

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**Current Report
Pursuant To Section 13 or 15 (d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) - October 27, 2020

Chubb Limited

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of Incorporation)

1-11778
(Commission
File Number)

98-0091805
(I.R.S. Employer
Identification No.)

**Baerengasse 32
CH-8001 Zurich, Switzerland**
(Address of principal executive offices)

Registrant's telephone number, including area code: +41 (0)43 456 76 00

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value CHF 24.15 per share	CB	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 0.30% Senior Notes due 2024	CB/24A	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 0.875% Senior Notes due 2027	CB/27	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 1.55% Senior Notes due 2028	CB/28	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 0.875% Senior Notes due 2029	CB/29A	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 1.40% Senior Notes due 2031	CB/31	New York Stock Exchange
Guarantee of Chubb INA Holdings Inc. 2.50% Senior Notes due 2038	CB/38A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition

On October 27, 2020, Chubb Limited issued a Press Release reporting its third quarter 2020 results and the availability of its third quarter 2020 Financial Supplement. The Press Release and the Financial Supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are hereby incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, Dated October 27, 2020, Reporting Third Quarter 2020 Results
99.2	Third Quarter 2020 Financial Supplement
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Chubb Limited

By: /s/ Philip V. Bancroft

Philip V. Bancroft

Executive Vice President and Chief Financial Officer

DATE: October 27, 2020



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News Release

Chubb Reports Third Quarter Per Share Net Income and Core Operating Income of \$2.63 and \$2.00, Respectively; Net Catastrophe Losses Per Share Were \$1.76 Versus \$0.41 Prior Year; Consolidated Net Premiums Written of \$9.1 Billion, Up 5.3%, or 6.0% in Constant Dollars; Commercial P&C Net Premiums Written Globally Up 10.8%

- Net income was \$1,194 million versus \$1,091 million prior year, and core operating income was \$907 million versus \$1,236 million prior year.
- Catastrophe losses, net of reinsurance and including reinstatement premiums, were \$925 million pre-tax, or \$797 million after tax, compared with \$232 million pre-tax, or \$191 million after tax, prior year. The current quarter pre-tax catastrophe losses are primarily attributable to severe weather-related events globally of \$696 million and wildfires of \$110 million. There were no changes to the previously reported aggregate COVID-19 losses from June 30, 2020.
- The P&C combined ratio was 95.2% compared with 90.2% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 85.7% compared with 89.5% prior year. The 3.8 percentage points of margin improvement were comprised of 2.7 percentage points in the loss ratio and 1.1 percentage points in the expense ratio.
- P&C net premiums written were \$8.5 billion, up 6.4% in constant dollars, including 10.8% positive growth in commercial P&C lines and 3.3% negative growth in consumer lines, primarily from consumer lines outside North America.
- The company continued to experience strong and improving commercial P&C underwriting conditions in most regions of the world, with rate increases averaging 15% in North America and 16% in Overseas General Insurance.
- Pre-tax net investment income was \$840 million and adjusted net investment income was \$900 million.
- Book and tangible book value per share were up 3.0% and 4.7%, respectively, for the quarter.

ZURICH – October 27, 2020 – Chubb Limited (NYSE: CB) today reported net income for the quarter ended September 30, 2020 of \$1,194 million, or \$2.63 per share, compared with \$1,091 million, or \$2.38 per share, for the same quarter last year. Core operating income was \$907 million, or \$2.00 per share, compared with \$1,236 million, or \$2.70 per share, for the same quarter last year. Book and tangible book value per share increased 3.0% and 4.7%, respectively, from June 30, 2020 and now stand at \$124.98 and \$81.11, respectively. Book value was favorably impacted by total after-tax net realized and unrealized gains of \$1.1 billion in the

investment portfolio, principally due to lower interest rates and mark-to-market gains on private equities. Annualized ROE and core operating ROE were 8.6% and 7.0%, respectively. Annualized core operating return on tangible equity was 11.3%.

Chubb Limited

Third Quarter Summary

(in millions of U.S. dollars, except per share amounts)

(Unaudited)

				(Per Share)		
	2020	2019	Change	2020	2019	Change
Net income	\$1,194	\$1,091	9.4%	\$2.63	\$2.38	10.5%
Amortization of fair value adjustment of acquired invested assets and long-term debt, and other, net of tax	19	26	(26.9)%	0.04	0.06	(33.3)%
Adjusted net realized (gains) losses, net of tax	(306)	119	NM	(0.67)	0.26	NM
Core operating income, net of tax	\$907	\$1,236	(26.6)%	\$2.00	\$2.70	(25.9)%

For the three months ended September 30, 2020 and 2019, the tax expenses (benefits) related to the table above were \$(4) million and \$(8) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt, and other; \$(26) million and \$19 million, respectively, for adjusted net realized gains and losses; and \$172 million and \$219 million, respectively, for core operating income.

For the nine months ended September 30, 2020, net income was \$1,115 million, or \$2.46 per share, compared with \$3,281 million, or \$7.13 per share, for 2019. Core operating income was \$1,873 million, or \$4.13 per share, compared with \$3,601 million, or \$7.83 per share, for 2019. The P&C combined ratio was 98.9% compared to 89.9% prior year, and the current accident year P&C combined ratio excluding catastrophe losses was 86.8% compared to 89.0% prior year. Book and tangible book value per share increased 2.1% and 3.8%, respectively, from December 31, 2019. Book value was favorably impacted by total after-tax net realized and unrealized gains of \$539 million, including \$1.5 billion in the investment portfolio, principally due to lower interest rates, partially offset by \$437 million of unfavorable foreign exchange and a loss of \$456 million in the company's variable annuity reinsurance portfolio.

Chubb Limited
Nine Months Ended Summary
(in millions of U.S. dollars, except per share amounts)
(Unaudited)

				(Per Share)		
	2020	2019	Change	2020	2019	Change
Net income	\$1,115	\$3,281	(66.0)%	\$2.46	\$7.13	(65.5)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, and other, net of tax	60	96	(37.5)%	0.13	0.21	(38.1)%
Adjusted net realized (gains) losses, net of tax	698	224	NM	1.54	0.49	NM
Core operating income, net of tax	\$1,873	\$3,601	(48.0)%	\$4.13	\$7.83	(47.3)%

For the nine months ended September 30, 2020 and 2019, the tax expenses (benefits) related to the table above were \$(14) million and \$(24) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt, and other; \$(54) million and \$13 million, respectively, for adjusted net realized gains and losses; and \$363 million and \$637 million, respectively, for core operating income.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “In the third quarter, Chubb performed well despite a challenging environment that included the continued struggle by many nations to address the impact, both health and economic, of the COVID-19 pandemic, as well as a record number of natural catastrophes for the insurance industry globally. We experienced our share of the CATs with \$925 million in net pre-tax losses. Yet, we still published a 95% combined ratio, supported by significant underlying underwriting margin improvement. The P&C current accident year combined ratio excluding catastrophes was 85.7% versus 89.5% prior year, with underwriting income up 44% in constant dollars. Of the 3.8 percentage points of increased margin, 2.7 points were from an improvement in the loss ratio.

