

The  
Chubb  
Corporation

Modification of the Presentation of Losses  
Incurred in the Property and Casualty  
Underwriting Results

For the Six Months  
and Quarters Ended  
June 30, 2008 and 2007

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 in the third quarter of 2008, the “net losses paid” and “increase (decrease) in outstanding losses” amounts in the property and casualty underwriting results reflect the impact of foreign currency fluctuations differently than in the past.

The property and casualty underwriting results that follow this page reflect modification to previously reported net losses paid and increase (decrease) in outstanding losses. Since net losses paid and increase (decrease) in outstanding losses for each line of business and in total have been modified by offsetting amounts, incurred losses for each line of business and in total are unchanged.

### **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 measured based on statutory underwriting results. Statutory accounting principles applicable to property and casualty insurance companies 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  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007  
(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 303	\$ 311	\$ 1,213	\$ 1,174	\$ 376	\$ 330	\$ 1,892	\$ 1,815
<b>Increase (Decrease) in Unearned Premiums</b>	(8)	(18)	(9)	15	22	21	5	18
<b>Net Premiums Earned</b>	311	329	1,222	1,159	354	309	1,887	1,797
<b>Net Losses Paid</b>	191	208	547	532	192	140	930	880
<b>Increase (Decrease) in Outstanding Losses</b>	(2)	(10)	3	(3)	38	50	39	37
<b>Net Losses Incurred</b>	189	198	550	529	230	190	969	917
<b>Expenses Incurred</b>	88	89	393	373	123	105	604	567
<b>Dividends Incurred</b>	—	—	—	—	—	—	—	—
<b>Statutory Underwriting Income (Loss)</b>	\$ 34	\$ 42	\$ 279	\$ 257	\$ 1	\$ 14	\$ 314	\$ 313
<b>Ratios After Dividends to Policyholders:</b>								
<b>Loss</b>	60.8%	60.2%	45.0%	45.6%	65.0%	61.5%	51.4%	51.1%
<b>Expense</b>	29.0	28.6	32.4	31.8	32.7	31.8	31.9	31.2
<b>Combined</b>	89.8%	88.8%	77.4%	77.4%	97.7%	93.3%	83.3%	82.3%
<b>Premiums Written as a % of Total</b>	5.1%	5.2%	20.3%	19.8%	6.3%	5.6%	31.7%	30.6%

