

The
Chubb
Corporation

Supplementary
Investor
Information

June 30, 2008

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

	<u>June 30</u> <u>2008</u>	<u>Dec. 31</u> <u>2007</u>
	<i>(in millions)</i>	
Invested Assets (at carrying value)		
Short Term Investments	\$ 2,677	\$ 1,839
Fixed Maturities		
Tax Exempt	18,258	18,559
Taxable	15,673	15,312
Equity Securities	1,996	2,320
Other Invested Assets	<u>2,154</u>	<u>2,051</u>
Total Invested Assets	<u><u>\$40,758</u></u>	<u><u>\$40,081</u></u>
Capitalization		
Long Term Debt	\$ 4,435	\$ 3,460
Shareholders' Equity	<u>14,133</u>	<u>14,445</u>
Total Capitalization	<u><u>\$18,568</u></u>	<u><u>\$17,905</u></u>
DEBT AS A PERCENTAGE OF TOTAL CAPITALIZATION	23.9%	19.3%
Actual Common Shares Outstanding	360.6	374.6
Book Value Per Common Share	\$ 39.19	\$ 38.56
Book Value Per Common Share, with Available-for-Sale Fixed Maturities at Amortized Cost	\$ 39.29	\$ 37.87

THE CHUBB CORPORATION
SHARE REPURCHASE ACTIVITY
(dollars in millions, except per share amounts)

	<u>Periods Ended June 30</u>		<u>From December 2005 to June 30, 2008</u>
	<u>Second Quarter 2008</u>	<u>Six Months 2008</u>	
Cost of Shares Repurchased	\$281	\$863	\$4,439
Average Cost Per Share	\$51.40	\$51.38	\$51.21
Shares Repurchased	5,477,480	16,797,464	86,684,794

In December 2005, the Board of Directors authorized the repurchase of up to 28,000,000 shares of the Corporation's common stock. No shares remain under the 2005 share repurchase authorization.

In December 2006, the Board of Directors authorized the repurchase of up to 20,000,000 shares of the Corporation's common stock. In March 2007, the Board of Directors authorized an increase of 20,000,000 shares to the authorization approved in December 2006. No shares remain under the 2006 share repurchase authorization.

In December 2007, the Board of Directors authorized the repurchase of up to 28,000,000 shares of the Corporation's common stock. The authorization has no expiration date. As of June 30, 2008, 9,315,206 shares remained under the share repurchase authorization.

THE CHUBB CORPORATION
SUMMARY OF INVESTED ASSETS
CORPORATE

	Cost or Amortized Cost		Carrying Value (a)	
	June 30 2008	Dec. 31 2007	June 30 2008	Dec. 31 2007
	<i>(in millions)</i>			
Short Term Investments	\$ 1,696	\$ 934	\$ 1,696	\$ 934
Taxable Fixed Maturities	1,007	1,050	997	1,045
Equity Securities	262	289	344	478
TOTAL	<u>\$ 2,965</u>	<u>\$ 2,273</u>	<u>\$ 3,037</u>	<u>\$ 2,457</u>

PROPERTY AND CASUALTY

	Cost or Amortized Cost		Carrying Value (a)	
	June 30 2008	Dec. 31 2007	June 30 2008	Dec. 31 2007
	<i>(in millions)</i>			
Short Term Investments	\$ 981	\$ 905	\$ 981	\$ 905
Fixed Maturities				
Tax Exempt	18,183	18,208	18,258	18,559
Taxable	14,796	14,216	14,676	14,267
Equity Securities	1,583	1,618	1,652	1,842
Other Invested Assets	2,154	2,051	2,154	2,051
TOTAL	<u>\$ 37,697</u>	<u>\$ 36,998</u>	<u>\$ 37,721</u>	<u>\$ 37,624</u>

(a) Short term investments are carried at amortized cost, which approximates fair value. Fixed maturities and equity securities are carried at fair value. Other invested assets, which include private equity limited partnerships, are carried at Chubb's equity in the net assets of the partnerships.

THE CHUBB CORPORATION
INVESTMENT INCOME AFTER TAXES

	Periods Ended June 30			
	Second Quarter		Six Months	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<i>(in millions)</i>			
CORPORATE INVESTMENT INCOME	<u>\$ 13</u>	<u>\$ 22</u>	<u>\$ 26</u>	<u>\$ 36</u>
PROPERTY AND CASUALTY INVESTMENT INCOME				
Tax Exempt Interest	\$ 184	\$ 182	\$ 369	\$ 360
Taxable Interest	127	115	254	233
Other	21	20	41	36
Investment Expenses	(5)	(4)	(10)	(11)
TOTAL	<u>\$ 327</u>	<u>\$ 313</u>	<u>\$ 654</u>	<u>\$ 618</u>
Effective Tax Rate	20.2%	19.7%	20.2%	19.8%
After-Tax Annualized Yield	3.48%	3.46%	3.49%	3.45%

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 fair value.

