

The
Chubb
Corporation

Supplementary
Investor
Information

September 30, 2004

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

	Sept. 30 2004	Dec. 31 2003
<i>(in millions)</i>		
Invested Assets (at carrying value)		
Short Term Investments	\$ 1,697.0	\$ 2,695.9
Fixed Maturities		
Tax Exempt	13,771.9	11,621.0
Taxable	12,805.5	10,790.7
Equity Securities	1,784.7	1,514.4
Total Invested Assets	\$30,059.1	\$26,622.0
Unrealized Appreciation of Fixed Maturities Carried at Amortized Cost	\$ 24.0	\$ 35.2
Capitalization		
Long Term Debt	\$ 2,811.8	\$ 2,813.9
Shareholders' Equity	9,581.5	8,522.0
Total Capitalization	\$12,393.3	\$11,335.9
DEBT AS A PERCENTAGE OF TOTAL CAPITALIZATION	22.7%	24.8%
Actual Common Shares Outstanding	191.6	188.0
Book Value Per Common Share	\$ 50.01	\$ 45.33
Book Value Per Common Share, with Available-for-Sale Fixed Maturities at Amortized Cost	\$ 47.24	\$ 42.21

THE CHUBB CORPORATION
SUMMARY OF INVESTED ASSETS

CORPORATE

	Cost or Amortized Cost		Market Value		Carrying Value	
	Sept. 30 2004	Dec. 31 2003	Sept. 30 2004	Dec. 31 2003	Sept. 30 2004	Dec. 31 2003
	<i>(in millions)</i>					
Short Term Investments	\$ 292.3	\$ 714.3	\$ 292.3	\$ 714.3	\$ 292.3	\$ 714.3
Taxable Fixed Maturities	1,035.8	433.1	1,047.6	436.4	1,047.6	436.4
Equity Securities	4.7	8.4	7.1	9.5	7.1	9.5
TOTAL	\$1,332.8	\$1,155.8	\$1,347.0	\$1,160.2	\$1,347.0	\$1,160.2

PROPERTY AND CASUALTY

	Cost or Amortized Cost		Market Value		Carrying Value	
	Sept. 30 2004	Dec. 31 2003	Sept. 30 2004	Dec. 31 2003	Sept. 30 2004	Dec. 31 2003
	<i>(in millions)</i>					
Short Term Investments	\$ 1,404.7	\$ 1,981.6	\$ 1,404.7	\$ 1,981.6	\$ 1,404.7	\$ 1,981.6
Fixed Maturities						
Tax Exempt	13,189.7	10,976.7	13,795.9	11,656.2	13,771.9	11,621.0
Taxable	11,535.8	10,098.7	11,757.9	10,354.3	11,757.9	10,354.3
Common Stocks	1,633.8	1,333.3	1,734.6	1,458.2	1,734.6	1,458.2
Preferred Stocks	36.9	39.7	43.0	46.7	43.0	46.7
TOTAL	\$27,800.9	\$24,430.0	\$28,736.1	\$25,497.0	\$28,712.1	\$25,461.8

THE CHUBB CORPORATION
INVESTMENT INCOME AFTER TAXES

	PERIODS ENDED SEPTEMBER 30			
	THIRD QUARTER		NINE MONTHS	
	2004	2003	2004	2003
	<i>(in millions)</i>			
CORPORATE INVESTMENT INCOME	\$ 8.1	\$ 8.7	\$ 22.8	\$ 12.2
PROPERTY AND CASUALTY INVESTMENT INCOME				
<i>(Amounts are shown net of applicable income taxes)</i>				
Dividends	\$ 10.7	\$ 9.0	\$ 26.2	\$ 19.9
Taxable Interest	92.1	86.2	272.7	253.1
Tax Exempt Interest	142.2	121.5	408.1	357.4
Investment Expenses	(3.4)	(2.8)	(11.2)	(11.3)
TOTAL	\$241.6	\$213.9	\$695.8	\$619.1
Effective Tax Rate	19.2%	20.7%	19.8%	20.3%
After Tax Annualized Yield	3.56%	3.71%	3.54%	3.83%

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 market value.