“With strong and continuously improving underwriting conditions in most all regions of the world, we grew P&C net premiums written 6.5% in the quarter in constant dollars, comprised of 10.8% growth in our commercial P&C business and a 3.3% decline in consumer lines. Commercial P&C revenue grew 11% in North America and 12% in our international business. New business growth was up briskly, and we retained our renewal business at very high levels. The global pandemic continues to depress consumer activity and, as a result, premiums declined in our global A&H and international personal lines divisions. We expect both to begin to recover sometime in 2021. On the other hand, our North America high net worth personal lines business is benefiting from a flight to quality and grew about 3% in the quarter.

“The current commercial P&C market, as we have observed, is a natural response to prolonged industry underpricing of risk and the loss cost and interest rate environment. I believe the favorable trend will endure. Where we can get paid adequately to assume the risk and volatility, we are growing our exposures across the portfolio while achieving rates that exceed loss costs, and that means margin improvement. We have the people, the capabilities, the execution-oriented culture, and the command and control structure to continue capitalizing on this underwriting environment, and we expect to grow our EPS through both revenue growth and improved margins.”

Operating highlights for the quarter ended September 30, 2020 were as follows:

Chubb Limited

(in millions of U.S. dollars except for percentages)

	Q3 2020	Q3 2019	Change
P&C			
Net premiums written (increase of 6.4% in constant dollars)	\$ 8,468	\$ 8,010	5.7%
Underwriting income	\$ 392	\$ 754	(48.0)%
Combined ratio	95.2%	90.2%	
Current accident year underwriting income excluding catastrophe losses	\$ 1,171	\$ 819	43.0%
Current accident year combined ratio excluding catastrophe losses	85.7%	89.5%	

Global P&C (excludes Agriculture)

Net premiums written (increase of 6.6% in constant dollars)	\$ 7,482	\$ 7,072	5.8%
Underwriting income	\$ 327	\$ 753	(56.6)%
Combined ratio	95.5%	88.9%	
Current accident year underwriting income excluding catastrophe losses	\$ 1,078	\$ 797	35.3%
Current accident year combined ratio excluding catastrophe losses	85.0%	88.3%	

North America Agricultural Insurance

Net premiums written	\$ 986	\$ 938	5.0%
Underwriting income	\$ 65	\$ 1	NM
Combined ratio	93.3%	99.9%	
Current accident year underwriting income excluding catastrophe losses	\$ 93	\$ 22	NM
Current accident year combined ratio excluding catastrophe losses	90.4%	97.7%	

- Consolidated net premiums earned increased 5.3%, or 5.9% in constant dollars. P&C net premiums earned increased 5.7%, or 6.3% in constant dollars, including positive growth of 8.8% in commercial P&C lines and 0.8% in consumer lines.
- Total pre-tax and after-tax catastrophe losses were \$925 million (11.3 percentage points of the combined ratio) and \$797 million, respectively, compared with \$232 million (3.0 percentage points of the combined ratio) and \$191 million, respectively, last year.
- Total pre-tax and after-tax favorable prior period development were \$146 million (1.8 percentage points of the combined ratio) and \$126 million, respectively, compared with \$167 million (2.3 percentage points of the combined ratio) and \$112 million, respectively, last year.
- Global P&C current accident year combined ratio excluding catastrophe losses decreased 3.3 percentage points. Over two percentage points of the margin improvement were loss ratio-related, and the balance was expense ratio-related.
- Pre-tax net investment income was \$840 million and adjusted net investment income was \$900 million, which was above the guidance range principally due to increased call activity in the company's corporate bond portfolio and the reclassification of private equity partnership income from other income to investment income.
- Operating cash flow was \$3.5 billion.

Details of financial results by business segment are available in the Chubb Limited Financial Supplement. Key segment items for the quarter ended September 30, 2020 are presented below:

Chubb Limited (in millions of U.S. dollars except for percentages)	Q3 2020	Q3 2019	Change
<u>Total North America P&C Insurance</u>			
Net premiums written	\$ 6,049	\$ 5,641	7.2%
Commercial P&C	\$ 4,595	\$ 4,185	9.8%
Consumer P&C	\$ 1,454	\$ 1,456	(0.1)%
Combined ratio	94.7%	88.3%	
Current accident year combined ratio excluding catastrophe losses	83.6%	88.0%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written – commercial P&C	\$ 3,609	\$ 3,247	11.2%
Net premiums written – accident and health (A&H)	\$ 169	\$ 205	(18.1)%
Net premiums written	\$ 3,778	\$ 3,452	9.4%
Major accounts retail and excess and surplus (E&S) wholesale	\$ 2,294	\$ 2,043	12.2%
Middle market and small commercial	\$ 1,484	\$ 1,409	5.4%
Combined ratio	91.9%	86.9%	
Current accident year combined ratio excluding catastrophe losses	84.9%	87.6%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 1,285	\$ 1,251	2.8%
Combined ratio	103.5%	83.1%	
Current accident year combined ratio excluding catastrophe losses	74.8%	81.3%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 986	\$ 938	5.0%
Combined ratio	93.3%	99.9%	
Current accident year combined ratio excluding catastrophe losses	90.4%	97.7%	
<u>Overseas General Insurance</u>			
Net premiums written (increase of 2.8% in constant dollars)	\$ 2,238	\$ 2,228	0.5%
Commercial P&C (increase of 12.2% in constant dollars)	\$ 1,315	\$ 1,191	10.4%
Consumer P&C (decrease of 8.1% in constant dollars)	\$ 923	\$ 1,037	(10.9)%
Combined ratio	89.4%	90.5%	
Current accident year combined ratio excluding catastrophe losses	87.9%	90.0%	

- North America Commercial P&C Insurance: The current accident year combined ratio excluding catastrophe losses decreased 2.7 percentage points, including a 1.7 percentage point decrease in the loss ratio and a 1.0 percentage point decrease in the expense ratio.
- North America Personal P&C Insurance: The current accident year combined ratio excluding catastrophe losses decreased 6.5 percentage points, including a 5.9 percentage point decrease in the loss ratio and a 0.6 percentage point decrease in the expense ratio.
- North America Agricultural Insurance: The current accident year combined ratio excluding catastrophe losses decreased 7.3 percentage points, reflecting a decrease in the loss ratio of 7.1 percentage points.

- Overseas General Insurance: The current accident year combined ratio excluding catastrophe losses decreased 2.1 percentage points, including a 1.2 percentage point decrease in the loss ratio and a 0.9 percentage point decrease in the expense ratio.
- Global Reinsurance: Net premiums written were \$181 million, up 28.4%, or 27.2% in constant dollars. The combined ratio was 118.3% compared with 81.1% prior year. The current accident year combined ratio excluding catastrophe losses was 80.8% compared with 82.1% prior year.
- Life Insurance: Net premiums written were \$610 million, down 0.4%, or up 0.2% in constant dollars. Segment income was \$104 million, up \$9 million, or 10.6% in constant dollars. International life insurance segment income was \$52 million, up \$12 million, or 28.1% in constant dollars.

All comparisons are with the same period last year unless otherwise specifically stated.

Please refer to the Chubb Limited Financial Supplement, dated September 30, 2020, which is posted on the company's investor relations website, investors.chubb.com, in the Financials section for more detailed information on individual segment performance, together with additional disclosure on reinsurance recoverable, loss reserves, investment portfolio, and debt and capital.

Chubb Limited will hold its third quarter earnings conference call on Wednesday, October 28, 2020 beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 800-458-4148 (within the United States) or 323-794-2597 (international), passcode 2361321. Please refer to the Chubb website under Events and Presentations for details. A replay of the call will be available until Wednesday, November 11, 2020 and the archived webcast will be available on our website for approximately one month. To listen to the replay, please [click here](#) to register and receive dial-in numbers.

