CHUBB®

# Disclosure Statement

31 December 2025

# Disclosure Statement at 31 December 2025

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the Insurance (Public Disclosure) Rules.

## 1. Company profile

(a) Authorized insurer's name

Chubb Insurance Hong Kong Limited

(b) Nature of the business, and places of business operations

Chubb Insurance Hong Kong Limited carries on general insurance business in Hong Kong. The general insurance business is conducted on both a direct and reinsurance basis, with a focus on specialist and niche solutions for corporate and consumer customers. The major lines of business include property, casualty, marine, financial lines, consumer lines, accident and health, and multinational insurance programmes. The principal place of business and key operating base is Hong Kong SAR, from which the company serves clients locally and supports regional and global insurance needs.

(c) Description of corporate structure

Chubb Insurance Hong Kong Limited is incorporated in Hong Kong SAR and carries on general insurance business in Hong Kong SAR on both a direct and reinsurance basis. Its principal place of business and main operating base is Hong Kong SAR, from which it serves corporate and consumer customers through a broad range of insurance products and services.

The ultimate holding company of the Chubb group is Chubb Limited, which is incorporated in Switzerland and listed on the New York Stock Exchange since 25 March 1993. Chubb Limited is a global insurance holding company and a world leader in insurance, with both general and life insurance operations across multiple countries and territories. The group has a long-standing presence in Hong Kong SAR through its predecessor companies and continues to support its local operations through its global network, underwriting expertise, claims capabilities, and risk engineering services.

## 2. Corporate governance framework

As an insurance company, Chubb Insurance Hong Kong Limited in the business of managing risk. Our corporate governance helps us mitigate and manage risks by providing clear lines of oversight and responsibility for management and the Board of Directors. We review and advance our corporate governance regularly based on evolving legal, regulatory and other considerations, including business needs and in consideration of best practices.

Chubb Insurance Hong Kong Limited has established a robust corporate governance framework supported by organizational policies, Board and committee charters and a global Code of Conduct. This framework clearly defines roles, responsibilities, and operating procedures, with formal committee oversight of key matters affecting risk, capital, financial position, and project governance. It is further underpinned by an enterprise risk management framework that integrates risk considerations into strategic and operational decision-making, aligned with the company's business objectives and risk culture. Supported by the "Tone from the Top" approach and the Three Lines of Defence model, the framework promotes effective oversight, accountability, timely escalation of issues, and compliance with applicable regulatory requirements.

**The key components of the Corporate Governance framework are:**

- Business planning
- Global risk management
- Performance monitoring
- Accountability

**The Chubb Corporate Governance Code is a set of:**

- Principles – fundamental rules of ethical behaviour
- Prescribed applications – standards requiring mandatory compliance, and if not, public disclosure
- Best practices – desirable practical standards recommended for optimal governance

**The Seven Key Principles of Chubb Corporate Governance are:**

1. Independence
2. Integrity
3. Proper oversight
4. Accountability
5. Strong internal controls
6. Transparency
7. Deterrence

## 3. Financial position

(a) Balance sheet determined under the Insurance (Valuation and Capital) Rules

| (Unit: in HKD thousands) | As at 31 December 2025 | As at 31 December 2024 |
|---|---|---|
| | **Total** | **Total** |
| **Total assets** | **6,174,640** | **6,546,024** |
| Cash and deposits | 130,166 | 531,662 |
| Debt securities | 3,044,958 | 3,020,166 |
| Equities (including portfolio investments) | - | - |
| Derivative financial instruments | - | - |
| Properties | - | - |
| Loans and advances | - | - |
| Reverse repurchase agreement | - | - |
| Other financial assets | 789,816 | 808,877 |
| Policyholder's account assets in respect of unit linked products or retirement scheme | - | - |
| Reinsurance assets | 2,102,038 | 2,105,144 |
| Tax assets | - | - |
| Other assets | 107,662 | 80,175 |
| **Total liabilities** | **4,832,076** | **5,210,613** |
| Insurance liabilities | 3,549,453 | 3,671,694 |
| Reinsurance liabilities | - | - |
| Repurchase agreement | - | - |
| Derivative financial instruments | - | - |
| Other financial liabilities | 1,105,003 | 1,373,516 |
| Tax liabilities | 40,535 | 10,620 |
| Other liabilities | 137,085 | 154,783 |
| **Net assets** | **1,342,564** | **1,335,411** |