PROPERTY AND CASUALTY STATUTORY POLICYHOLDERS' SURPLUS

	Sept. 30 2004	Sept. 30 2003	Dec. 31 2003
	<i>(in millions)</i>		
Estimated Statutory Policyholders' Surplus	\$ 7,350	\$ 6,200	\$ 6,368
Rolling Year Statutory Net Premiums Written	11,905	10,538	11,071
Ratio of Statutory Net Premiums Written to Estimated Policyholders' Surplus	1.62:1	1.70:1	1.74:1

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, 2004

	Net Unpaid Losses			IBNR Increase	All Other Unpaid Losses Increase (Decrease)
	9/30/04	12/31/03	Increase		
<i>(in millions)</i>					
PERSONAL INSURANCE					
Automobile	\$ 376.4	\$ 342.6	\$ 33.8	\$ 8.6	\$ 25.2
Homeowners	707.1	564.2	142.9	101.6	41.3
Other	365.2	312.0	53.2	30.5	22.7
Total Personal	1,448.7	1,218.8	229.9	140.7	89.2
COMMERCIAL INSURANCE					
Multiple Peril	1,269.1	1,248.2	20.9	114.3	(93.4)
Casualty	4,006.8	3,922.6	84.2	72.0	12.2
Workers' Compensation	1,044.9	890.9	154.0	107.8	46.2
Property and Marine	484.2	483.1	1.1	19.7	(18.6)
Total Commercial	6,805.0	6,544.8	260.2	313.8	(53.6)
SPECIALTY INSURANCE					
Executive Protection	4,463.2	3,995.0	468.2	385.9	82.3
Financial Institutions	2,079.6	1,720.4	359.2	162.6	196.6
Other	1,369.5	1,042.2	327.3	173.0	154.3
Total Specialty	7,912.3	6,757.6	1,154.7	721.5	433.2
TOTAL	\$16,166.0	\$14,521.2	\$1,644.8	\$1,176.0	\$468.8

THE CHUBB CORPORATION — WORLDWIDE

**PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$474.1	\$443.6	\$1,217.6	\$1,114.2	\$425.7	\$391.4	\$2,117.4	\$1,949.2
Increase (Decrease) in Unearned Premiums	20.9	28.4	62.9	93.6	25.6	23.2	109.4	145.2
Net Premiums Earned	453.2	415.2	1,154.7	1,020.6	400.1	368.2	2,008.0	1,804.0
Net Losses Paid	270.0	261.7	671.3	653.5	154.6	145.5	1,095.9	1,060.7
Increase (Decrease) in Outstanding Losses	33.8	26.6	142.9	81.4	53.2	23.2	229.9	131.2
Net Losses Incurred	303.8	288.3	814.2	734.9	207.8	168.7	1,325.8	1,191.9
Expenses Incurred	128.6	130.5	400.7	385.2	129.5	125.0	658.8	640.7
Dividends Incurred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory Underwriting Income (Loss)	\$ 20.8	\$ (3.6)	\$ (60.2)	\$ (99.5)	\$ 62.8	\$ 74.5	\$ 23.4	\$ (28.6)
Ratios After Dividends to Policyholders:								
Loss	67.1%	69.5%	70.5%	72.0%	52.0%	45.8%	66.0%	66.1%
Expense	27.1	29.4	32.9	34.6	30.4	32.0	31.1	32.8
Combined	94.2%	98.9%	103.4%	106.6%	82.4%	77.8%	97.1%	98.9%
Premiums Written as a % of Total	5.3%	5.5%	13.6%	13.7%	4.7%	4.8%	23.6%	24.0%