About Chubb

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London, Paris and other locations, and employs approximately 33,000 people worldwide. Additional information can be found at: www.chubb.com.

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Regulation G - Non-GAAP Financial Measures

In presenting our results, we included and discussed certain non-GAAP measures. These non-GAAP measures, which may be defined differently by other companies, are important for an understanding of our overall results of operations and financial condition. However, they should not be viewed as a substitute for measures determined in accordance with generally accepted accounting principles (GAAP).

Throughout this document there are various measures presented on a constant-dollar basis (i.e., excludes the impact of foreign exchange). We believe it is useful to evaluate the trends in our results exclusive of the effect of fluctuations in exchange rates between the U.S. dollar and the currencies in which our international business is transacted, as these exchange rates could fluctuate significantly between periods and distort the analysis of trends. The impact is determined by assuming constant foreign exchange rates between periods by translating prior period results using the same local currency exchange rates as the comparable current period.

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets from the acquisition of The Chubb Corporation (Chubb Corp) of \$28 million in Q3 2020 and \$90 million for the nine months ended September 30, 2020 and including investment income of \$32 million in Q3 2020 from partially-owned investment companies (private equity partnerships) where our ownership interest is in excess of three percent that are accounted for under the equity method. The mark-to-market movement on these private equity partnerships are included in adjusted net realized gains (losses) as described below. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

Adjusted net realized gains (losses), net of tax, includes net realized gains (losses) and net realized gains (losses) recorded in other income (expense) related to unconsolidated subsidiaries, and excludes realized gains and losses on crop derivatives. These derivatives were purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing impacts underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations, and therefore realized gains (losses) from these derivatives are reclassified to adjusted losses and loss expenses.

P&C underwriting income is calculated by subtracting adjusted losses and loss expenses, policy acquisition costs and administrative expenses from net premiums earned by our P&C operations. We use P&C underwriting income and operating ratios to monitor the results of our operations without the impact of certain factors, including net investment income, other income (expense), interest expense, amortization expense of purchased intangibles, Chubb integration expenses, income tax expense and adjusted net realized gains (losses).

Current accident year underwriting income excluding catastrophe losses is underwriting income adjusted to exclude catastrophe losses and prior period development (PPD). We believe it is useful to exclude catastrophe losses, as they are not predictable as to timing and amount, and PPD as these unexpected loss developments on historical reserves are not indicative of our current underwriting performance. We believe the use of these measures enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business.

Core operating income, net of tax, excludes from net income the after-tax impact of adjusted net realized gains (losses), Chubb integration expenses, and the amortization of fair value adjustment of acquired invested assets and long-term debt related to the Chubb Corp acquisition. We believe this presentation enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business. We exclude adjusted net realized gains (losses) because the amount of these gains (losses) are heavily influenced by, and fluctuate in part according to, the availability of market opportunities. We exclude the amortization of the fair value adjustments related to purchased

invested assets and long-term debt and Chubb integration expenses due to the size and complexity of this acquisition. These integration expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration expenses facilitates the comparison of our financial results to our historical operating results. References to core operating income measures mean net of tax, whether or not noted.

P&C combined ratio is the sum of the loss and loss expense ratio, acquisition cost ratio and the administrative expense ratio excluding the life business and including the realized gains and losses on the crop derivatives, as noted above.

Current accident year combined ratio excluding catastrophe losses excludes the impact of catastrophe losses and PPD from the combined ratio. We believe this measure provides a better evaluation of our underwriting performance and enhances the understanding of the trends in our property and casualty business that may be obscured by these items.

Global P&C performance metrics comprise consolidated operating results (including corporate) and exclude the operating results of the company's Life Insurance and North America Agricultural Insurance segments. The agriculture insurance business is a different business in that it is a public sector and private sector partnership in which insurance rates, premium growth, and risk-sharing is not market-driven like the remainder of the company's P&C insurance business. We believe that these measures are useful and meaningful to investors as they are used by management to assess the company's global P&C operations which are the most economically similar. We exclude the North America Agricultural Insurance and Life Insurance segments because the results of these businesses do not always correlate with the results of our global P&C operations.

Tangible book value per common share is shareholders' equity less goodwill and other intangible assets, net of tax, divided by the shares outstanding. We believe that goodwill and other intangible assets are not indicative of our underlying insurance results or trends and make book value comparisons to less acquisitive peer companies less meaningful.

See the reconciliation of Non-GAAP Financial Measures on pages 30-36 in the Financial Supplement. These measures should not be viewed as a substitute for measures determined in accordance with GAAP, including premium, net income, return on equity, and net investment income.

NM - not meaningful comparison

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Cautionary Statement Regarding Forward-Looking Statements:

Forward-looking statements made in this press release, such as those related to company performance, including 2020 performance and the impact of the COVID-19 pandemic, pricing, economic and market conditions, and our expectations and intentions and other statements that are not historical facts, reflect our current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the following: competition, pricing and policy term trends, the levels of new and renewal business achieved, the frequency and severity of unpredictable catastrophic events, actual loss experience, uncertainties in the reserving or settlement process, integration activities and performance of acquired companies, loss of key employees or disruptions to our operations, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments and actual settlement terms, the amount and timing of reinsurance recoverable, credit developments among reinsurers, rating agency action, infection rates and severity of pandemics, including COVID-19, and their effects on our business operations and claims activity, possible terrorism or the outbreak and effects of war, economic, political, regulatory, insurance and reinsurance business conditions, potential strategic opportunities including acquisitions and our ability to achieve and integrate them, as well as management's response to these factors, and other factors identified in our filings with the Securities and Exchange Commission (SEC).

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Chubb Limited
Summary Consolidated Balance Sheets
(in millions of U.S. dollars, except per share data)
(Unaudited)

	September 30 2020	December 31 2019
Assets		
Investments	\$ 116,047	\$ 109,234
Cash	1,707	1,537
Insurance and reinsurance balances receivable	10,588	10,357
Reinsurance recoverable on losses and loss expenses	15,670	15,181
Goodwill and other intangible assets	21,103	21,359
Other assets	22,671	19,275
Total assets	<u>\$ 187,786</u>	<u>\$ 176,943</u>
Liabilities		
Unpaid losses and loss expenses	\$ 67,905	\$ 62,690
Unearned premiums	17,502	16,771
Other liabilities	45,966	42,151
Total liabilities	<u>\$ 131,373</u>	<u>\$ 121,612</u>
Shareholders' equity		
Total shareholders' equity	56,413	55,331
Total liabilities and shareholders' equity	<u>\$ 187,786</u>	<u>\$ 176,943</u>
Book value per common share	\$ 124.98	\$ 122.42
Tangible book value per common share	\$ 81.11	\$ 78.14
Book value per common share excluding cumulative translation losses (1)	\$ 129.59	\$ 126.71
Tangible book value per common share excluding cumulative translation losses (1)	\$ 84.28	\$ 81.16

(1) Cumulative translation losses were \$2.1 billion in 2020 (\$1.4 billion on tangible and \$0.7 billion on intangible net assets) and \$1.9 billion in 2019 (\$1.3 billion on tangible and \$0.6 billion on intangible net assets).

