

The
Chubb
Corporation

Reclassification of
Property and Casualty
Underwriting Results

For the Three Months Ended
June 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

Beginning with the first quarter of 2005, the reporting format for property and casualty underwriting results by line of business has been changed to more closely reflect the way the business is now managed. The new reporting format provides additional clarity in that all Professional Liability business is now reported in one line within Chubb Specialty Insurance, all commercial business is now reported in Chubb Commercial Insurance and Reinsurance Assumed (Chubb Re) is now reported as a separate business unit. For additional information, see the first quarter 2005 earnings release.

Property and casualty underwriting results for the second quarter of 2004 presented herein have been reclassified to conform to the new reporting format.

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 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.

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 — WORLDWIDE
RECLASSIFICATION OF PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004
(MILLIONS OF DOLLARS)

	<u>Personal Automobile</u>		<u>Homeowners</u>		<u>Other Personal</u>		<u>Total Personal</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Premiums Written		\$165.8		\$516.1		\$124.0		\$805.9
Increase (Decrease) in Unearned Premiums		16.3		53.8		(5.9)		64.2
Net Premiums Earned		149.5		462.3		129.9		741.7
Net Losses Paid		85.0		254.2		67.3		406.5
Increase (Decrease) in Outstanding Losses		16.3		4.3		10.4		31.0
Net Losses Incurred		101.3		258.5		77.7		437.5
Expenses Incurred		43.6		162.1		40.7		246.4
Dividends Incurred		0.0		0.0		0.0		0.0
Statutory Underwriting Income (Loss)		<u>\$ 4.6</u>		<u>\$ 41.7</u>		<u>\$ 11.5</u>		<u>\$ 57.8</u>
Ratios After Dividends to Policyholders:								
Loss		67.8%		55.9%		59.8%		59.0%
Expense		26.3		31.4		32.8		30.6
Combined		<u>94.1%</u>		<u>87.3%</u>		<u>92.6%</u>		<u>89.6%</u>
Premiums Written as a % of Total		5.6%		17.6%		4.3%		27.5%

The Property and Casualty underwriting results for 2004 reflect certain reclassifications to conform with the 2005 presentation. The worldwide totals are not affected.

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FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004
(MILLIONS OF DOLLARS)

	<u>Commercial Multiple Peril</u>		<u>Commercial Casualty</u>		<u>Commercial Workers' Compensation</u>		<u>Commercial Property and Marine</u>		<u>Total Commercial</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Premiums Written		\$313.6		\$412.0		\$195.7		\$270.9		\$1,192.2
Increase (Decrease) in Unearned Premiums	—	1.8	—	20.2	—	(7.4)	—	(0.4)	—	14.2
Net Premiums Earned	—	311.8	—	391.8	—	203.1	—	271.3	—	1,178.0
Net Losses Paid		142.0		266.5		86.3		125.2		620.0
Increase (Decrease) in Outstanding Losses	—	(62.1)	—	(46.6)	—	46.4	—	(46.7)	—	(109.0)
Net Losses Incurred	—	79.9	—	219.9	—	132.7	—	78.5	—	511.0
Expenses Incurred		106.4		107.4		48.4		93.3		355.5
Dividends Incurred	—	0.0	—	0.0	—	6.8	—	0.0	—	6.8
Statutory Underwriting Income (Loss)	—	\$125.5	—	\$ 64.5	—	\$ 15.2	—	\$ 99.5	—	\$ 304.7
Ratios After Dividends to Policyholders:										
Loss		25.6%		56.1%		67.6%		28.9%		43.6%
Expense	—	34.0	—	26.1	—	25.6	—	34.5	—	30.0
Combined	—	59.6%	—	82.2%	—	93.2%	—	63.4%	—	73.6%
Premiums Written as a % of Total		10.7%		14.1%		6.7%		9.2%		40.7%

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THE CHUBB CORPORATION — WORLDWIDE
RECLASSIFICATION OF PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004
(MILLIONS OF DOLLARS)

	Professional Liability		Surety		Total Specialty	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Premiums Written		\$ 619.6		\$ 45.5		\$ 665.1
Increase (Decrease) in Unearned Premiums		(11.0)		0.9		(10.1)
Net Premiums Earned		630.6		44.6		675.2
Net Losses Paid		303.7		2.2		305.9
Increase (Decrease) in Outstanding Losses		383.4		3.1		386.5
Net Losses Incurred		687.1		5.3		692.4
Expenses Incurred		155.7		17.2		172.9
Dividends Incurred		0.0		0.4		0.4
Statutory Underwriting Income (Loss)		<u>\$ (212.2)</u>		<u>\$ 21.7</u>		<u>\$ (190.5)</u>
Ratios After Dividends to Policyholders:						
Loss		109.0%		12.0%		102.6%
Expense		25.1		38.1		26.0
Combined		<u>134.1%</u>		<u>50.1%</u>		<u>128.6%</u>
Premiums Written as a % of Total		21.1%		1.6%		22.7%

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RECLASSIFICATION OF PROPERTY AND CASUALTY UNDERWRITING RESULTS
FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004
(MILLIONS OF DOLLARS)

	<u>Total Insurance</u>		<u>Reinsurance Assumed</u>		<u>Worldwide Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Premiums Written		\$2,663.2		\$ 266.4		\$2,929.6
Increase (Decrease) in Unearned Premiums		68.3		(0.3)		68.0
Net Premiums Earned		2,594.9		266.7		2,861.6
Net Losses Paid		1,332.4		48.2		1,380.6
Increase (Decrease) in Outstanding Losses		308.5		116.8		425.3
Net Losses Incurred		1,640.9		165.0		1,805.9
Expenses Incurred		774.8		88.5		863.3
Dividends Incurred		7.2		0.0		7.2
Statutory Underwriting Income (Loss)		<u>\$ 172.0</u>		<u>\$ 13.2</u>		185.2
Increase in Deferred Acquisition Costs						9.8
GAAP Underwriting Income						<u>\$ 195.0</u>
Ratios After Dividends to Policyholders:						
Loss		63.4%		61.9%		63.3%
Expense		29.2		33.2		29.5
Combined		<u>92.6%</u>		<u>95.1%</u>		<u>92.8%</u>
Premiums Written as a % of Total		90.9%		9.1%		100.0%

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(MILLIONS OF DOLLARS)

	<u>United States</u>		<u>Foreign</u>		<u>Worldwide Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Premiums Written		\$2,430.2		\$ 499.4		\$2,929.6
Increase (Decrease) in Unearned Premiums		69.3		(1.3)		68.0
Net Premiums Earned		2,360.9		500.7		2,861.6
Net Losses Paid		1,179.4		201.2		1,380.6
Increase (Decrease) in Outstanding Losses		323.6		101.7		425.3
Net Losses Incurred		1,503.0		302.9		1,805.9
Expenses Incurred		699.0		164.3		863.3
Dividends Incurred		7.2		0.0		7.2
Statutory Underwriting Income (Loss)		<u>\$ 151.7</u>		<u>\$ 33.5</u>		185.2
Increase in Deferred Acquisition Costs						9.8
GAAP Underwriting Income						<u>\$ 195.0</u>
Ratios After Dividends to Policyholders:						
Loss		63.9%		60.5%		63.3%
Expense		28.8		32.9		29.5
Combined		<u>92.7%</u>		<u>93.4%</u>		<u>92.8%</u>
Premiums Written as a % of Total		83.0%		17.0%		100.0%