STATUTORY POLICYHOLDERS' SURPLUS

	<u>June 30</u>	<u>Dec. 31</u>	<u>June 30</u>
	<u>2008</u>	<u>2007</u>	<u>2007</u>
	<i>(in millions)</i>		
Estimated Statutory Policyholders' Surplus	\$13,250	\$12,998	\$12,250
Rolling Year Statutory Net Premiums Written	\$11,901	\$11,829	\$11,873
Ratio of Statutory Net Premiums Written to Policyholders' Surplus	0.90:1	0.91:1	0.97:1

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
SIX MONTHS ENDED JUNE 30, 2008

	Net Unpaid Losses			IBNR Increase (Decrease)	All Other Unpaid Losses Increase (Decrease)
	6/30/08	12/31/07	Increase (Decrease) <i>(in millions)</i>		
Personal Insurance					
Automobile	\$ 412	\$ 411	\$ 1	\$ —	\$ 1
Homeowners	707	705	2	9	(7)
Other	792	748	44	35	9
Total Personal	1,911	1,864	47	44	3
Commercial Insurance					
Multiple Peril	1,607	1,619	(12)	46	(58)
Casualty	5,739	5,540	199	254	(55)
Workers' Compensation	1,952	1,910	42	39	3
Property and Marine	841	677	164	79	85
Total Commercial	10,139	9,746	393	418	(25)
Specialty Insurance					
Professional Liability	7,635	7,526	109	195	(86)
Surety	129	71	58	(1)	59
Total Specialty	7,764	7,597	167	194	(27)
Total Insurance	19,814	19,207	607	656	(49)
Reinsurance Assumed	1,023	1,109	(86)	(56)	(30)
Total	\$20,837	\$20,316	\$ 521	\$ 600	\$ (79)

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

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 303	\$ 311	\$ 1,213	\$ 1,174	\$ 376	\$ 330	\$ 1,892	\$ 1,815
Increase (Decrease) in Unearned Premiums	(8)	(18)	(9)	15	22	21	5	18
Net Premiums Earned	311	329	1,222	1,159	354	309	1,887	1,797
Net Losses Paid	188	206	548	529	186	138	922	873
Increase (Decrease) in Outstanding Losses	1	(8)	2	—	44	52	47	44
Net Losses Incurred	189	198	550	529	230	190	969	917
Expenses Incurred	88	89	393	373	123	105	604	567
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 34	\$ 42	\$ 279	\$ 257	\$ 1	\$ 14	\$ 314	\$ 313
Ratios After Dividends to Policyholders:								
Loss	60.8%	60.2%	45.0%	45.6%	65.0%	61.5%	51.4%	51.1%
Expense	29.0	28.6	32.4	31.8	32.7	31.8	31.9	31.2
Combined	89.8%	88.8%	77.4%	77.4%	97.7%	93.3%	83.3%	82.3%
Premiums Written as a % of Total	5.1%	5.2%	20.3%	19.8%	6.3%	5.6%	31.7%	30.6%