Chubb Limited**Summary Consolidated Financial Data**

(in millions of U.S. dollars, except share, per share data, and ratios)

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Gross premiums written	\$ 11,220	\$ 10,724	\$31,012	\$ 30,190
Net premiums written	9,078	8,622	25,410	24,278
Net premiums earned	8,765	8,327	24,687	23,355
Losses and loss expenses	5,835	5,052	16,897	13,865
Policy benefits	198	158	550	515
Policy acquisition costs	1,645	1,603	4,853	4,611
Administrative expenses	733	752	2,201	2,220
Net investment income	840	873	2,528	2,568
Net realized gains (losses)	(141)	(155)	(1,069)	(475)
Interest expense	130	138	390	418
Other income (expense):				
Gains (losses) from separate account assets	24	(7)	8	20
Other	461	64	364	306
Amortization of purchased intangibles	72	76	217	229
Chubb integration expenses	—	2	—	9
Income tax expense	142	230	295	626
Net income	<u>\$ 1,194</u>	<u>\$ 1,091</u>	<u>\$ 1,115</u>	<u>\$ 3,281</u>

Diluted earnings per share:

Net income	\$ 2.63	\$ 2.38	\$ 2.46	\$ 7.13
Core operating income	\$ 2.00	\$ 2.70	\$ 4.13	\$ 7.83

Weighted average diluted shares outstanding	453.3	458.2	453.6	459.9
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P&C combined ratio

Loss and loss expense ratio	69.2%	63.1%	71.5%	61.5%
Policy acquisition cost ratio	18.0%	18.4%	18.8%	19.2%
Administrative expense ratio	8.0%	8.7%	8.6%	9.2%
P&C combined ratio	<u>95.2%</u>	<u>90.2%</u>	<u>98.9%</u>	<u>89.9%</u>

P&C underwriting income	\$ 392	\$ 754	\$ 241	\$ 2,193
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CHUBB

Chubb Limited

Financial Supplement

for the Quarter Ended September 30, 2020

Investor Contact

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This report is for informational purposes only. It should be read in conjunction with documents filed by Chubb Limited with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

Cautionary Statement Regarding Forward-Looking Statements

Any forward-looking statements made in this financial supplement reflect Chubb Limited's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to differ materially from such statements. For example, forward-looking statements related to financial performance, including exposures, reserves and recoverables, could be affected by the frequency and severity of unpredictable catastrophic events, actual loss experience, uncertainties in the reserving or settlement process, currency exchange fluctuations, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments and actual settlement terms, the amount and timing of reinsurance receivable and credit developments among reinsurers.

Our forward-looking statements could also be affected by, among other things, competition, pricing and policy term trends, market acceptance, changes in demand, actual market developments, rating agency action, possible terrorism or the outbreak and effects of war, and such other factors identified in our filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Chubb Limited
Consolidated Financial Highlights
(in millions of U.S. dollars, except share, per share data, and ratios)
(Unaudited)

Note: All dollar amounts in the Financial Supplement are rounded. However, percent changes and ratios are calculated using whole dollars. Accordingly, calculations using rounded dollars may differ.

	Three months ended September 30			Constant \$		Nine months ended September 30			Constant \$	
	2020	2019	% Change	2019	% Change	2020	2019	% Change	2019	% Change
Gross premiums written	\$ 11,220	\$ 10,724	4.6%	\$ 10,656	5.3%	\$ 31,012	\$ 30,190	2.7%	\$ 29,930	3.6%
Net premiums written	\$ 9,078	\$ 8,622	5.3%	\$ 8,566	6.0%	\$ 25,410	\$ 24,278	4.7%	\$ 24,054	5.6%
P&C net premiums written	\$ 8,468	\$ 8,010	5.7%	\$ 7,958	6.4%	\$ 23,536	\$ 22,508	4.6%	\$ 22,295	5.6%
P&C net premiums written adjusted for COVID-19 exposures (1)								5.4%		6.4%
Net premiums earned	\$ 8,765	\$ 8,327	5.3%	\$ 8,277	5.9%	\$ 24,687	\$ 23,355	5.7%	\$ 23,145	6.7%
Net investment income	\$ 840	\$ 873	-3.8%	\$ 871	-3.5%	\$ 2,528	\$ 2,568	-1.6%	\$ 2,557	-1.1%
Adjusted net investment income (2)	\$ 900	\$ 931	-3.4%	\$ 929	-3.1%	\$ 2,682	\$ 2,756	-2.7%	\$ 2,745	-2.3%
P&C underwriting income	\$ 392	\$ 754	-48.0%	\$ 747	-47.5%	\$ 241	\$ 2,193	-89.0%	\$ 2,171	-88.9%
P&C CAY underwriting income ex Cats	\$ 1,171	\$ 819	43.0%	\$ 812	44.2%	\$ 3,015	\$ 2,391	26.1%	\$ 2,369	27.3%
Agriculture CAY underwriting income ex Cats	\$ 93	\$ 22	NM	\$ 22	NM	\$ 138	\$ 76	84.0%	\$ 76	84.0%
Core operating income	\$ 907	\$ 1,236	-26.6%	\$ 1,228	-26.1%	\$ 1,873	\$ 3,601	-48.0%	\$ 3,575	-47.6%
Net income	\$ 1,194	\$ 1,091	9.4%			\$ 1,115	\$ 3,281	-66.0%		
Operating cash flow	\$ 3,544	\$ 2,205				\$ 7,241	\$ 4,913			
P&C combined ratio										
Loss and loss expense ratio	69.2%	63.1%				71.5%	61.5%			
Policy acquisition cost and administrative expense ratio	26.0%	27.1%				27.4%	28.4%			
Combined ratio	95.2%	90.2%				98.9%	89.9%			
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)										
CAY loss and loss expense ratio ex Cats	59.7%	62.4%				59.4%	60.6%			
CAY policy acquisition cost and administrative expense ratio ex Cats	26.0%	27.1%				27.4%	28.4%			
CAY combined ratio ex Cats	85.7%	89.5%				86.8%	89.0%			

Global P&C
CAY
combined
ratio ex Cats

CAY loss and loss expense ratio ex Cats	56.4%	58.5%		57.9%	58.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	28.6%	29.8%		28.7%	29.8%
CAY combined ratio ex Cats	85.0%	88.3%		86.6%	88.6%
ROE	8.6%	8.1%		2.7%	8.3%
Core operating return on equity (ROE)	7.0%	9.5%		4.7%	9.3%
Core operating return on tangible equity (ROTE)	11.3%	15.6%		7.6%	15.3%
Effective tax rate	10.7%	17.4%		20.9%	16.0%
Core operating effective tax rate	16.0%	15.1%		16.2%	15.0%
Earnings per share					
Net income	\$ 2.63	\$ 2.38	10.5%	\$ 2.46	\$ 7.13 -65.5%
Core operating income	\$ 2.00	\$ 2.70	-25.9%	\$ 4.13	\$ 7.83 -47.3%
Weighted average basic common shares outstanding	451.8	455.0		451.7	457.0
Weighted average diluted common shares outstanding	453.3	458.2		453.6	459.9

	September 30 2020	June 30 2020	% Change 3Q-20 vs. 2Q-20	December 31 2019	% Change 3Q-20 vs. 4Q-19
Book value per common share	\$ 124.98	\$ 121.32	3.0%	\$ 122.42	2.1%
Tangible book value per common share	\$ 81.11	\$ 77.49	4.7%	\$ 78.14	3.8%

- (1) YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million recorded in Q2 2020 of exposure adjustments on in-force policies.
- (2) Effective Q3 2020, Adjusted net investment income includes income from private equity partnerships where we hold more than three percent ownership. Previously, this income was included within Other income (expense)—operating. There is no impact to Net income and Core operating income. Prior year amounts have been reclassified to conform to the new presentation.