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	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	<b>\$ 607</b>	<b>\$ 613</b>	<b>\$ 896</b>	<b>\$ 897</b>	<b>\$ 461</b>	<b>\$ 481</b>	<b>\$ 677</b>	<b>\$ 626</b>	<b>\$2,641</b>	<b>\$2,617</b>
<b>Increase (Decrease) in Unearned Premiums</b>	<b><u>(21)</u></b>	<b><u>(20)</u></b>	<b><u>32</u></b>	<b><u>33</u></b>	<b><u>21</u></b>	<b><u>23</u></b>	<b><u>61</u></b>	<b><u>23</u></b>	<b><u>93</u></b>	<b><u>59</u></b>
<b>Net Premiums Earned</b>	<b><u>628</u></b>	<b><u>633</u></b>	<b><u>864</u></b>	<b><u>864</u></b>	<b><u>440</u></b>	<b><u>458</u></b>	<b><u>616</u></b>	<b><u>603</u></b>	<b><u>2,548</u></b>	<b><u>2,558</u></b>
<b>Net Losses Paid</b>	<b>284</b>	<b>305</b>	<b>392</b>	<b>398</b>	<b>198</b>	<b>174</b>	<b>294</b>	<b>282</b>	<b>1,168</b>	<b>1,159</b>
<b>Increase (Decrease) in Outstanding Losses</b>	<b><u>(12)</u></b>	<b><u>10</u></b>	<b><u>164</u></b>	<b><u>167</u></b>	<b><u>43</u></b>	<b><u>62</u></b>	<b><u>156</u></b>	<b><u>37</u></b>	<b><u>351</u></b>	<b><u>276</u></b>
<b>Net Losses Incurred</b>	<b><u>272</u></b>	<b><u>315</u></b>	<b><u>556</u></b>	<b><u>565</u></b>	<b><u>241</u></b>	<b><u>236</u></b>	<b><u>450</u></b>	<b><u>319</u></b>	<b><u>1,519</u></b>	<b><u>1,435</u></b>
<b>Expenses Incurred</b>	<b>216</b>	<b>216</b>	<b>249</b>	<b>251</b>	<b>103</b>	<b>105</b>	<b>232</b>	<b>222</b>	<b>800</b>	<b>794</b>
<b>Dividends Incurred</b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>17</u></b>	<b><u>7</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>17</u></b>	<b><u>7</u></b>
<b>Statutory Underwriting Income (Loss)</b>	<b><u>\$ 140</u></b>	<b><u>\$ 102</u></b>	<b><u>\$ 59</u></b>	<b><u>\$ 48</u></b>	<b><u>\$ 79</u></b>	<b><u>\$ 110</u></b>	<b><u>\$ (66)</u></b>	<b><u>\$ 62</u></b>	<b><u>\$ 212</u></b>	<b><u>\$ 322</u></b>
<b>Ratios After Dividends to Policyholders:</b>										
<b>Loss</b>	<b>43.3%</b>	<b>49.8%</b>	<b>64.3%</b>	<b>65.4%</b>	<b>57.0%</b>	<b>52.3%</b>	<b>73.0%</b>	<b>52.9%</b>	<b>60.0%</b>	<b>56.3%</b>
<b>Expense</b>	<b><u>35.6</u></b>	<b><u>35.2</u></b>	<b><u>27.8</u></b>	<b><u>28.0</u></b>	<b><u>23.2</u></b>	<b><u>22.2</u></b>	<b><u>34.3</u></b>	<b><u>35.5</u></b>	<b><u>30.5</u></b>	<b><u>30.4</u></b>
<b>Combined</b>	<b><u>78.9%</u></b>	<b><u>85.0%</u></b>	<b><u>92.1%</u></b>	<b><u>93.4%</u></b>	<b><u>80.2%</u></b>	<b><u>74.5%</u></b>	<b><u>107.3%</u></b>	<b><u>88.4%</u></b>	<b><u>90.5%</u></b>	<b><u>86.7%</u></b>
<b>Premiums Written as a % of Total</b>	<b>10.1%</b>	<b>10.3%</b>	<b>15.0%</b>	<b>15.1%</b>	<b>7.7%</b>	<b>8.2%</b>	<b>11.3%</b>	<b>10.6%</b>	<b>44.1%</b>	<b>44.2%</b>

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007  
(DOLLARS IN MILLIONS)**

	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 1,230	\$ 1,246	\$ 184	\$ 178	\$ 1,414	\$ 1,424
<b>Increase (Decrease) in Unearned Premiums</b>	(88)	(74)	14	24	(74)	(50)
<b>Net Premiums Earned</b>	1,318	1,320	170	154	1,488	1,474
<b>Net Losses Paid</b>	705	665	26	5	731	670
<b>Increase (Decrease) in Outstanding Losses</b>	58	120	58	(1)	116	119
<b>Net Losses Incurred</b>	763	785	84	4	847	789
<b>Expenses Incurred</b>	319	315	58	52	377	367
<b>Dividends Incurred</b>	—	—	1	1	1	1
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 236</u>	<u>\$ 220</u>	<u>\$ 27</u>	<u>\$ 97</u>	<u>\$ 263</u>	<u>\$ 317</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	57.9%	59.5%	49.7%	2.6%	56.9%	53.6%
<b>Expense</b>	25.9	25.3	31.7	29.4	26.7	25.8
<b>Combined</b>	<u>83.8%</u>	<u>84.8%</u>	<u>81.4%</u>	<u>32.0%</u>	<u>83.6%</u>	<u>79.4%</u>
<b>Premiums Written as a % of Total</b>	20.5%	21.0%	3.1%	3.0%	23.6%	24.0%