## 4. Investments

(a) Assumptions and methods used for valuation of investments

The major assumptions used in the valuation of investments are based on the Company's accounting policies for recognition, classification and measurement of financial assets. Purchases and sales of financial assets are recognised on the trade date, and financial assets are derecognised when the contractual rights to receive cash flows expire or when substantially all risks and rewards of ownership have been transferred. Financial assets are classified according to the business model for managing the assets and the contractual terms of the cash flows, and are measured at fair value through profit or loss.

For investments with fair value, fair value is determined by reference to observable market prices where quoted prices are available. Where quoted market prices are not readily available, fair value is determined using appropriate valuation techniques based on observable market inputs to the maximum extent practicable. Accordingly, the methodology for deriving the assumptions is based on the Company's classification and measurement framework, together with market-observable pricing and valuation techniques where direct market prices are unavailable.

(b) Material change in assumptions and methods, or other commentary on investments (if any)

There were no material changes in assumptions and methods used for valuation of investments.

## 5. Insurance liabilities

(a) Total insurance liabilities determined under the Insurance (Valuation and Capital) Rules

### Insurance Liabilities of General Business

| (Unit: in HKD thousands) | As at 31 December 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Direct insurance | | | | | | | Reinsurance | | Total general business |
| | Accident and health | Motor vehicle | Marine, aviation, and transport | Property damage | Employees' compensation | General liability | Pecuniary loss | Proportional | Non-proportional | |
| **Total general insurance liabilities (<u>gross</u> of reinsurance)** | | | | | | | | | | 3,549,453 |
| **Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)** | 161,097 | 1,348 | 82,593 | 323,887 | 254,965 | 1,852,182 | - | 873,381 | - | 3,549,453 |
| Outstanding claims liabilities | 132,188 | 852 | 52,457 | 251,746 | 203,650 | 1,589,255 | - | 720,991 | - | 2,951,139 |
| Premium liabilities | 22,208 | 304 | 21,880 | 57,488 | 30,573 | 206,315 | - | 104,415 | - | 443,183 |
| Margin over current estimate for outstanding claims liabilities | 5,564 | 100 | 5,744 | 11,381 | 17,272 | 42,466 | - | 40,261 | - | 122,788 |
| Margin over current estimate for premium liabilities | 1,137 | 92 | 2,512 | 3,272 | 3,470 | 14,146 | - | 7,714 | - | 32,343 |
| **Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)** | 55,007 | 1,642 | 77,982 | 139,243 | 197,140 | 521,332 | - | 455,066 | - | 1,447,412 |

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| (Unit: in HKD thousands) | As at 31 December 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Direct insurance | | | | | | | Reinsurance | | Total general business |
| | Accident and health | Motor vehicle | Marine, aviation, and transport | Property damage | Employees' compensation | General liability | Pecuniary loss | Proportional | Non-proportional | |
| **Total general insurance liabilities (gross of reinsurance)** | | | | | | | | | | 3,671,694 |
| **Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)** | 138,324 | 1,860 | 106,258 | 281,298 | 291,099 | 1,996,333 | - | 856,522 | - | 3,671,694 |
| Outstanding claims liabilities | 106,343 | 1,415 | 71,456 | 199,476 | 225,740 | 1,721,518 | - | 689,067 | - | 3,015,015 |
| Premium liabilities | 27,306 | 387 | 24,431 | 65,438 | 40,650 | 198,454 | - | 126,058 | - | 482,724 |
| Margin over current estimate for outstanding claims liabilities | 2,950 | 34 | 6,747 | 11,191 | 19,767 | 58,357 | - | 29,834 | - | 128,880 |
| Margin over current estimate for premium liabilities | 1,725 | 24 | 3,624 | 5,193 | 4,942 | 18,004 | - | 11,563 | - | 45,075 |
| **Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)** | 40,085 | 460 | 93,627 | 153,295 | 226,770 | 659,093 | - | 393,220 | - | 1,566,550 |