Chubb Limited
Statement of Operations—Consecutive Quarters
(in millions of U.S. dollars)
(Unaudited)

Consolidated Statements of Operations

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$11,220	\$10,040	\$9,752	\$9,934	\$10,724	\$31,012	\$30,190	\$40,124
Net premiums written	9,078	8,355	7,977	7,997	8,622	25,410	24,278	32,275
Net premiums earned	8,765	8,128	7,794	7,935	8,327	24,687	23,355	31,290
Adjusted losses and loss expenses (1)	5,834	6,578	4,487	4,865	5,066	16,899	13,873	18,738
Realized (gains) losses on crop derivatives	(1)	1	2	—	14	2	8	8
Losses and loss expenses	5,835	6,577	4,485	4,865	5,052	16,897	13,865	18,730
Adjusted policy benefits (2)	174	183	185	201	165	542	495	696
Gains (losses) from fair value changes in separate account liabilities	(24)	(40)	56	(24)	7	(8)	(20)	(44)
Policy benefits	198	223	129	225	158	550	515	740
Policy acquisition costs	1,645	1,593	1,615	1,542	1,603	4,853	4,611	6,153
Administrative expenses	733	727	741	810	752	2,201	2,220	3,030
Adjusted net investment income (3)	900	865	917	917	931	2,682	2,756	3,673
Other (income) expense from private equity partnerships	(32)	(8)	(24)	(24)	(21)	(64)	(62)	(86)
Amortization expense of fair value adjustment on acquired invested assets	(28)	(30)	(32)	(35)	(37)	(90)	(126)	(161)
Net investment income	840	827	861	858	873	2,528	2,568	3,426
Adjusted realized gains (losses) (4)	(142)	31	(956)	(55)	(141)	(1,067)	(467)	(522)
Realized gains (losses) on crop derivatives	1	(1)	(2)	—	(14)	(2)	(8)	(8)
Net realized gains (losses)	(141)	30	(958)	(55)	(155)	(1,069)	(475)	(530)
Adjusted interest expense (5)	135	134	137	140	143	406	433	573
Amortization benefit of fair value adjustment on acquired long term debt	(5)	(6)	(5)	(6)	(5)	(16)	(15)	(21)
Interest expense	130	128	132	134	138	390	418	552
Gains (losses) from fair value changes in separate account assets	24	40	(56)	24	(7)	8	20	44
Net realized gains (losses) related to unconsolidated entities	422	(100)	(7)	227	41	315	256	483
Other income (expense) from private equity partnerships	32	8	24	24	21	64	62	86
Other income (expense) - operating	7	(6)	(16)	(5)	2	(15)	(12)	(17)
Other income (expense)	485	(58)	(55)	270	57	372	326	596
Amortization expense of purchased intangibles	72	72	73	76	76	217	229	305
Chubb integration expenses	—	—	—	14	2	—	9	23
Income tax expense (benefit)	142	(62)	215	169	230	295	626	795
Net income (loss)	\$ 1,194	\$ (331)	\$ 252	\$1,173	\$ 1,091	\$ 1,115	\$ 3,281	\$ 4,454

- (1) Adjusted losses and loss expenses used throughout this report includes realized gains and losses on crop derivatives.
- (2) Adjusted policy benefits used throughout this report excludes gains and losses from fair value changes in separate account liabilities.
- (3) Adjusted net investment income used throughout this report excludes Amortization expense of fair value adjustment on acquired invested assets and includes income from private equity partnerships where we hold more than three percent ownership.
- (4) Adjusted realized gains (losses) used throughout this report excludes realized gains and losses on crop derivatives.
- (5) Adjusted interest expense used throughout this report excludes Amortization benefit of fair value adjustment on acquired long term debt.

Chubb Limited
P&C Underwriting Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

Chubb Limited P&C Underwriting Results

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
P&C underwriting income (loss) (Including Corporate and excluding Life Insurance)								
Gross premiums written	\$10,575	\$9,387	\$9,069	\$9,282	\$10,082	\$29,031	\$28,325	\$37,607
Net premiums written	8,468	7,736	7,332	7,375	8,010	23,536	22,508	29,883
Net premiums earned	8,166	7,520	7,163	7,322	7,729	22,849	21,625	28,947
Adjusted losses and loss expenses	5,651	6,407	4,285	4,689	4,876	16,343	13,292	17,981
Policy acquisition costs	1,470	1,397	1,435	1,376	1,427	4,302	4,157	5,533
Administrative expenses	653	645	665	724	672	1,963	1,983	2,707
P&C underwriting income (loss)	<u>\$ 392</u>	<u>\$ (929)</u>	<u>\$ 778</u>	<u>\$ 533</u>	<u>\$ 754</u>	<u>\$ 241</u>	<u>\$ 2,193</u>	<u>\$ 2,726</u>
P&C CAY underwriting income ex Cats	\$ 1,171	\$ 947	\$ 897	\$ 730	\$ 819	\$ 3,015	\$ 2,391	\$ 3,121
% Change versus prior year period								
Net premiums written	5.7%	-0.4%	8.9%	9.0%	6.2%	4.6%	4.5%	5.6%
Net premiums written adjusted for COVID-19 exposures ⁽¹⁾		2.1%				5.4%		
Net premiums earned	5.7%	2.7%	8.9%	6.3%	5.0%	5.7%	3.2%	4.0%
Net premiums written constant \$	6.4%	1.4%	9.3%	9.8%	7.2%	5.6%	6.2%	7.0%
Net premiums written adjusted for COVID-19 exposures ⁽¹⁾		3.9%				6.4%		
Net premiums earned constant \$	6.3%	4.6%	9.3%	7.1%	6.1%	6.6%	4.9%	5.4%
P&C combined ratio								
Loss and loss expense ratio	69.2%	85.2%	59.8%	64.0%	63.1%	71.5%	61.5%	62.1%
Policy acquisition cost ratio	18.0%	18.5%	20.0%	18.8%	18.4%	18.8%	19.2%	19.1%
Administrative expense ratio	8.0%	8.6%	9.3%	9.9%	8.7%	8.6%	9.2%	9.4%
Combined ratio	<u>95.2%</u>	<u>112.3%</u>	<u>89.1%</u>	<u>92.7%</u>	<u>90.2%</u>	<u>98.9%</u>	<u>89.9%</u>	<u>90.6%</u>
CAY P&C combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	59.7%	60.4%	58.2%	61.3%	62.4%	59.4%	60.6%	60.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	26.0%	27.0%	29.3%	28.7%	27.1%	27.4%	28.4%	28.4%
CAY combined ratio ex Cats	<u>85.7%</u>	<u>87.4%</u>	<u>87.5%</u>	<u>90.0%</u>	<u>89.5%</u>	<u>86.8%</u>	<u>89.0%</u>	<u>89.2%</u>
Other ratios								
Net premiums written/gross premiums written	80%	82%	81%	79%	79%	81%	79%	79%
Expense ratio	26.0%	27.1%	29.3%	28.7%	27.1%	27.4%	28.4%	28.5%
Expense ratio excluding A&H	24.0%	25.2%	27.5%	26.6%	25.1%	25.5%	26.4%	26.4%
Catastrophe reinstatement premiums (expensed) collected—pre-tax	\$ 7	\$ (20)	\$ —	\$ (14)	\$ 2	\$ (13)	\$ 2	\$ (12)
Catastrophe losses—pre-tax	\$ 932	\$ 1,781	\$ 237	\$ 416	\$ 234	\$ 2,950	\$ 759	\$ 1,175
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (146)	\$ 75	\$ (118)	\$ (233)	\$ (167)	\$ (189)	\$ (559)	\$ (792)
Impact of catastrophe losses on P&C combined ratio—Unfavorable	11.3%	23.9%	3.3%	5.9%	3.0%	13.0%	3.5%	4.1%
Impact of PPD on P&C combined ratio—Unfavorable (favorable)	-1.8%	1.0%	-1.7%	-3.2%	-2.3%	-0.9%	-2.6%	-2.7%
Impact of Cats and PPD on P&C combined ratio—Unfavorable	9.5%	24.9%	1.6%	2.7%	0.7%	12.1%	0.9%	1.4%

