

S&P raises Chubb's counterparty credit rating

Standard & Poor's lifts Chubb's counterparty credit rating, outlook for companies is stable

NEW YORK (AP) -- Standard & Poor's Ratings Services boosted Chubb Corp.'s counterparty credit rating, citing a narrower range between its operating group and holding company's ratings and the solid performance of its parent company.

"These rating actions reflect our recognition of management's sustained track record of maintaining substantial liquidity and marketable assets at the parent company level since 2003, as well as the company's well-capitalized operating units and consolidated financial leverage of 20 percent to 25 percent in line with the rating structure," credit analyst Tracy Dolin said in a statement.

S&P lifted the insurer's counterparty rating one notch in investment grade status to "A+" from "A" and maintained the insurance operating companies' "AA" counterparty credit and financial strength ratings.

The outlook on the companies is still stable.

The ratings agency predicts Chubb's parent company will maintain a minimum of \$1 billion of liquid assets, which will function as another capital source. The Warren, N.J.-based company had \$2.7 billion of cash or cash equivalents as of Sept. 30.

S&P is also pleased with Chubb's broad makeup, with 22 percent of its 2007 total premiums coming from international operations. The agency expects Chubb will be able to maintain its strong operating performance next year, although it may have to contend with weakening property/casualty market conditions for some of its products and increased reinsurance costs.

Shares of Chubb added 63 cents to \$50 in morning trading.