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

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 607	\$ 613	\$ 896	\$ 897	\$ 461	\$ 481	\$ 677	\$ 626	\$2,641	\$2,617
Increase (Decrease) in Unearned Premiums	<u>(21)</u>	<u>(20)</u>	<u>32</u>	<u>33</u>	<u>21</u>	<u>23</u>	<u>61</u>	<u>23</u>	<u>93</u>	<u>59</u>
Net Premiums Earned	<u>628</u>	<u>633</u>	<u>864</u>	<u>864</u>	<u>440</u>	<u>458</u>	<u>616</u>	<u>603</u>	<u>2,548</u>	<u>2,558</u>
Net Losses Paid	284	300	357	386	199	173	286	280	1,126	1,139
Increase (Decrease) in Outstanding Losses	<u>(12)</u>	<u>15</u>	<u>199</u>	<u>179</u>	<u>42</u>	<u>63</u>	<u>164</u>	<u>39</u>	<u>393</u>	<u>296</u>
Net Losses Incurred	<u>272</u>	<u>315</u>	<u>556</u>	<u>565</u>	<u>241</u>	<u>236</u>	<u>450</u>	<u>319</u>	<u>1,519</u>	<u>1,435</u>
Expenses Incurred	216	216	249	251	103	105	232	222	800	794
Dividends Incurred	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17</u>	<u>7</u>	<u>—</u>	<u>—</u>	<u>17</u>	<u>7</u>
Statutory Underwriting Income (Loss)	<u>\$ 140</u>	<u>\$ 102</u>	<u>\$ 59</u>	<u>\$ 48</u>	<u>\$ 79</u>	<u>\$ 110</u>	<u>\$ (66)</u>	<u>\$ 62</u>	<u>\$ 212</u>	<u>\$ 322</u>
Ratios After Dividends to Policyholders:										
Loss	43.3%	49.8%	64.3%	65.4%	57.0%	52.3%	73.0%	52.9%	60.0%	56.3%
Expense	<u>35.6</u>	<u>35.2</u>	<u>27.8</u>	<u>28.0</u>	<u>23.2</u>	<u>22.2</u>	<u>34.3</u>	<u>35.5</u>	<u>30.5</u>	<u>30.4</u>
Combined	<u>78.9%</u>	<u>85.0%</u>	<u>92.1%</u>	<u>93.4%</u>	<u>80.2%</u>	<u>74.5%</u>	<u>107.3%</u>	<u>88.4%</u>	<u>90.5%</u>	<u>86.7%</u>
Premiums Written as a % of Total	10.1%	10.3%	15.0%	15.1%	7.7%	8.2%	11.3%	10.6%	44.1%	44.2%

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

	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 1,230	\$ 1,246	\$ 184	\$ 178	\$ 1,414	\$ 1,424
Increase (Decrease) in Unearned Premiums	(88)	(74)	14	24	(74)	(50)
Net Premiums Earned	1,318	1,320	170	154	1,488	1,474
Net Losses Paid	654	636	26	5	680	641
Increase (Decrease) in Outstanding Losses	109	149	58	(1)	167	148
Net Losses Incurred	763	785	84	4	847	789
Expenses Incurred	319	315	58	52	377	367
Dividends Incurred	—	—	1	1	1	1
Statutory Underwriting Income (Loss)	\$ 236	\$ 220	\$ 27	\$ 97	\$ 263	\$ 317
Ratios After Dividends to Policyholders:						
Loss	57.9%	59.5%	49.7%	2.6%	56.9%	53.6%
Expense	25.9	25.3	31.7	29.4	26.7	25.8
Combined	83.8%	84.8%	81.4%	32.0%	83.6%	79.4%
Premiums Written as a % of Total	20.5%	21.0%	3.1%	3.0%	23.6%	24.0%

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

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 5,947	\$ 5,856	\$ 36	\$ 69	\$ 5,983	\$ 5,925
Increase (Decrease) in Unearned Premiums	<u>24</u>	<u>27</u>	<u>(3)</u>	<u>(51)</u>	<u>21</u>	<u>(24)</u>
Net Premiums Earned	<u>5,923</u>	<u>5,829</u>	<u>39</u>	<u>120</u>	<u>5,962</u>	<u>5,949</u>
Net Losses Paid	2,728	2,653	84	126	2,812	2,779
Increase (Decrease) in Outstanding Losses	<u>607</u>	<u>488</u>	<u>(86)</u>	<u>(115)</u>	<u>521</u>	<u>373</u>
Net Losses Incurred	<u>3,335</u>	<u>3,141</u>	<u>(2)</u>	<u>11</u>	<u>3,333</u>	<u>3,152</u>
Expenses Incurred	1,781	1,728	17	47	1,798	1,775
Dividends Incurred	<u>18</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>18</u>	<u>8</u>
Statutory Underwriting Income (Loss)	<u>\$ 789</u>	<u>\$ 952</u>	<u>\$ 24</u>	<u>\$ 62</u>	813	1,014
Increase in Deferred Acquisition Costs					<u>36</u>	<u>53</u>
GAAP Underwriting Income					<u>\$ 849</u>	<u>\$ 1,067</u>
Ratios After Dividends to Policyholders:						
Loss	56.5%	54.0%	* %	* %	56.1%	53.1%
Expense	<u>30.0</u>	<u>29.5</u>	<u>*</u>	<u>*</u>	<u>30.1</u>	<u>30.0</u>
Combined	<u>86.5%</u>	<u>83.5%</u>	<u>* %</u>	<u>* %</u>	<u>86.2%</u>	<u>83.1%</u>
Premiums Written as a % of Total	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.