(1) YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million recorded in Q2 2020 of exposure adjustments on in-force policies.

Chubb Limited
Global P&C Underwriting Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

Global P&C includes the company's North America Commercial P&C Insurance segment (refer to page 12), North America Personal P&C Insurance segment (refer to page 13), Overseas General Insurance segment (refer to page 15), Global Reinsurance segment (refer to page 16), and Corporate (refer to page 18). Global P&C excludes the North America Agricultural Insurance and Life Insurance segments.

Global P&C (Including Corporate and excluding Agriculture)

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Global P&C underwriting income (loss)								
Gross premiums written	\$9,243	\$8,735	\$8,849	\$9,000	\$8,810	\$26,827	\$26,192	\$35,192
Net premiums written	7,482	7,275	7,175	7,099	7,072	21,932	20,974	28,073
Net premiums earned	7,195	7,144	7,069	6,901	6,788	21,408	20,251	27,152
Adjusted losses and loss expenses	4,806	6,094	4,220	4,236	3,996	15,120	12,129	16,365
Policy acquisition costs	1,414	1,368	1,424	1,382	1,371	4,206	4,067	5,449
Administrative expenses	648	642	661	727	668	1,951	1,974	2,701
Global P&C underwriting income (loss)	\$ 327	\$ (960)	\$ 764	\$ 556	\$ 753	\$ 131	\$ 2,081	\$ 2,637
Global P&C CAY underwriting income ex Cats	\$1,078	\$ 910	\$ 889	\$ 789	\$ 797	\$ 2,877	\$ 2,315	\$ 3,104
% Change versus prior year period								
Net premiums written	5.8%	-0.3%	8.6%	8.0%	6.2%	4.6%	4.0%	5.0%
Net premiums written adjusted for COVID-19 exposures (1)		2.3%				5.5%		
Net premiums earned	6.0%	2.9%	8.4%	5.0%	4.4%	5.7%	2.8%	3.3%
Net premiums written constant \$	6.6%	1.6%	9.1%	8.9%	7.3%	5.6%	5.8%	6.6%
Net premiums written adjusted for COVID-19 exposures (1)		4.2%				6.6%		
Net premiums earned constant \$	6.7%	4.9%	8.8%	5.8%	5.6%	6.8%	4.6%	4.9%
Combined ratio								
Loss and loss expense ratio	66.8%	85.3%	59.7%	61.4%	58.9%	70.6%	59.9%	60.3%
Policy acquisition cost ratio	19.7%	19.1%	20.2%	20.0%	20.2%	19.7%	20.1%	20.1%
Administrative expense ratio	9.0%	9.0%	9.3%	10.5%	9.8%	9.1%	9.7%	9.9%
Combined ratio	95.5%	113.4%	89.2%	91.9%	88.9%	99.4%	89.7%	90.3%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	56.4%	59.3%	57.9%	58.1%	58.5%	57.9%	58.8%	58.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	28.6%	28.0%	29.5%	30.5%	29.8%	28.7%	29.8%	30.0%
CAY combined ratio ex Cats	85.0%	87.3%	87.4%	88.6%	88.3%	86.6%	88.6%	88.6%
Other ratios								
Net premiums written/gross premiums written	81%	83%	81%	79%	80%	82%	80%	80%
Expense ratio	28.7%	28.1%	29.5%	30.5%	30.0%	28.8%	29.8%	30.0%
Expense ratio excluding A&H	26.7%	26.2%	27.7%	28.6%	28.0%	26.9%	27.9%	28.0%
Catastrophe reinstatement premiums (expensed)								
collected—pre-tax	\$ 7	\$ (20)	\$ —	\$ (14)	\$ 2	\$ (13)	\$ 2	\$ (12)
Catastrophe losses—pre-tax	\$ 922	\$ 1,775	\$ 229	\$ 415	\$ 231	\$ 2,926	\$ 752	\$ 1,167
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (164)	\$ 75	\$ (104)	\$ (196)	\$ (185)	\$ (193)	\$ (516)	\$ (712)

(1) YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million recorded in Q2 2020 of exposure adjustments on in-force policies.

Chubb Limited
Segments Results—Catastrophe Loss Charges
(in millions of U.S. dollars)
(Unaudited)

Chubb Limited Catastrophe Loss Charges—Q3 2020

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Total Consolidated excluding Reinstatement premiums	Reinstatement premiums collected	Total Consolidated including Reinstatement premiums
Catastrophe Loss Charges by								
Event—Net								
U.S. Hurricanes/Tropical storms	\$ 318	\$ 117	\$ 1	\$ 51	\$ 47	\$ 534	\$ 4	\$ 530
U.S. wildfires	30	80	—	—	—	110	—	110
Midwest derecho	53	34	8	—	1	96	—	96
International weather-related events	1	3	—	28	—	32	—	32
Other events	14	23	1	2	—	40	—	40
IBNR	35	32	—	—	—	67	—	67
Q1 & Q2 Development	(4)	16	—	14	27	53	3	50
Total	\$ 447	\$ 305	\$ 10	\$ 95	\$ 75	\$ 932		
Reinstatement premiums collected	—	—	—	—	7		\$ 7	
Total before income tax	\$ 447	\$ 305	\$ 10	\$ 95	\$ 68			\$ 925
Income tax benefit								128
Total after income tax								\$ 797

Note: There were no changes to the previously reported aggregate COVID-19 losses from June 30, 2020. The above table represents catastrophe loss estimates for events that occurred in the current calendar year only (i.e., loss events occurring during the third quarter of 2020 and changes to catastrophe loss estimates that occurred in the previous quarters of 2020). Changes in catastrophe loss estimates in the current calendar year that relate to loss events that occurred in previous calendar years are considered prior period development and are excluded from the table above.

