>142</u>	<u>176</u>	<u>272</u>	<u>171</u>
Net Losses Incurred	<u>2,604</u>	<u>2,481</u>	<u>786</u>	<u>706</u>	<u>3,390</u>	<u>3,187</u>
Expenses Incurred	1,223	1,231	528	469	1,751	1,700
Dividends Incurred	<u>16</u>	<u>15</u>	<u>—</u>	<u>—</u>	<u>16</u>	<u>15</u>
Statutory Underwriting Income (Loss)	<u>\$ 330</u>	<u>\$ 681</u>	<u>\$ 94</u>	<u>\$ 71</u>	424	752
Increase in Deferred Acquisition Costs					<u>43</u>	<u>20</u>
GAAP Underwriting Income					<u>\$ 467</u>	<u>\$ 772</u>
Ratios After Dividends to Policyholders:						
Loss Expense	62.6%	56.5%	55.8%	56.7%	60.9%	56.5%
	<u>29.6</u>	<u>29.0</u>	<u>35.1</u>	<u>35.4</u>	<u>31.1</u>	<u>30.5</u>
Combined	<u>92.2%</u>	<u>85.5%</u>	<u>90.9%</u>	<u>92.1%</u>	<u>92.0%</u>	<u>87.0%</u>
Premiums Written as a % of Total	73.4%	76.3%	26.6%	23.7%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2010	2009	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 168	\$ 147	\$ 647	\$ 637	\$ 193	\$ 177	\$ 1,008	\$ 961
Decrease (Increase) in Unearned Premiums	(14)	(5)	(60)	(45)	(1)	6	(75)	(44)
Net Premiums Earned	154	142	587	592	192	183	933	917
Net Losses Paid	97	82	429	303	121	94	647	479
Increase (Decrease) in Outstanding Losses	(3)	6	(63)	(12)	(12)	14	(78)	8
Net Losses Incurred	94	88	366	291	109	108	569	487
Expenses Incurred	49	42	208	201	65	56	322	299
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income	\$ 11	\$ 12	\$ 13	\$ 100	\$ 18	\$ 19	\$ 42	\$ 131
Ratios After Dividends to Policyholders:								
Loss	61.0%	62.0%	62.4%	49.2%	56.8%	59.0%	61.0%	53.1%
Expense	29.2	28.5	32.1	31.5	33.7	31.7	31.9	31.1
Combined	90.2%	90.5%	94.5%	80.7%	90.5%	90.7%	92.9%	84.2%
Premiums Written as a % of Total	5.8%	5.2%	22.4%	22.3%	6.7%	6.2%	34.9%	33.7%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 286	\$ 292	\$ 398	\$ 406	\$ 187	\$ 188	\$ 338	\$ 327	\$1,209	\$1,213
Decrease (Increase) in Unearned Premiums	<u>1</u>	<u>(3)</u>	<u>(21)</u>	<u>(13)</u>	<u>(4)</u>	<u>15</u>	<u>(21)</u>	<u>(17)</u>	<u>(45)</u>	<u>(18)</u>
Net Premiums Earned	<u>287</u>	<u>289</u>	<u>377</u>	<u>393</u>	<u>183</u>	<u>203</u>	<u>317</u>	<u>310</u>	<u>1,164</u>	<u>1,195</u>
Net Losses Paid	130	122	198	202	108	103	163	183	599	610
Increase (Decrease) in Outstanding Losses	<u>40</u>	<u>4</u>	<u>41</u>	<u>52</u>	<u>8</u>	<u>29</u>	<u>24</u>	<u>(6)</u>	<u>113</u>	<u>79</u>
Net Losses Incurred	<u>170</u>	<u>126</u>	<u>239</u>	<u>254</u>	<u>116</u>	<u>132</u>	<u>187</u>	<u>177</u>	<u>712</u>	<u>689</u>
Expenses Incurred	103	106	110	114	47	46	118	112	378	378
Dividends Incurred	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>5</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>5</u>
Statutory Underwriting Income	<u>\$ 14</u>	<u>\$ 57</u>	<u>\$ 28</u>	<u>\$ 25</u>	<u>\$ 14</u>	<u>\$ 20</u>	<u>\$ 12</u>	<u>\$ 21</u>	<u>\$ 68</u>	<u>\$ 123</u>
Ratios After Dividends to Policyholders:										
Loss	59.2%	43.6%	63.4%	64.6%	65.5%	66.7%	59.0%	57.1%	61.5%	57.9%
Expense	<u>36.0</u>	<u>36.3</u>	<u>27.6</u>	<u>28.1</u>	<u>26.0</u>	<u>25.1</u>	<u>34.9</u>	<u>34.3</u>	<u>31.4</u>	<u>31.3</u>
Combined	<u>95.2%</u>	<u>79.9%</u>	<u>91.0%</u>	<u>92.7%</u>	<u>91.5%</u>	<u>91.8%</u>	<u>93.9%</u>	<u>91.4%</u>	<u>92.9%</u>	<u>89.2%</u>
Premiums Written as a % of Total	9.9%	10.3%	13.8%	14.3%	6.5%	6.6%	11.7%	11.5%	41.9%	42.7%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 583	\$ 584	\$ 83	\$ 85	\$ 666	\$ 669
Decrease (Increase) in Unearned Premiums	<u>29</u>	<u>34</u>	<u>3</u>	<u>2</u>	<u>32</u>	<u>36</u>
Net Premiums Earned	<u>612</u>	<u>618</u>	<u>86</u>	<u>87</u>	<u>698</u>	<u>705</u>
Net Losses Paid	407	370	3	6	410	376