THE CHUBB CORPORATION — WORLDWIDE

**PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Commercial Multiple Peril		Commercial Casualty		Workers' Compensation		Property and Marine		Total Commercial	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$879.4	\$809.4	\$1,170.0	\$1,010.0	\$573.2	\$475.9	\$816.8	\$766.1	\$3,439.4	\$3,061.4
Increase (Decrease) in Unearned Premiums	31.9	53.3	81.3	109.1	54.2	74.1	11.2	38.7	178.6	275.2
Net Premiums Earned	847.5	756.1	1,088.7	900.9	519.0	401.8	805.6	727.4	3,260.8	2,786.2
Net Losses Paid	338.4	401.6	568.7	414.8	193.6	178.1	300.5	331.6	1,401.2	1,326.1
Increase (Decrease) in Outstanding Losses	20.9	5.4	84.2	123.4	154.0	88.8	1.1	68.9	260.2	286.5
Net Losses Incurred	359.3	407.0	652.9	538.2	347.6	266.9	301.6	400.5	1,661.4	1,612.6
Expenses Incurred	301.8	295.5	318.5	292.3	128.9	112.4	286.0	262.2	1,035.2	962.4
Dividends Incurred	0.0	0.0	0.0	0.0	13.4	9.7	0.0	0.0	13.4	9.7
Statutory Underwriting Income (Loss)	\$186.4	\$ 53.6	\$ 117.3	\$ 70.4	\$ 29.1	\$ 12.8	\$218.0	\$ 64.7	\$ 550.8	\$ 201.5
Ratios After Dividends to Policyholders:										
Loss	42.4%	53.8%	60.0%	59.8%	68.8%	68.1%	37.5%	55.1%	51.2%	58.1%
Expense	34.3	36.5	27.2	28.9	23.0	24.1	35.0	34.2	30.2	31.5
Combined	76.7%	90.3%	87.2%	88.7%	91.8%	92.2%	72.5%	89.3%	81.4%	89.6%
Premiums Written as a % of Total	9.8%	9.9%	13.0%	12.4%	6.4%	5.9%	9.1%	9.4%	38.3%	37.6%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Executive Protection		Financial Institutions		Other Specialty		Total Specialty		Worldwide Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$1,610.3	\$1,526.0	\$ 639.7	\$603.4	\$1,165.9	\$997.5	\$3,415.9	\$3,126.9	\$8,972.7	\$8,137.5
Increase (Decrease) in Unearned Premiums	16.8	89.4	23.0	25.5	34.3	135.6	74.1	250.5	362.1	670.9
Net Premiums Earned	1,593.5	1,436.6	616.7	577.9	1,131.6	861.9	3,341.8	2,876.4	8,610.6	7,466.6
Net Losses Paid	748.5	658.8	244.6	397.6	293.3	265.7	1,286.4	1,322.1	3,783.5	3,708.9
Increase (Decrease) in Outstanding Losses	468.2	475.7	359.2	83.8	327.3	163.9	1,154.7	723.4	1,644.8	1,141.1
Net Losses Incurred	1,216.7	1,134.5	603.8	481.4	620.6	429.6	2,441.1	2,045.5	5,428.3	4,850.0
Expenses Incurred	399.3	381.3	166.0	163.7	399.4	342.2	964.7	887.2	2,658.7	2,490.3
Dividends Incurred	0.0	0.0	5.9	5.6	2.5	2.7	8.4	8.3	21.8	18.0
Statutory Underwriting Income (Loss)	\$ (22.5)	\$ (79.2)	\$(159.0)	\$(72.8)	\$ 109.1	\$ 87.4	\$ (72.4)	\$ (64.6)	501.8	108.3
Increase in Deferred Acquisition Costs									65.0	133.7
GAAP Underwriting Income									\$ 566.8	\$ 242.0
Ratios After Dividends to Policyholders:										
Loss	76.4%	79.0%	98.8%	84.1%	55.0%	50.0%	73.2%	71.3%	63.2%	65.1%
Expense	24.8	25.0	26.2	27.4	34.3	34.4	28.3	28.5	29.7	30.7
Combined	101.2%	104.0%	125.0%	111.5%	89.3%	84.4%	101.5%	99.8%	92.9%	95.8%
Premiums Written as a % of Total	17.9%	18.7%	7.1%	7.4%	13.1%	12.3%	38.1%	38.4%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	United States		Foreign		Worldwide Total	
	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$7,376.2	\$6,735.2	\$1,596.5	\$1,402.3	\$8,972.7	\$8,137.5
Increase (Decrease) in Unearned Premiums	320.9	603.6	41.2	67.3	362.1	670.9
Net Premiums Earned	7,055.3	6,131.6	1,555.3	1,335.0	8,610.6	7,466.6
Net Losses Paid	3,254.6	3,350.1	528.9	358.8	3,783.5	3,708.9
Increase (Decrease) in Outstanding Losses	1,262.5	748.6	382.3	392.5	1,644.8	1,141.1
Net Losses Incurred	4,517.1	4,098.7	911.2	751.3	5,428.3	4,850.0
Expenses Incurred	2,116.0	1,995.0	542.7	495.3	2,658.7	2,490.3
Dividends Incurred	21.8	18.0	0.0	0.0	21.8	18.0
Statutory Underwriting Income (Loss)	\$ 400.4	\$ 19.9	\$ 101.4	\$ 88.4	501.8	108.3
Increase in Deferred Acquisition Costs					65.0	133.7
GAAP Underwriting Income					\$ 566.8	\$ 242.0
Ratios After Dividends to Policyholders:						
Loss	64.2%	67.0%	58.6%	56.3%	63.2%	65.1%
Expense	28.8	29.7	34.0	35.3	29.7	30.7
Combined	93.0%	96.7%	92.6%	91.6%	92.9%	95.8%