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(b) Assumptions and method used to derive the assumptions for determining insurance liabilities

| |
|---|
| The Company's critical accounting estimates and judgements mainly relate to the valuation of insurance liabilities under the Insurance (Valuation and Capital) Rules. These estimates are based on historical experience, current conditions and reasonable expectations of future events, and are reviewed regularly.<br><br>For insurance contract liabilities, the Company relies on historical experience, actuarial methods and reasonable expectations of future events to estimate outstanding claims liabilities by class of business. Premium liabilities rely on plan loss ratios applied to unearned premium which is calculated based on the portion of premium attributable to future coverage periods. Key assumptions also include claims development pattern based on historical data, initial expected loss ratio by accident period, any superimposed inflation (if applicable), indirect claims handling expense rate, and risk margins by class of business. Estimates of future cashflows rely on historical payment patterns and expense-related cashflows are allocated to groups of contracts.<br><br>Discount rates are determined using the risk-free yield curves provided by the Insurance Authority. The discount rate methodology follows the Smith-Wilson approach for interpolation between maturities and extrapolation beyond the last liquid point, and the relevant generator is used to produce the base and stressed yield curves based on the prescribed input parameters and market data. The assumptions are derived in accordance with the applicable regulatory framework and are supported by the prescribed methodology and inputs used in the generation of the yield curves. The choice of discount rate is therefore based on the regulatory-prescribed risk-free curves and the corresponding methodology used to derive them. |

(c) Material change in assumptions and methods used to derive the assumptions, or other commentary on insurance liabilities (if any)

| |
|---|
| There were no material changes in assumptions and methods, in line with a relatively stable portfolio of business. |

## 6. Financial performance

(a) Financial performance in total and at a segmented level, including premiums, investment returns and claims

**Performance Analysis on Premiums and Claims**

| (Unit: in HKD thousands) | For the financial year ended 31 December 2025 |
|---|---|
| | **Total** |
| **Gross premiums**[1] | 2,215,589 |
| Regular premiums | - |
| Single premiums | - |
| **Net premiums** | 1,057,124 |
| Regular premiums | - |
| Single premiums | - |
| **Gross claims paid** | 943,782 |
| **Net claims paid** | 301,987 |

**Performance Analysis on Investment Returns**

| (Unit: in HKD thousands) | For the financial year ended 31 December 2025 |
|---|---|
| | **Total** |
| **Investment returns** | 148,561 |

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(b) Underwriting Results for general business (for pricing adequacy disclosure purposes)

**Underwriting Results of General Business**

| (Unit: in HKD thousands) | For the financial year ended 31 December 2025 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Direct insurance | | | | | | | Reinsurance | | Total general business |
| | Accident and health | Motor vehicle | Marine, aviation, and transport | Property damage | Employees' compensation | General liability | Pecuniary loss | Proportional | Non-proportional | |
| Gross premium | 485,234 | 2,034 | 84,231 | 261,489 | 127,447 | 757,992 | - | 497,162 | - | 2,215,589 |
| Net premium | 131,296 | 1,376 | 71,663 | 164,950 | 89,673 | 415,551 | - | 182,615 | - | 1,057,124 |
| Net undiscounted best estimate combined business results, relating to current year | 38,869 | (496) | (5,396) | 44,166 | 7,276 | 36,550 | - | (64,730) | - | 56,239 |
| Net undiscounted best estimate combined business results, relating to prior year | 3,754 | (552) | 27,757 | (9,153) | 35,487 | 131,131 | - | (10,872) | - | 177,552 |
| **Undiscounted underwriting results - profit / (loss)** | 40,009 | (1,115) | 23,364 | 34,823 | 45,263 | 183,572 | - | (86,029) | - | 239,887 |