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

	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 4,479	\$ 4,592	\$ 1,504	\$ 1,333	\$ 5,983	\$ 5,925
Increase (Decrease) in Unearned Premiums	<u>(43)</u>	<u>(76)</u>	<u>64</u>	<u>52</u>	<u>21</u>	<u>(24)</u>
Net Premiums Earned	<u>4,522</u>	<u>4,668</u>	<u>1,440</u>	<u>1,281</u>	<u>5,962</u>	<u>5,949</u>
Net Losses Paid	2,305	2,339	507	440	2,812	2,779
Increase (Decrease) in Outstanding Losses	<u>340</u>	<u>153</u>	<u>181</u>	<u>220</u>	<u>521</u>	<u>373</u>
Net Losses Incurred	<u>2,645</u>	<u>2,492</u>	<u>688</u>	<u>660</u>	<u>3,333</u>	<u>3,152</u>
Expenses Incurred	1,262	1,307	536	468	1,798	1,775
Dividends Incurred	<u>18</u>	<u>8</u>	<u>—</u>	<u>—</u>	<u>18</u>	<u>8</u>
Statutory Underwriting Income (Loss)	<u>\$ 597</u>	<u>\$ 861</u>	<u>\$ 216</u>	<u>\$ 153</u>	813	1,014
Increase in Deferred Acquisition Costs					<u>36</u>	<u>53</u>
GAAP Underwriting Income					<u>\$ 849</u>	<u>\$ 1,067</u>
Ratios After Dividends to Policyholders:						
Loss Expense	<u>58.7%</u>	<u>53.5%</u>	<u>47.8%</u>	<u>51.5%</u>	<u>56.1%</u>	<u>53.1%</u>
Combined	<u>87.0%</u>	<u>82.0%</u>	<u>83.4%</u>	<u>86.6%</u>	<u>86.2%</u>	<u>83.1%</u>
Premiums Written as a % of Total	74.9%	77.5%	25.1%	22.5%	100.0%	100.0%

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

	Personal Automobile		Homeowners		Other Personal		Total Personal	
	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 161	\$ 164	\$ 674	\$ 654	\$ 180	\$ 157	\$ 1,015	\$ 975
Increase (Decrease) in Unearned Premiums	6	—	61	70	1	2	68	72
Net Premiums Earned	155	164	613	584	179	155	947	903
Net Losses Paid	86	96	280	286	109	58	475	440
Increase (Decrease) in Outstanding Losses	5	(6)	(10)	23	12	35	7	52
Net Losses Incurred	91	90	270	309	121	93	482	492
Expenses Incurred	45	45	209	202	61	53	315	300
Dividends Incurred	—	—	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 19	\$ 29	\$ 134	\$ 73	\$ (3)	\$ 9	\$ 150	\$ 111
Ratios After Dividends to Policyholders:								
Loss	58.7%	54.9%	44.1%	52.9%	67.6%	60.0%	50.9%	54.5%
Expense	28.0	27.4	31.0	30.9	33.9	33.8	31.0	30.8
Combined	86.7%	82.3%	75.1%	83.8%	101.5%	93.8%	81.9%	85.3%
Premiums Written as a % of Total	5.3%	5.4%	22.1%	21.4%	5.9%	5.1%	33.3%	31.9%

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

	Commercial Multiple Peril		Commercial Casualty		Commercial Workers' Compensation		Commercial Property and Marine		Total Commercial	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 312	\$ 306	\$ 436	\$ 456	\$ 213	\$ 224	\$ 340	\$ 325	\$1,301	\$1,311
Increase (Decrease) in Unearned Premiums	<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>
Net Premiums Earned	<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>
Net Losses Paid	146	140	229	156	101	87	139	135	615	518
Increase (Decrease) in Outstanding Losses	<u>(9)</u>	<u>20</u>	<u>47</u>	<u>124</u>	<u>13</u>	<u>22</u>	<u>139</u>	<u>15</u>	<u>190</u>	<u>181</u>
Net Losses Incurred	<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>
Expenses Incurred	110	109	120	128	50	53	114	111	394	401
Dividends Incurred	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
Statutory Underwriting Income (Loss)	<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>
Ratios After Dividends to Policyholders:										
Loss	44.2%	51.1%	64.4%	64.4%	53.3%	48.0%	86.9%	49.5%	63.2%	54.7%
Expense	<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>
Combined	<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>
Premiums Written as a % of Total	10.2%	10.0%	14.3%	14.9%	7.0%	7.3%	11.2%	10.7%	42.7%	42.9%