Premiums Written as a % of Total	82.2%	82.8%	17.8%	17.2%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$163.7	\$154.3	\$443.2	\$402.9	\$147.3	\$132.1	\$754.2	\$689.3
Increase (Decrease) in Unearned Premiums	10.1	10.7	53.8	50.8	10.3	7.7	74.2	69.2
Net Premiums Earned	153.6	143.6	389.4	352.1	137.0	124.4	680.0	620.1
Net Losses Paid	89.8	88.7	223.3	219.1	59.8	56.3	372.9	364.1
Increase (Decrease) in Outstanding Losses	11.5	8.9	76.7	49.2	19.9	0.4	108.1	58.5
Net Losses Incurred	101.3	97.6	300.0	268.3	79.7	56.7	481.0	422.6
Expenses Incurred	43.4	43.8	142.1	131.1	43.9	43.8	229.4	218.7
Dividends Incurred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory Underwriting Income (Loss)	\$ 8.9	\$ 2.2	\$(52.7)	\$(47.3)	\$ 13.4	\$ 23.9	\$(30.4)	\$(21.2)
Ratios After Dividends to Policyholders:								
Loss	66.0%	68.0%	77.0%	76.2%	58.2%	45.6%	70.8%	68.2%
Expense	26.5	28.4	32.1	32.5	29.8	33.1	30.4	31.7
Combined	92.5%	96.4%	109.1%	108.7%	88.0%	78.7%	101.2%	99.9%
Premiums Written as a % of Total	5.4%	5.4%	14.6%	14.2%	4.9%	4.6%	24.9%	24.2%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Commercial Multiple Peril		Commercial Casualty		Workers' Compensation		Property and Marine		Total Commercial	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$287.8	\$276.6	\$386.6	\$331.4	\$184.3	\$158.4	\$258.5	\$253.6	\$1,117.2	\$1,020.0
Increase (Decrease) in Unearned Premiums	2.0	4.4	5.2	10.1	0.9	13.0	(12.8)	7.1	(4.7)	34.6
Net Premiums Earned	285.8	272.2	381.4	321.3	183.4	145.4	271.3	246.5	1,121.9	985.4
Net Losses Paid	96.7	152.8	136.1	142.7	62.1	58.5	91.3	117.0	386.2	471.0
Increase (Decrease) in Outstanding Losses	24.0	2.2	105.3	54.6	57.1	42.8	13.9	11.1	200.3	110.7
Net Losses Incurred	120.7	155.0	241.4	197.3	119.2	101.3	105.2	128.1	586.5	581.7
Expenses Incurred	100.2	99.0	99.8	97.4	42.2	35.6	89.1	87.2	331.3	319.2
Dividends Incurred	0.0	(0.1)	0.0	0.0	4.5	3.0	0.0	0.0	4.5	2.9
Statutory Underwriting Income (Loss)	\$ 64.9	\$ 18.3	\$ 40.2	\$ 26.6	\$ 17.5	\$ 5.5	\$ 77.0	\$ 31.2	\$ 199.6	\$ 81.6
Ratios After Dividends to Policyholders:										
Loss	42.3%	56.9%	63.3%	61.4%	66.6%	71.2%	38.8%	52.0%	52.5%	59.2%
Expense	34.8	35.8	25.8	29.4	23.5	22.9	34.5	34.4	29.8	31.4
Combined	77.1%	92.7%	89.1%	90.8%	90.1%	94.1%	73.3%	86.4%	82.3%	90.6%
Premiums Written as a % of Total	9.5%	9.7%	12.8%	11.6%	6.1%	5.6%	8.5%	8.9%	36.9%	35.8%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	Executive Protection		Financial Institutions		Other Specialty		Total Specialty		Worldwide Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$558.6	\$525.0	\$181.6	\$182.8	\$414.1	\$428.4	\$1,154.3	\$1,136.2	\$3,025.7	\$2,845.5
Increase (Decrease) in Unearned Premiums	15.8	35.8	(13.7)	(6.1)	(0.9)	103.8	1.2	133.5	70.7	237.3
Net Premiums Earned	542.8	489.2	195.3	188.9	415.0	324.6	1,153.1	1,002.7	2,955.0	2,608.2
Net Losses Paid	217.8	309.0	86.0	141.7	112.7	51.6	416.5	502.3	1,175.6	1,337.4
Increase (Decrease) in Outstanding Losses	201.8	75.7	56.9	10.6	139.1	118.4	397.8	204.7	706.2	373.9
Net Losses Incurred	419.6	384.7	142.9	152.3	251.8	170.0	814.3	707.0	1,881.8	1,711.3
Expenses Incurred	128.3	134.2	54.4	54.4	144.7	150.2	327.4	338.8	888.1	876.7
Dividends Incurred	0.0	0.0	1.4	1.7	1.4	1.4	2.8	3.1	7.3	6.0
Statutory Underwriting Income (Loss)	\$ (5.1)	\$ (29.7)	\$ (3.4)	\$ (19.5)	\$ 17.1	\$ 3.0	\$ 8.6	\$ (46.2)	177.8	14.2
Increase in Deferred Acquisition Costs									15.6	56.4
GAAP Underwriting Income									\$ 193.4	\$ 70.6
Ratios After Dividends to Policyholders:										
Loss	77.3%	78.6%	73.7%	81.4%	60.9%	52.6%	70.8%	70.7%	63.9%	65.7%
Expense	23.0	25.6	30.2	30.0	35.0	35.2	28.4	29.9	29.4	30.9
Combined	100.3%	104.2%	103.9%	111.4%	95.9%	87.8%	99.2%	100.6%	93.3%	96.6%
Premiums Written as a % of Total	18.5%	18.5%	6.0%	6.4%	13.7%	15.1%	38.2%	40.0%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE
PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
(MILLIONS OF DOLLARS)**