Chubb Limited
Summary Consolidated Balance Sheets
(in millions of U.S. dollars, except per share data)
(Unaudited)

	September 30 2020	June 30 2020	March 31 2020	December 31 2019
Assets				
Fixed maturities available for sale, at fair value	\$ 89,852	\$ 86,712	\$ 81,523	\$ 85,488
Fixed maturities held to maturity, at amortized cost	11,651	11,845	12,022	12,581
Equity securities, at fair value	3,088	2,394	2,068	812
Short-term investments, at fair value	4,660	4,003	3,586	4,291
Other investments	6,796	5,923	6,075	6,062
	<u>116,047</u>	<u>110,877</u>	<u>105,274</u>	<u>109,234</u>
Cash	1,707	1,557	1,512	1,537
Securities lending collateral	1,851	1,832	1,342	994
Insurance and reinsurance balances receivable	10,588	10,853	10,058	10,357
Reinsurance recoverable on losses and loss expenses	15,670	15,207	14,898	15,181
Deferred policy acquisition costs	5,275	5,243	5,162	5,242
Value of business acquired	286	290	289	306
Prepaid reinsurance premiums	2,760	2,725	2,570	2,647
Goodwill and other intangible assets	21,103	21,093	20,873	21,359
Investments in partially-owned insurance companies	2,534	1,364	1,346	1,332
Other assets	9,965	10,433	9,793	8,754
Total assets	<u>\$ 187,786</u>	<u>\$ 181,474</u>	<u>\$ 173,117</u>	<u>\$ 176,943</u>
Liabilities				
Unpaid losses and loss expenses	\$ 67,905	\$ 65,699	\$ 62,214	\$ 62,690
Unearned premiums	17,502	17,081	16,459	16,771
Future policy benefits	5,955	5,895	5,776	5,814
Insurance and reinsurance balances payable	6,420	6,249	6,084	6,184
Securities lending payable	1,851	1,832	1,342	994
Accounts payable, accrued expenses, and other liabilities	14,487	13,998	13,463	13,189
Deferred tax liabilities	815	696	473	804
Short-term and long-term debt	16,130	14,956	14,810	14,858
Trust preferred securities	308	308	308	308
Total liabilities	<u>131,373</u>	<u>126,714</u>	<u>120,929</u>	<u>121,612</u>
Shareholders' equity				
Total shareholders' equity, excl. AOCI	54,557	53,662	54,281	54,712
Accumulated other comprehensive income (loss) (AOCI)	1,856	1,098	(2,093)	619
Total shareholders' equity	<u>56,413</u>	<u>54,760</u>	<u>52,188</u>	<u>55,331</u>
Total liabilities and shareholders' equity	<u>\$ 187,786</u>	<u>\$ 181,474</u>	<u>\$ 173,117</u>	<u>\$ 176,943</u>
Book value per common share	<u>\$ 124.98</u>	<u>\$ 121.32</u>	<u>\$ 115.62</u>	<u>\$ 122.42</u>
% change over prior quarter	3.0%	4.9%	-5.6%	1.7%
Tangible book value per common share	<u>\$ 81.11</u>	<u>\$ 77.49</u>	<u>\$ 72.27</u>	<u>\$ 78.14</u>
% change over prior quarter	4.7%	7.2%	-7.5%	2.5%

Chubb Limited
Consolidated Net Premiums Written by Line of Business
(in millions of U.S. dollars)
(Unaudited)

	3Q-20	3Q-19	% Change	Constant \$ % Change	YTD 2020	YTD 2019	% Change	Constant \$ % Change	C\$ adjusted for COVID-19 exposures % Change (1)
Net premiums written									
Commercial multiple peril (2)	\$ 270	\$ 252	7.0%	7.0%	\$ 778	\$ 725	7.3%	7.3%	8.1%
Commercial casualty	1,722	1,508	14.2%	14.3%	4,541	4,180	8.6%	9.0%	10.4%
Workers' compensation	432	462	-6.4%	-6.4%	1,485	1,537	-3.4%	-3.4%	4.5%
Professional liability	1,103	981	12.5%	12.5%	3,012	2,676	12.6%	13.3%	13.3%
Surety	127	168	-24.0%	-21.4%	394	476	-17.2%	-14.7%	-14.7%
Property and other short-tail lines	1,270	1,067	19.0%	20.3%	3,948	3,410	15.8%	17.5%	17.5%
Total Commercial P&C	4,924	4,438	11.0%	11.5%	14,158	13,004	8.9%	9.7%	11.1%
Agriculture	986	938	5.0%	5.0%	1,604	1,534	4.5%	4.5%	4.5%
Personal automobile	380	444	-14.5%	-9.9%	1,174	1,338	-12.2%	-8.9%	-8.0%
Personal homeowners	955	935	2.1%	2.6%	2,708	2,646	2.3%	2.7%	2.7%
Personal other	417	372	12.2%	11.8%	1,237	1,123	10.2%	11.5%	11.5%
Total Personal lines	1,752	1,751	0.1%	1.5%	5,119	5,107	0.2%	1.6%	1.9%
Total Property and Casualty lines	7,662	7,127	7.5%	8.2%	20,881	19,645	6.3%	7.2%	8.2%
Global A&H lines (3)	913	1,052	-13.2%	-12.4%	2,931	3,255	-10.0%	-8.6%	-8.6%
Reinsurance lines	181	141	28.4%	27.2%	606	540	12.2%	11.9%	11.9%
Life	322	302	6.6%	7.5%	992	838	18.4%	19.6%	19.6%
Total consolidated	\$9,078	\$8,622	5.3%	6.0%	\$25,410	\$24,278	4.7%	5.6%	6.5%

- (1) YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million recorded in Q2 2020 of exposure adjustments on in-force policies.
- (2) Commercial multiple peril represents retail package business (property and general liability).
- (3) For purposes of this schedule only, A&H results from our Combined North America and International businesses, normally included in the Life Insurance and Overseas General Insurance segments, respectively, as well as the A&H results of our North America Commercial P&C segment, are included in Global A&H lines above.

Chubb Limited
Consolidated Results—Three months ended September 30, 2020
(in millions of U.S. dollars, except ratios)
(Unaudited)

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Q3 2020									
Net premiums written	\$ 3,778	\$ 1,285	\$ 986	\$ 2,238	\$ 181	\$ —	\$ 8,468	\$ 610	\$ 9,078
Net premiums earned	3,456	1,231	971	2,337	171	—	8,166	599	8,765
Adjusted losses and loss expenses	2,444	961	845	1,192	154	55	5,651	183	5,834
Adjusted policy benefits	—	—	—	—	—	—	—	174	174
Policy acquisition costs	489	248	56	637	40	—	1,470	175	1,645
Administrative expenses	243	65	5	260	9	71	653	80	733
Underwriting income (loss)	280	(43)	65	248	(32)	(126)	392	(13)	379
Adjusted net investment income	510	64	7	130	85	9	805	95	900
Other income (expense)—operating	(7)	(1)	—	(1)	—	(7)	(16)	23	7
Amortization expense of purchased intangibles	—	(2)	(7)	(10)	—	(52)	(71)	(1)	(72)
Segment income (loss)	\$ 783	\$ 18	\$ 65	\$ 367	\$ 53	\$ (176)	\$ 1,110	\$ 104	\$ 1,214
Adjusted interest expense									(135)
Income tax expense									(172)
Core operating income (loss)									(483)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$4 million tax benefit									(19)
Adjusted net realized gains (losses), net of \$26 million tax benefit (1)							306		306
Net income (loss)							\$ (196)		\$ 1,194
Combined ratio	91.9%	103.5%	93.3%	89.4%	118.3%		95.2%		
CAY combined ratio ex Cats	84.9%	74.8%	90.4%	87.9%	80.8%		85.7%		

(1) Includes Net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Nine months ended September 30, 2020
(in millions of U.S. dollars, except ratios)
(Unaudited)

