



News from The Chubb Corporation

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FOR IMMEDIATE RELEASE

**Chubb Reports 4th Quarter Net Income per Share of \$2.03;
Operating Income per Share Is \$1.66;
Combined Ratio Is 84.7%**

**Net Income per Share for 2009 Is \$6.18;
Operating Income per Share Is \$6.14;
Combined Ratio Is 86.0%**

Book Value per Share Increases 23% in 2009 to \$47.09

**Company Expects 2010 Operating Income per Share
In Range of \$5.15 to \$5.55**

WARREN, New Jersey, January 28, 2010 -- The Chubb Corporation [NYSE: CB] today reported that net income in the fourth quarter of 2009 was \$695 million or \$2.03 per share, compared to \$407 million or \$1.13 per share in the fourth quarter of 2008.

Operating income, which the company defines as net income excluding after-tax realized investment gains and losses, was \$569 million, the same as in the fourth quarter of 2008. Operating income per share increased 5% to \$1.66 from \$1.58.

Net written premiums for the fourth quarter were \$2.8 billion, a decline of 4%; excluding the effect of currency fluctuation, premiums were down 5%. Premiums were down 8% in the U.S. and up 9% outside the U.S. (up 4% in local currencies).

The fourth quarter combined loss and expense ratio was 84.7% in 2009 and 84.3% in 2008. The impact of fourth quarter catastrophe losses on the combined ratio was negligible in both 2009 and 2008. The expense ratio for the fourth quarter was 30.1% in 2009 and 30.4% in 2008.

Property and casualty investment income after taxes for the fourth quarter was \$317 million in 2009 and \$316 million in 2008.

Net income for the fourth quarter of 2009 included net realized investment gains of \$193 million before tax (\$0.37 per share after-tax), largely related to the company's alternative investments. Net income for the fourth quarter of 2008 reflected net realized investment losses of \$250 million before tax (\$0.45 per share after-tax), stemming primarily from impairments of equity securities and a decline in the value of alternative investments.

During the fourth quarter of 2009, Chubb repurchased 9.8 million shares of its common stock at a total cost of \$489 million.

Book value per share increased 4% to \$47.09 at December 31, 2009 from \$45.43 at the end of the third quarter.

Full Year Results

For the year ended December 31, 2009, net income was \$2.2 billion or \$6.18 per share, compared to \$1.8 billion or \$4.92 per share for the year ended December 31, 2008. Operating income totaled \$2.2 billion in 2009 and \$2.0 billion in 2008. Operating income per share increased 10% to \$6.14 in 2009 from \$5.58 in 2008.

Total net written premiums in 2009 decreased 6% to \$11.1 billion from \$11.8 billion in 2008; excluding the effect of currency fluctuation, premiums were down 4%. Premiums were down 6% in the U.S. and down 6% outside the U.S. (up 3% in local currencies).

The combined ratio in 2009 was 86.0%, compared to 88.7% in 2008. The impact of catastrophes accounted for 0.8 percentage points of the combined ratio in 2009 and 5.1 points in 2008. Excluding the impact of catastrophes, the combined ratio was 85.2% in 2009 and 83.6% in 2008. The expense ratio for the year was 30.6% in 2009 and 30.2% in 2008.

Property and casualty investment income after taxes declined 3% in 2009 to \$1.3 billion.

Net income for 2009 included net realized investment gains of \$23 million before tax (\$0.04 per share after-tax). Net income for 2008 reflected net realized investment losses, including impairments, of \$371 million before tax (\$0.66 per share after-tax).

During 2009, Chubb repurchased 22.6 million shares of its common stock at a total cost of \$1.1 billion.

Book value per share increased 23% to \$47.09 at December 31, 2009 from \$38.13 at 2008 year end.

“We had a terrific fourth quarter, capping off another excellent year for Chubb,” said John D. Finnegan, Chairman, President and Chief Executive Officer. “Chubb’s operating income per share for 2009 was \$6.14, the second-highest of any year in the corporation’s history, driven by contributions from all three business units, all of which had combined ratios below 90% for both the fourth quarter and the full year. Given the difficult economic conditions that prevailed in 2009, we believe these results continue to distinguish Chubb and are clear evidence of our commitment to sustained bottom-line profitability.”

Fourth Quarter Operations Review

Chubb Personal Insurance (CPI) net written premiums declined 3% in the fourth quarter to \$907 million. CPI's combined ratio for the fourth quarter was 80.7% in 2009 and 80.9% in 2008. The impact of catastrophes on the combined ratio in the fourth quarter of 2009 was negligible. In the fourth quarter of 2008, the impact of catastrophes improved the combined ratio by 1.2 percentage points as a result of a downward revision of estimated losses from Hurricane Ike.