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## 7. Capital adequacy

(a) Prescribed capital amount at total level and risk capital amount ("RCA") by sub-risk, determined in accordance with the Insurance (Valuation and Capital) Rules (without applying the transitional arrangement under Part 7 of the Insurance (Valuation and Capital) Rules)

**Prescribed Capital Amount**

| (Unit: in HKD thousands) | As at 31 December 2025 | As at 31 December 2024 |
|---|---|---|
| **Market risk (diversified RCA)** | 158,283 | 131,560 |
| Interest rate risk RCA | 108,755 | 85,573 |
| Credit spread risk RCA | 101,510 | 88,899 |
| Equity risk RCA | - | - |
| Property risk RCA | - | - |
| Currency risk RCA | 22,832 | 19,506 |
| Diversification benefits within market risk | (74,814) | (62,418) |
| **General Insurance Risk (diversified RCA)** | 416,200 | 427,779 |
| Reserve and premium risk RCA | 406,971 | 418,474 |
| Natural catastrophe risk RCA | 16,360 | 16,654 |
| Man-made non-systemic catastrophe risk RCA | 27,768 | 27,985 |
| Man-made systemic catastrophe risk RCA | - | - |
| Mortgage insurance risk RCA | - | - |
| Diversification benefits within general insurance risk | (34,899) | (35,334) |
| **Counterparty default and other risk RCA** | 82,125 | 68,812 |
| Diversification benefits among risk modules | (145,190) | (125,735) |
| **Operational risk RCA** | 95,240 | 96,188 |
| Adjustment for loss absorbing capacity cap | - | - |
| Adjustment for tax effect | (43,679) | (21,549) |
| Any other items which the IA may specify to adjust | - | - |
| **Prescribed capital amount** | 562,979 | 577,055 |

(b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

**Capital Base**

| (Unit: in HKD thousands) | As at 31 December 2025 | As at 31 December 2024 |
|---|---|---|
| Unlimited Tier 1 capital | 1,342,564 | 1,335,411 |
| Limited Tier 1 capital | - | - |
| Tier 2 capital | - | - |
| **Capital base** | 1,342,564 | 1,335,411 |

(c) Ratio of capital base to prescribed capital amount

| | As at 31 December 2025 | As at 31 December 2024 |
|---|---|---|
| **Ratio of capital base to prescribed capital amount** | **238%** | **231%** |

## 8. Risk Management

(a) Risk appetite and risk governance framework

Chubb has a Risk Management Framework ("RMF") in place which is designed to help the Company achieve a prudent and reasonable balance between risk and return. Chubb's RMF provides the framework or structure for managing risk and future events effectively, which is needed to both protect and enhance the business in meeting its strategic objectives.

The RMF takes into account the Company's business and financial objectives and regulatory needs. It outlines the degree of risk the Company is willing to assume in pursuit of its strategic objectives. The Board of Directors ("the Board") of Chubb has the ultimate responsibility and oversight of the Company's risk management, the Board Risk and Compliance Committee ("BRCC") helps execute the Board's supervisory responsibilities pertaining to enterprise risk management and in discharging this responsibility, the BRCC delegates key functions to the Enterprise Risk Committee which in turn assists and reports to the BRCC. Primary ownership for the daily execution of risk management and controls rests with the business, led by Chubb's senior management.

The Company's Enterprise Risk Management ("ERM") framework is modelled after the Chubb Group's global ERM framework. More information about the Chubb Group's ERM can be found under Item 1 of Form 10-K – "Enterprise Risk Management" here.