**THE CHUBB CORPORATION — WORLDWIDE  
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	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 5,947	\$ 5,856	\$ 36	\$ 69	\$ 5,983	\$ 5,925
<b>Increase (Decrease) in Unearned Premiums</b>	<u>24</u>	<u>27</u>	<u>(3)</u>	<u>(51)</u>	<u>21</u>	<u>(24)</u>
<b>Net Premiums Earned</b>	<u>5,923</u>	<u>5,829</u>	<u>39</u>	<u>120</u>	<u>5,962</u>	<u>5,949</u>
<b>Net Losses Paid</b>	2,829	2,709	84	126	2,913	2,835
<b>Increase (Decrease) in Outstanding Losses</b>	<u>506</u>	<u>432</u>	<u>(86)</u>	<u>(115)</u>	<u>420</u>	<u>317</u>
<b>Net Losses Incurred</b>	<u>3,335</u>	<u>3,141</u>	<u>(2)</u>	<u>11</u>	<u>3,333</u>	<u>3,152</u>
<b>Expenses Incurred</b>	1,781	1,728	17	47	1,798	1,775
<b>Dividends Incurred</b>	<u>18</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>18</u>	<u>8</u>
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 789</u>	<u>\$ 952</u>	<u>\$ 24</u>	<u>\$ 62</u>	813	1,014
<b>Increase in Deferred Acquisition Costs</b>					<u>36</u>	<u>53</u>
<b>GAAP Underwriting Income</b>					<u>\$ 849</u>	<u>\$ 1,067</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	56.5%	54.0%	* %	* %	56.1%	53.1%
<b>Expense</b>	<u>30.0</u>	<u>29.5</u>	<u>*</u>	<u>*</u>	<u>30.1</u>	<u>30.0</u>
<b>Combined</b>	<u>86.5%</u>	<u>83.5%</u>	<u>* %</u>	<u>* %</u>	<u>86.2%</u>	<u>83.1%</u>
<b>Premiums Written as a % of Total</b>	99.4%	98.8%	0.6%	1.2%	100.0%	100.0%

\* Combined, loss and expense ratios are no longer presented for Reinsurance Assumed since this business is in run-off.

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	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	<b>\$ 4,479</b>	<b>\$ 4,592</b>	<b>\$ 1,504</b>	<b>\$ 1,333</b>	<b>\$ 5,983</b>	<b>\$ 5,925</b>
<b>Increase (Decrease) in Unearned Premiums</b>	<u>(43)</u>	<u>(76)</u>	<u>64</u>	<u>52</u>	<u>21</u>	<u>(24)</u>
<b>Net Premiums Earned</b>	<u>4,522</u>	<u>4,668</u>	<u>1,440</u>	<u>1,281</u>	<u>5,962</u>	<u>5,949</u>
<b>Net Losses Paid</b>	2,305	2,339	608	496	2,913	2,835
<b>Increase (Decrease) in Outstanding Losses</b>	<u>340</u>	<u>153</u>	<u>80</u>	<u>164</u>	<u>420</u>	<u>317</u>
<b>Net Losses Incurred</b>	<u>2,645</u>	<u>2,492</u>	<u>688</u>	<u>660</u>	<u>3,333</u>	<u>3,152</u>
<b>Expenses Incurred</b>	1,262	1,307	536	468	1,798	1,775
<b>Dividends Incurred</b>	<u>18</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>18</u>	<u>8</u>
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 597</u>	<u>\$ 861</u>	<u>\$ 216</u>	<u>\$ 153</u>	813	1,014
<b>Increase in Deferred Acquisition Costs</b>					<u>36</u>	<u>53</u>
<b>GAAP Underwriting Income</b>					<u>\$ 849</u>	<u>\$ 1,067</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	58.7%	53.5%	47.8%	51.5%	56.1%	53.1%
<b>Expense</b>	<u>28.3</u>	<u>28.5</u>	<u>35.6</u>	<u>35.1</u>	<u>30.1</u>	<u>30.0</u>
<b>Combined</b>	<u>87.0%</u>	<u>82.0%</u>	<u>83.4%</u>	<u>86.6%</u>	<u>86.2%</u>	<u>83.1%</u>
<b>Premiums Written as a % of Total</b>	74.9%	77.5%	25.1%	22.5%	100.0%	100.0%

**THE CHUBB CORPORATION — WORLDWIDE  
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(DOLLARS IN MILLIONS)**

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 161	\$ 164	\$ 674	\$ 654	\$ 180	\$ 157	\$ 1,015	\$ 975
<b>Increase (Decrease) in Unearned Premiums</b>	6	—	61	70	1	2	68	72
<b>Net Premiums Earned</b>	155	164	613	584	179	155	947	903
<b>Net Losses Paid</b>	87	99	279	290	109	61	475	450
<b>Increase (Decrease) in Outstanding Losses</b>	4	(9)	(9)	19	12	32	7	42
<b>Net Losses Incurred</b>	91	90	270	309	121	93	482	492
<b>Expenses Incurred</b>	45	45	209	202	61	53	315	300
<b>Dividends Incurred</b>	—	—	—	—	—	—	—	—
<b>Statutory Underwriting Income (Loss)</b>	\$ 19	\$ 29	\$ 134	\$ 73	\$ (3)	\$ 9	\$ 150	\$ 111
<b>Ratios After Dividends to Policyholders:</b>								
<b>Loss</b>	58.7%	54.9%	44.1%	52.9%	67.6%	60.0%	50.9%	54.5%
<b>Expense</b>	28.0	27.4	31.0	30.9	33.9	33.8	31.0	30.8
<b>Combined</b>	86.7%	82.3%	75.1%	83.8%	101.5%	93.8%	81.9%	85.3%
<b>Premiums Written as a % of Total</b>	5.3%	5.4%	22.1%	21.4%	5.9%	5.1%	33.3%	31.9%