	United States		Foreign		Worldwide Total	
	2004	2003	2004	2003	2004	2003
Net Premiums Written	\$2,550.0	\$2,415.4	\$475.7	\$430.1	\$3,025.7	\$2,845.5
Increase (Decrease) in Unearned Premiums	132.9	279.7	(62.2)	(42.4)	70.7	237.3
Net Premiums Earned	2,417.1	2,135.7	537.9	472.5	2,955.0	2,608.2
Net Losses Paid	1,006.8	1,141.7	168.8	195.7	1,175.6	1,337.4
Increase (Decrease) in Outstanding Losses	552.2	322.7	154.0	51.2	706.2	373.9
Net Losses Incurred	1,559.0	1,464.4	322.8	246.9	1,881.8	1,711.3
Expenses Incurred	726.8	719.2	161.3	157.5	888.1	876.7
Dividends Incurred	7.3	6.0	0.0	0.0	7.3	6.0
Statutory Underwriting Income (Loss)	\$ 124.0	\$ (53.9)	\$ 53.8	\$ 68.1	177.8	14.2
Increase in Deferred Acquisition Costs					15.6	56.4
GAAP Underwriting Income					\$ 193.4	\$ 70.6
Ratios After Dividends to Policyholders:						
Loss	64.7%	68.8%	60.0%	52.3%	63.9%	65.7%
Expense	28.6	29.8	33.9	36.6	29.4	30.9
Combined	93.3%	98.6%	93.9%	88.9%	93.3%	96.6%
Premiums Written as a % of Total	84.3%	84.9%	15.7%	15.1%	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 three separate business units: personal insurance, commercial insurance and specialty insurance. Performance of the business units is based on statutory underwriting results. Statutory accounting principles 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 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 market 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 Ratio or Combined Loss and Expense 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.