Homeowners net written premiums were down 4%, and the combined ratio was 75.8%. Personal Automobile net written premiums increased 3%, and the combined ratio was 94.2%. Other Personal lines premiums were down 7%, and the combined ratio was 85.5%.

Chubb Commercial Insurance (CCI) net written premiums for the fourth quarter declined 6% to \$1.1 billion. The combined ratio for the quarter was 89.9% in 2009 and 88.8% in 2008. The fourth quarter impact of catastrophes was negligible in both 2009 and 2008.

Average fourth quarter renewal rates in the U.S. were up 2% for CCI, which retained 84% of the U.S. premiums that came up for renewal. In the U.S., the ratio of new to lost business was 0.9 to 1.

Chubb Specialty Insurance (CSI) net written premiums were down 1% in the fourth quarter to \$771 million. The combined ratio was 84.1%, compared to 83.8% in the fourth quarter of 2008.

Professional Liability (PL) net written premiums declined 2%, and PL had a combined ratio of 89.5%. Average PL renewal rates in the U.S. were up 1% and renewal retention was 84%. The ratio of new to lost business in the U.S. was 0.7 to 1.

Surety net written premiums were up 8%, and the combined ratio was 40.5%.

2009 Operations Review

For the year ended December 31, 2009, **Chubb Personal Insurance** net written premiums declined 4% to \$3.7 billion. CPI's combined ratio improved to 84.1% in 2009 from 87.1% in 2008. The impact of catastrophes accounted for 0.9 percentage points of the combined ratio in 2009 and 5.4 points in 2008.

Homeowners net written premiums declined 4%, and the combined ratio was 80.4%. Personal Automobile premiums were down 4%, and the combined ratio was 90.4%. Other Personal lines premiums declined 4%, and the combined ratio was 90.8%.

Chubb Commercial Insurance net written premiums declined 7% in 2009 to \$4.7 billion. The combined ratio improved to 89.9% in 2009 from 93.9% in 2008. The impact of catastrophes accounted for 1.2 percentage points of the combined ratio in 2009 and 8.1 points in 2008.

Average 2009 renewal rates in the U.S. were up 2% for CCI, which retained 84% of the U.S. premiums that came up for renewal. In the U.S., the ratio of new to lost business was 0.9 to 1.

Chubb Specialty Insurance net written premiums declined 6% in 2009 to \$2.7 billion. The combined ratio was 84.1% in 2009 and 83.3% in 2008.

Professional Liability had a 5% decrease in net written premiums and a combined ratio of 90.1%. In the U.S., average 2009 renewal rates for PL were up 3%, renewal premium retention was 84% and the ratio of new to lost business was 0.9 to 1.

Surety net written premium declined 8%, and the combined ratio was 37.4%.

2010 Operating Income Guidance

Mr. Finnegan said that based on management's current outlook, he expected Chubb to achieve 2010 operating income per share in the range of \$5.15 to \$5.55.

The operating income guidance for 2010 assumes:

- Net written premiums that are flat to down 2%, including about a 2 percentage point positive impact of currency based on 2009 year end exchange rates.

- Catastrophe losses that have an impact of 3 percentage points on the 2010 combined ratio in keeping with historical levels, compared to the unusually low 0.8 point impact in 2009. This assumption accounts for approximately \$0.50 of the difference between 2009 operating income per share and 2010 guidance. The impact of each percentage point of catastrophe losses on 2010 operating income per share is approximately \$0.22.
- A combined ratio between 90% and 92% for the year, based on combined ratios of 90% to 93% for CPI, 92% to 95% for CCI and 84% to 87% for CSI.
- Flat property and casualty investment income after taxes.
- Approximately 328 million average diluted shares outstanding for the year.

The guidance and related assumptions are subject to the risks outlined in the company's forward-looking information safe-harbor statements (see below).

Webcast Conference Call to be Held Today at 5 P.M.

Chubb's senior management will discuss the company's fourth quarter performance with investors and analysts today, January 28th, at 5 P.M. Eastern Standard Time. The conference call will be webcast live on the Internet at <http://www.chubb.com> and archived later in the day for replay.

About Chubb

Founded in 1882, the Chubb Group of Insurance Companies provides property and casualty insurance for personal and commercial customers worldwide through 8,500 independent agents and brokers. Chubb's global network includes branches and affiliates throughout North America, Europe, Latin America, Asia and Australia.

Chubb's Supplementary Investor Information Report has been posted on its Internet site at <http://www.chubb.com>.

All financial results in this release and attachments are unaudited.

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