Increase (Decrease) in Outstanding Losses	<u>(41)</u>	<u>29</u>	<u>7</u>	<u>(3)</u>	<u>(34)</u>	<u>26</u>
Net Losses Incurred	<u>366</u>	<u>399</u>	<u>10</u>	<u>3</u>	<u>376</u>	<u>402</u>
Expenses Incurred	160	149	29	29	189	178
Dividends Incurred	<u>—</u>	<u>—</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Statutory Underwriting Income	<u>\$ 86</u>	<u>\$ 70</u>	<u>\$ 45</u>	<u>\$ 53</u>	<u>\$ 131</u>	<u>\$ 123</u>
Ratios After Dividends to Policyholders:						
Loss	59.8%	64.6%	11.9%	3.5%	54.0%	57.2%
Expense	<u>27.4</u>	<u>25.5</u>	<u>35.8</u>	<u>35.0</u>	<u>28.5</u>	<u>26.7</u>
Combined	<u>87.2%</u>	<u>90.1%</u>	<u>47.7%</u>	<u>38.5%</u>	<u>82.5%</u>	<u>83.9%</u>
Premiums Written as a % of Total	20.2%	20.5%	2.9%	3.0%	23.1%	23.5%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE QUARTERS ENDED JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 2,883	\$ 2,843	\$ 3	\$ 3	\$ 2,886	\$ 2,846
Decrease (Increase) in Unearned Premiums	(88)	(26)	1	8	(87)	(18)
Net Premiums Earned	2,795	2,817	4	11	2,799	2,828
Net Losses Paid	1,656	1,465	30	42	1,686	1,507
Increase (Decrease) in Outstanding Losses	1	113	(27)	(48)	(26)	65
Net Losses Incurred	1,657	1,578	3	(6)	1,660	1,572
Expenses Incurred	889	855	—	2	889	857
Dividends Incurred	8	7	—	—	8	7
Statutory Underwriting Income	<u>\$ 241</u>	<u>\$ 377</u>	<u>\$ 1</u>	<u>\$ 15</u>	242	392
Increase in Deferred Acquisition Costs					21	4
GAAP Underwriting Income					<u>\$ 263</u>	<u>\$ 396</u>
Ratios After Dividends to Policyholders:						
Loss	59.5%	56.2%	*	%	59.5%	55.7%
Expense	30.9	30.1	*	%	30.9	30.2
Combined	<u>90.4%</u>	<u>86.3%</u>	*	%	<u>90.4%</u>	<u>85.9%</u>
Premiums Written as a % of Total	99.9%	99.9%	0.1%	0.1%	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 JUNE 30, 2010 AND 2009
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2010	2009	2010	2009	2010	2009
Net Premiums Written	\$ 2,199	\$ 2,229	\$ 687	\$ 617	\$ 2,886	\$ 2,846
Decrease (Increase) in Unearned Premiums	<u>(122)</u>	<u>(48)</u>	<u>35</u>	<u>30</u>	<u>(87)</u>	<u>(18)</u>
Net Premiums Earned	<u>2,077</u>	<u>2,181</u>	<u>722</u>	<u>647</u>	<u>2,799</u>	<u>2,828</u>
Net Losses Paid	1,360	1,238	326	269	1,686	1,507
Increase (Decrease) in Outstanding Losses	<u>(15)</u>	<u>(34)</u>	<u>(11)</u>	<u>99</u>	<u>(26)</u>	<u>65</u>
Net Losses Incurred	<u>1,345</u>	<u>1,204</u>	<u>315</u>	<u>368</u>	<u>1,660</u>	<u>1,572</u>
Expenses Incurred	634	631	255	226	889	857
Dividends Incurred	<u>8</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>8</u>	<u>7</u>
Statutory Underwriting Income	<u>\$ 90</u>	<u>\$ 339</u>	<u>\$ 152</u>	<u>\$ 53</u>	242	392
Increase in Deferred Acquisition Costs					<u>21</u>	<u>4</u>
GAAP Underwriting Income					<u>\$ 263</u>	<u>\$ 396</u>
Ratios After Dividends to Policyholders:						
Loss Expense	<u>65.0%</u>	<u>55.4%</u>	<u>43.6%</u>	<u>56.9%</u>	<u>59.5%</u>	<u>55.7%</u>
	<u>28.9</u>	<u>28.4</u>	<u>37.1</u>	<u>36.6</u>	<u>30.9</u>	<u>30.2</u>
Combined	<u>93.9%</u>	<u>83.8%</u>	<u>80.7%</u>	<u>93.5%</u>	<u>90.4%</u>	<u>85.9%</u>
Premiums Written as a % of Total	76.2%	78.3%	23.8%	21.7%	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 June 30			
	Second Quarter		Six Months	
	2010	2009	2010	2009
	<i>(dollars in millions)</i>			
Annualized Net Income	\$ 2,072	\$ 2,204	\$ 1,964	\$ 1,784
Average Shareholders' Equity	\$15,637	\$14,154	\$15,636	\$13,913
Return on Equity	13.3%	15.6%	12.6%	12.8%
Annualized Operating Income	\$ 1,840	\$ 2,132	\$ 1,682	\$ 2,094
Average Shareholders' Equity Excluding Unrealized Appreciation	\$14,455	\$13,896	\$14,500	\$13,789
Operating Return on Equity	12.7%	15.3%	11.6%	15.2%