



Chubb has continued to deliver a strong financial performance.

Our financial strength, as reflected in our published reports and our ratings, should give our customers the peace of mind that we will be there for them when they need us most.

- Chubb is in this business for the long term, which is why we vigorously guard our financial strength and take what we believe is a prudent approach to assuming risk – both on the asset and liability sides of our balance sheet.
- Chubb’s operating income for all of 2008 was \$2 billion, the third-highest achieved in any year in the corporation’s history, achieved amid a distressed global economy, turmoil in the capital markets, and the fourth straight year of declining insurance rates.
- Chubb’s financial results during calendar year 2008 stand out in the industry. During that period, Chubb had net income of \$1.8 billion.
- Chubb’s balance sheet is backed with investments that we believe emphasize quality, safety, and liquidity, with total invested assets of \$38.7 billion as of December 31, 2008.
- With the following ratings, Chubb is one of the most highly rated property and casualty companies in the industry, a reflection of our overall quality, strong financial condition, and strong capital position.
 - Chubb’s financial strength rating is “A++” from A.M. Best, “AA” from Fitch, “Aa2” from Moody’s, and “AA” from Standard & Poor’s—all independent evaluators of the insurance industry.
 - Chubb’s senior unsecured corporate debt rating from Standard & Poor’s was upgraded from “A” to “A+” on December 15, 2008. Standard and Poor’s also reaffirmed all of Chubb’s ratings with a “stable” outlook.
 - A.M. Best, Fitch, and Moody’s recently affirmed all of Chubb’s ratings with a “stable” outlook.
 - For more than 50 years, Chubb has remained part of an elite group of insurers that have maintained A.M. Best’s highest ratings.
- Chubb was named to Standard & Poor’s list of S&P 500 Dividend Aristocrats, one of 52 companies in the S&P 500 index that have increased dividends every year for at least 25 consecutive years.

Our investment portfolio has held up extremely well.

We take what we believe is a conservative approach to selecting and managing our assets. Furthermore, Chubb does not have any direct exposure to the sub-prime mortgage-backed securities market, and we stopped doing new credit derivative business in 2003 and put existing business in runoff.

As of December 31, 2008, Chubb’s invested assets consisted of:

- 84% in fixed-income securities with an average rating of Aa2, based on the underlying rating of the individual credits. This can be further broken down thusly:
 - 56% (or 47% of the total portfolio) in tax-exempt securities, and
 - 44% (or 37% of the total portfolio) in well-diversified, high-quality treasuries, corporate bonds, mortgaged-backed securities (prime), and international fixed-income securities.
- 7% in highly liquid, short-term marketable securities.
- The balance in a well-diversified portfolio of equity securities (4%) and alternative investments (5%).

Chubb Insurance Company of Canada's investment portfolio has also held up extremely well. We too do not have any direct exposure to the sub-prime mortgage-backed securities market. As of December 31, 2008, our assets are 100% invested in fixed income instruments with over 93% in Canadian Federal Bonds, Provincial Bonds or Government backed securities. The remaining portfolio is well diversified in high quality, sovereign bonds and corporate bonds, all of which are rated AA or better.

Chubb's conservative business philosophy has positioned us to be more flexible in responding to potential market opportunities.

- Rarely has our business philosophy – to underwrite conservatively and invest judiciously – been more important. By adhering to this philosophy, we now have the capacity and flexibility to respond to opportunities, especially when our agent/broker and customer engage us in fully understanding the individual risk.
- Our business strategy has not changed, and we will continue to underwrite prudently and price business adequately.
- We carefully underwrite each account, managing our overall risk exposure through limit and aggregation management; that is, by spreading our risk geographically and across market segments.
- We are well-positioned to service the needs of our producers and their clients with our underwriting expertise in niche markets and our broad underwriting appetite across property, casualty, and specialty lines.

Chubb's reputation for providing superior service is well-known worldwide.

- We believe that a true local presence is a key to providing the best service to our customers. With 100 owned offices in 28 countries, Chubb is ready to handle your needs and those of your clients.
- By helping our customers understand exposures through our extensive array of loss control services, we help them lessen their risks and reduce their costs. Our commitment to providing in-house loss control services allows us to offer unique, innovative services to our customers that third-party vendors don't provide.

Furthermore, Chubb's commitment to delivering world-class service is widely recognized the world over:

- Over the past three years alone, we've won 21 different awards in 11 countries.
- Chubb is featured prominently in the 2008 McGraw Hill business book, *The Customer Rules: The 14 Indispensable, Irrefutable, and Indisputable Qualities of the Greatest Service Companies in the World.*

We believe in keeping our commitments to customers and always being there when they have claims.

- Since 1882, honesty, integrity, empathy, and fairness have influenced every Chubb business transaction and continue to form the backbone of our core values. As a result, we have earned an excellent reputation for claim service.
- We believe that the best way to manage claims and control claim costs is through a coordinated partnership with underwriting, loss control, producers, and our customers.

- Our approach to claim handling is anchored by expert knowledge and cost mitigation strategies and recognizes our customers' needs for promptness.
- The services of our claim staff members are continually evolving to meet our customers' expectations and changing marketplace demands.
- We strive to maintain a reputation for fairness and integrity by treating every customer – from policy issuance to claim settlement – as we would want to be treated. An insurance policy is a promise to pay covered losses, and we take our promises seriously.