(b) Insurance risk management

Chubb is an underwriting company and we strive to emphasize quality of underwriting rather than volume of business or market share. Our underwriting strategy is to manage risk by employing consistent, disciplined pricing and risk selection. There are clearly defined underwriting authorities, standards and guidelines coupled with a strong underwriting audit function in place across our various product lines locally, which is in turn driven and monitored by the Chubb Group. We are focused on adherence to criteria for risk selection by maintaining high levels of experience and expertise in our underwriting staff with strong support from our Asia Pacific Region and International network of expertise within the Chubb Group. We also employ a business review structure that helps ensure control of risk quality and conservative use of policy limits and terms and conditions. The actuaries within the Chubb Group work closely with the Company's underwriting teams to provide additional expertise in the underwriting process.
As part of our risk management strategy, we also purchase reinsurance as a tool to diversify risk and limit the net loss exposure including catastrophes to a level consistent with our risk appetite. In line with the Chubb Group's policy, reinsurer selection is selected based upon its financial strength, claims settlement record, management, line of business expertise, and its price for assuming the risk transferred. The Chubb Group maintains a Chubb authorised reinsurer list that stratifies these authorised reinsurers by classes of business and acceptable limits.
Quantitative information on concentration of insurance risk by major lines of business before and after reinsurance and further information on insurance risk management can be found in Note 4.1 of the Financial Statements here.

(c) Investment risk management

The Company's principal investment objective is to ensure that funds will be available to meet our primary insurance and reinsurance obligations. Within this broad liquidity constraint, our investment portfolio's structure seeks to maximise return subject to specifically approved guidelines of overall asset classes, credit quality, liquidity and volatility of expected returns. As such, our investment portfolio is invested primarily in investment-grade fixed income securities as measured by the major rating agencies. The Regional Investment Committee conducts quarterly review with fund managers on the

| |
|---|
| portfolio's performance and ensures the investment mandates as set by the Company are adhered to. The local Investment Committee oversees day-to-day management of the implementation of operational strategies and decisions in respect of the investment guidelines.<br>Quantitative information on asset allocation and concentration and further information on investment risk management can be found in Note 4.2 of the Financial Statements here. |

(d) Other risk management (if any)

| |
|---|
| Information on the Company's other risk management policies and procedures can be found in Note 4 of the Financial Statements here. |

## 9. Statement of Compliance

(i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of Chubb Insurance Hong Kong Limited;

(ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Public Disclosure) Rules and the Insurance (Valuation and Capital) Rules (subject to any variation or relaxation applied thereto);

(iii) I am satisfied that the information in this disclosure statement can be reconciled with the relevant specified annual forms, on each of which an auditor's report is provided, of Chubb Insurance Hong Kong Limited's annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4(1) of the Insurance (Submission of Statements, Reports and Information) Rules; and

(iv) I am satisfied that Chubb Insurance Hong Kong Limited has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules (as relaxed or varied, if applicable), during the financial year to which this disclosure statement relates.

| | |
|---|---|
| Name: | Scott Leslie Simpson |
| Position: | President |
| Company Name: | Chubb Insurance Hong Kong Limited |

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## About Chubb in Hong Kong SAR

Chubb is a world leader in insurance. With both general and life insurance operations, Chubb has been present in Hong Kong SAR for more than 90 years via acquisitions by its predecessor companies. Its general insurance operation in Hong Kong SAR (Chubb Insurance Hong Kong Limited) is a niche and specialist general insurer. The company's product offerings include property, casualty, marine, financial lines and consumer lines designed for large corporates, midsized commercial & small business enterprises as well as retail customers. Over the years, it has established strong client relationships by being consistent and responsive, by offering market leading claims services and innovative products, and providing market leadership built on financial strength.

More information can be found at www.chubb.com/hk.

## Contact Us

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