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	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 312	\$ 306	\$ 436	\$ 456	\$ 213	\$ 224	\$ 340	\$ 325	\$1,301	\$1,311
<b>Increase (Decrease) in Unearned Premiums</b>	<u>2</u>	<u>(7)</u>	<u>7</u>	<u>21</u>	<u>(10)</u>	<u>(6)</u>	<u>20</u>	<u>22</u>	<u>19</u>	<u>30</u>
<b>Net Premiums Earned</b>	<u>310</u>	<u>313</u>	<u>429</u>	<u>435</u>	<u>223</u>	<u>230</u>	<u>320</u>	<u>303</u>	<u>1,282</u>	<u>1,281</u>
<b>Net Losses Paid</b>	144	147	230	175	99	89	140	138	613	549
<b>Increase (Decrease) in Outstanding Losses</b>	<u>(7)</u>	<u>13</u>	<u>46</u>	<u>105</u>	<u>15</u>	<u>20</u>	<u>138</u>	<u>12</u>	<u>192</u>	<u>150</u>
<b>Net Losses Incurred</b>	<u>137</u>	<u>160</u>	<u>276</u>	<u>280</u>	<u>114</u>	<u>109</u>	<u>278</u>	<u>150</u>	<u>805</u>	<u>699</u>
<b>Expenses Incurred</b>	110	109	120	128	50	53	114	111	394	401
<b>Dividends Incurred</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 63</u>	<u>\$ 44</u>	<u>\$ 33</u>	<u>\$ 27</u>	<u>\$ 50</u>	<u>\$ 65</u>	<u>\$ (72)</u>	<u>\$ 42</u>	<u>\$ 74</u>	<u>\$ 178</u>
<b>Ratios After Dividends to Policyholders:</b>										
<b>Loss</b>	44.2%	51.1%	64.4%	64.4%	53.3%	48.0%	86.9%	49.5%	63.2%	54.7%
<b>Expense</b>	<u>35.3</u>	<u>35.6</u>	<u>27.5</u>	<u>28.0</u>	<u>24.5</u>	<u>24.0</u>	<u>33.5</u>	<u>34.2</u>	<u>30.5</u>	<u>30.7</u>
<b>Combined</b>	<u>79.5%</u>	<u>86.7%</u>	<u>91.9%</u>	<u>92.4%</u>	<u>77.8%</u>	<u>72.0%</u>	<u>120.4%</u>	<u>83.7%</u>	<u>93.7%</u>	<u>85.4%</u>
<b>Premiums Written as a % of Total</b>	10.2%	10.0%	14.3%	14.9%	7.0%	7.3%	11.2%	10.7%	42.7%	42.9%

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	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 626	\$ 649	\$ 85	\$ 94	\$ 711	\$ 743
<b>Increase (Decrease) in Unearned Premiums</b>	(24)	(8)	(3)	18	(27)	10
<b>Net Premiums Earned</b>	650	657	88	76	738	733
<b>Net Losses Paid</b>	343	328	14	4	357	332
<b>Increase (Decrease) in Outstanding Losses</b>	39	40	69	(1)	108	39
<b>Net Losses Incurred</b>	382	368	83	3	465	371
<b>Expenses Incurred</b>	158	159	29	27	187	186
<b>Dividends Incurred</b>	—	—	—	—	—	—
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 110</u>	<u>\$ 130</u>	<u>\$ (24)</u>	<u>\$ 46</u>	<u>\$ 86</u>	<u>\$ 176</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	58.8%	56.0%	94.3%	4.0%	63.0%	50.6%
<b>Expense</b>	<u>25.2</u>	<u>24.5</u>	<u>34.1</u>	<u>28.7</u>	<u>26.3</u>	<u>25.0</u>
<b>Combined</b>	<u>84.0%</u>	<u>80.5%</u>	<u>128.4%</u>	<u>32.7%</u>	<u>89.3%</u>	<u>75.6%</u>
<b>Premiums Written as a % of Total</b>	20.5%	21.2%	2.8%	3.1%	23.3%	24.3%