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

	Professional Liability		Surety		Total Specialty	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 626	\$ 649	\$ 85	\$ 94	\$ 711	\$ 743
Increase (Decrease) in Unearned Premiums	(24)	(8)	(3)	18	(27)	10
Net Premiums Earned	650	657	88	76	738	733
Net Losses Paid	352	282	14	4	366	286
Increase (Decrease) in Outstanding Losses	30	86	69	(1)	99	85
Net Losses Incurred	382	368	83	3	465	371
Expenses Incurred	158	159	29	27	187	186
Dividends Incurred	—	—	—	—	—	—
Statutory Underwriting Income (Loss)	\$ 110	\$ 130	\$ (24)	\$ 46	\$ 86	\$ 176
Ratios After Dividends to Policyholders:						
Loss	58.8%	56.0%	94.3%	4.0%	63.0%	50.6%
Expense	25.2	24.5	34.1	28.7	26.3	25.0
Combined	84.0%	80.5%	128.4%	32.7%	89.3%	75.6%
Premiums Written as a % of Total	20.5%	21.2%	2.8%	3.1%	23.3%	24.3%

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

	Total Insurance		Reinsurance Assumed		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 3,027	\$ 3,029	\$ 20	\$ 29	\$ 3,047	\$ 3,058
Increase (Decrease) in Unearned Premiums	<u>60</u>	<u>112</u>	<u>1</u>	<u>(18)</u>	<u>61</u>	<u>94</u>
Net Premiums Earned	<u>2,967</u>	<u>2,917</u>	<u>19</u>	<u>47</u>	<u>2,986</u>	<u>2,964</u>
Net Losses Paid	1,456	1,244	52	75	1,508	1,319
Increase (Decrease) in Outstanding Losses	<u>296</u>	<u>318</u>	<u>(55)</u>	<u>(65)</u>	<u>241</u>	<u>253</u>
Net Losses Incurred	<u>1,752</u>	<u>1,562</u>	<u>(3)</u>	<u>10</u>	<u>1,749</u>	<u>1,572</u>
Expenses Incurred	896	887	8	18	904	905
Dividends Incurred	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
Statutory Underwriting Income (Loss)	<u>\$ 310</u>	<u>\$ 465</u>	<u>\$ 14</u>	<u>\$ 19</u>	324	484
Increase in Deferred Acquisition Costs					<u>23</u>	<u>56</u>
GAAP Underwriting Income					<u>\$ 347</u>	<u>\$ 540</u>
Ratios After Dividends to Policyholders:						
Loss	59.2%	53.6%	*	%	58.7%	53.1%
Expense	<u>29.7</u>	<u>29.3</u>	<u>*</u>	<u>*</u>	<u>29.8</u>	<u>29.6</u>
Combined	<u>88.9%</u>	<u>82.9%</u>	<u>*</u>	<u>%</u>	<u>88.5%</u>	<u>82.7%</u>
Premiums Written as a % of Total	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
(MILLIONS OF DOLLARS)**

	United States		Outside the United States		Worldwide Total	
	2008	2007	2008	2007	2008	2007
Net Premiums Written	\$ 2,344	\$ 2,426	\$ 703	\$ 632	\$ 3,047	\$ 3,058
Increase (Decrease) in Unearned Premiums	<u>89</u>	<u>107</u>	<u>(28)</u>	<u>(13)</u>	<u>61</u>	<u>94</u>
Net Premiums Earned	<u>2,255</u>	<u>2,319</u>	<u>731</u>	<u>645</u>	<u>2,986</u>	<u>2,964</u>
Net Losses Paid	1,165	1,172	343	147	1,508	1,319
Increase (Decrease) in Outstanding Losses	<u>230</u>	<u>40</u>	<u>11</u>	<u>213</u>	<u>241</u>	<u>253</u>
Net Losses Incurred	<u>1,395</u>	<u>1,212</u>	<u>354</u>	<u>360</u>	<u>1,749</u>	<u>1,572</u>
Expenses Incurred	648	684	256	221	904	905
Dividends Incurred	<u>9</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>3</u>
Statutory Underwriting Income (Loss)	<u>\$ 203</u>	<u>\$ 420</u>	<u>\$ 121</u>	<u>\$ 64</u>	324	484
Increase in Deferred Acquisition Costs					<u>23</u>	<u>56</u>
GAAP Underwriting Income					<u>\$ 347</u>	<u>\$ 540</u>
Ratios After Dividends to Policyholders:						
Loss Expense	<u>62.1%</u>	<u>52.3%</u>	<u>48.4%</u>	<u>55.8%</u>	<u>58.7%</u>	<u>53.1%</u>
Combined	<u>89.9%</u>	<u>80.5%</u>	<u>84.8%</u>	<u>90.8%</u>	<u>88.5%</u>	<u>82.7%</u>
Premiums Written as a % of Total	76.9%	79.3%	23.1%	20.7%	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 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.

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 common 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 fair 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.