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FOR THE QUARTERS ENDED JUNE 30, 2008 AND 2007  
(DOLLARS IN MILLIONS)**

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 3,027	\$ 3,029	\$ 20	\$ 29	\$ 3,047	\$ 3,058
<b>Increase (Decrease) in Unearned Premiums</b>	<u>60</u>	<u>112</u>	<u>1</u>	<u>(18)</u>	<u>61</u>	<u>94</u>
<b>Net Premiums Earned</b>	<u>2,967</u>	<u>2,917</u>	<u>19</u>	<u>47</u>	<u>2,986</u>	<u>2,964</u>
<b>Net Losses Paid</b>	1,445	1,331	52	75	1,497	1,406
<b>Increase (Decrease) in Outstanding Losses</b>	<u>307</u>	<u>231</u>	<u>(55)</u>	<u>(65)</u>	<u>252</u>	<u>166</u>
<b>Net Losses Incurred</b>	<u>1,752</u>	<u>1,562</u>	<u>(3)</u>	<u>10</u>	<u>1,749</u>	<u>1,572</u>
<b>Expenses Incurred</b>	896	887	8	18	904	905
<b>Dividends Incurred</b>	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 310</u>	<u>\$ 465</u>	<u>\$ 14</u>	<u>\$ 19</u>	324	484
<b>Increase in Deferred Acquisition Costs</b>					<u>23</u>	<u>56</u>
<b>GAAP Underwriting Income</b>					<u>\$ 347</u>	<u>\$ 540</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss</b>	59.2%	53.6%	* %	* %	58.7%	53.1%
<b>Expense</b>	<u>29.7</u>	<u>29.3</u>	<u>*</u>	<u>*</u>	<u>29.8</u>	<u>29.6</u>
<b>Combined</b>	<u>88.9%</u>	<u>82.9%</u>	<u>*</u> %	<u>*</u> %	<u>88.5%</u>	<u>82.7%</u>
<b>Premiums Written as a % of Total</b>	99.3%	99.1%	0.7%	0.9%	100.0%	100.0%

\* Combined, loss and expense ratios are no longer presented for Reinsurance Assumed since this business is in run-off.

**THE CHUBB CORPORATION — WORLDWIDE  
PROPERTY AND CASUALTY UNDERWRITING RESULTS  
FOR THE QUARTERS ENDED JUNE 30, 2008 AND 2007  
(DOLLARS IN MILLIONS)**

	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
<b>Net Premiums Written</b>	\$ 2,344	\$ 2,426	\$ 703	\$ 632	\$ 3,047	\$ 3,058
<b>Increase (Decrease) in Unearned Premiums</b>	<u>89</u>	<u>107</u>	<u>(28)</u>	<u>(13)</u>	<u>61</u>	<u>94</u>
<b>Net Premiums Earned</b>	<u>2,255</u>	<u>2,319</u>	<u>731</u>	<u>645</u>	<u>2,986</u>	<u>2,964</u>
<b>Net Losses Paid</b>	1,165	1,172	332	234	1,497	1,406
<b>Increase (Decrease) in Outstanding Losses</b>	<u>230</u>	<u>40</u>	<u>22</u>	<u>126</u>	<u>252</u>	<u>166</u>
<b>Net Losses Incurred</b>	<u>1,395</u>	<u>1,212</u>	<u>354</u>	<u>360</u>	<u>1,749</u>	<u>1,572</u>
<b>Expenses Incurred</b>	648	684	256	221	904	905
<b>Dividends Incurred</b>	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
<b>Statutory Underwriting Income (Loss)</b>	<u>\$ 203</u>	<u>\$ 420</u>	<u>\$ 121</u>	<u>\$ 64</u>	324	484
<b>Increase in Deferred Acquisition Costs</b>					<u>23</u>	<u>56</u>
<b>GAAP Underwriting Income</b>					<u>\$ 347</u>	<u>\$ 540</u>
<b>Ratios After Dividends to Policyholders:</b>						
<b>Loss Expense</b>	<u>62.1%</u>	<u>52.3%</u>	<u>48.4%</u>	<u>55.8%</u>	<u>58.7%</u>	<u>53.1%</u>
<b>Combined</b>	<u>89.9%</u>	<u>80.5%</u>	<u>84.8%</u>	<u>90.8%</u>	<u>88.5%</u>	<u>82.7%</u>
<b>Premiums Written as a % of Total</b>	76.9%	79.3%	23.1%	20.7%	100.0%	100.0%