YTD 2020	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 10,750	\$ 3,719	\$ 1,604	\$ 6,857	\$ 606	\$ —	\$23,536	\$ 1,874	\$ 25,410
Net premiums earned	10,427	3,623	1,441	6,838	520	—	22,849	1,838	24,687
Adjusted losses and loss expenses	8,123	2,406	1,223	3,935	314	342	16,343	556	16,899
Adjusted policy benefits	—	—	—	—	—	—	—	542	542
Policy acquisition costs	1,452	724	96	1,903	127	—	4,302	551	4,853
Administrative expenses	751	199	12	759	28	214	1,963	238	2,201
Underwriting income (loss)	101	294	110	241	51	(556)	241	(49)	192
Adjusted net investment income	1,544	195	23	396	214	25	2,397	285	2,682
Other income (expense)—operating	(19)	(4)	(1)	(10)	(1)	(32)	(67)	52	(15)
Amortization expense of purchased intangibles	—	(8)	(20)	(33)	—	(153)	(214)	(3)	(217)
Segment income (loss)	\$ 1,626	\$ 477	\$ 112	\$ 594	\$ 264	\$ (716)	\$ 2,357	\$ 285	\$ 2,642
Adjusted interest expense						(406)			(406)
Income tax expense						(363)			(363)
Core operating income (loss)						(1,485)			1,873
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$14 million tax benefit						(60)			(60)
Adjusted net realized gains (losses), net of \$54 million tax benefit (1)						(698)			(698)
Net income (loss)						<u>\$ (2,243)</u>			<u>\$ 1,115</u>
Combined ratio	99.0%	91.9%	92.3%	96.5%	90.1%		98.9%		
CAY combined ratio ex Cats	85.8%	78.5%	90.4%	89.4%	79.7%		86.8%		

(1) Includes Net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Three months ended September 30, 2019
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q3 2019	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,452	\$ 1,251	\$ 938	\$ 2,228	\$ 141	\$ —	\$8,010	\$ 612	\$ 8,622
Net premiums earned	3,185	1,187	941	2,256	160	—	7,729	598	8,327
Adjusted losses and loss expenses	2,051	674	880	1,154	79	38	4,876	190	5,066
Adjusted policy benefits	—	—	—	—	—	—	—	165	165
Policy acquisition costs	459	240	56	630	42	—	1,427	176	1,603
Administrative expenses	256	72	4	257	9	74	672	80	752
Underwriting income (loss)	419	201	1	215	30	(112)	754	(13)	741
Adjusted net investment income	538	66	8	147	71	9	839	92	931
Other income (expense)—operating	(5)	(1)	—	(2)	—	(7)	(15)	17	2
Amortization expense of purchased intangibles	—	(3)	(7)	(11)	—	(54)	(75)	(1)	(76)
Segment income (loss)	\$ 952	\$ 263	\$ 2	\$ 349	\$ 101	\$ (164)	\$1,503	\$ 95	\$ 1,598
Adjusted interest expense									(143)
Income tax expense									(219)
Core operating income (loss)									(526)
Chubb integration expenses, net of nil tax									(2)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$8 million tax benefit									(24)
Adjusted net realized gains (losses), net of \$19 million tax (1)									(119)
Net income (loss)							\$ (671)		\$ 1,091
Combined ratio	86.9%	83.1%	99.9%	90.5%	81.1%		90.2%		
CAY combined ratio ex Cats	87.6%	81.3%	97.7%	90.0%	82.1%		89.5%		

(1) Includes Net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Nine months ended September 30, 2019
(in millions of U.S. dollars, except ratios)
(Unaudited)

YTD 2019	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 9,937	\$ 3,616	\$ 1,534	\$ 6,881	\$ 540	\$ —	\$22,508	\$ 1,770	\$ 24,278
Net premiums earned	9,660	3,509	1,374	6,595	487	—	21,625	1,730	23,355
Adjusted losses and loss expenses	6,238	2,178	1,163	3,385	245	83	13,292	581	13,873
Adjusted policy benefits	—	—	—	—	—	—	—	495	495
Policy acquisition costs	1,377	708	90	1,855	127	—	4,157	454	4,611
Administrative expenses	755	211	9	771	26	211	1,983	237	2,220
Underwriting income (loss)	1,290	412	112	584	89	(294)	2,193	(37)	2,156
Adjusted net investment income	1,584	194	22	444	206	28	2,478	278	2,756
Other income (expense)—operating	(17)	(2)	(1)	(11)	—	(18)	(49)	37	(12)
Amortization expense of purchased intangibles	—	(9)	(21)	(34)	—	(163)	(227)	(2)	(229)
Segment income (loss)	\$ 2,857	\$ 595	\$ 112	\$ 983	\$ 295	\$ (447)	\$ 4,395	\$ 276	\$ 4,671
Adjusted interest expense							(433)		(433)
Income tax expense							(637)		(637)
Core operating income (loss)							(1,517)		3,601
Chubb integration expenses, net of \$2 million tax benefit							(7)		(7)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$22 million tax benefit							(89)		(89)
Adjusted net realized gains (losses), net of \$13 million tax (1)							(224)		(224)
Net income (loss)							\$ (1,837)		\$ 3,281
Combined ratio	86.6%	88.3%	91.9%	91.1%	81.7%		89.9%		
CAY combined ratio ex Cats	87.8%	81.4%	94.6%	90.8%	81.7%		89.0%		

(1) Includes Net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

North America Commercial P&C Insurance

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$4,841	\$4,401	\$4,211	\$4,576	\$4,533	\$13,453	\$13,028	\$17,604
Net premiums written	3,778	3,720	3,252	3,438	3,452	10,750	9,937	13,375
Net premiums earned	3,456	3,595	3,376	3,262	3,185	10,427	9,660	12,922
Losses and loss expenses	2,444	3,498	2,181	1,968	2,051	8,123	6,238	8,206
Policy acquisition costs	489	471	492	454	459	1,452	1,377	1,831
Administrative expenses	243	249	259	273	256	751	755	1,028
Underwriting income (loss)	280	(623)	444	567	419	101	1,290	1,857
Adjusted net investment income	510	509	525	525	538	1,544	1,584	2,109
Other income (expense)—operating	(7)	(6)	(6)	(7)	(5)	(19)	(17)	(24)
Segment income (loss)	<u>\$ 783</u>	<u>\$ (120)</u>	<u>\$ 963</u>	<u>\$ 1,085</u>	<u>\$ 952</u>	<u>\$ 1,626</u>	<u>\$ 2,857</u>	<u>\$ 3,942</u>
CAY underwriting income ex Cats	\$ 527	\$ 504	\$ 457	\$ 445	\$ 398	\$ 1,488	\$ 1,184	\$ 1,629
Combined ratio								
Loss and loss expense ratio	70.7%	97.3%	64.6%	60.3%	64.4%	77.9%	64.6%	63.5%
Policy acquisition cost ratio	14.2%	13.1%	14.6%	13.9%	14.4%	13.9%	14.2%	14.2%
Administrative expense ratio	7.0%	6.9%	7.6%	8.4%	8.1%	7.2%	7.8%	7.9%
Combined ratio	<u>91.9%</u>	<u>117.3%</u>	<u>86.8%</u>	<u>82.6%</u>	<u>86.9%</u>	<u>99.0%</u>	<u>86.6%</u>	<u>85.6%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	63.8%	66.1%	64.2%	64.0%	65.5%	64.7%	65.8%	65.3%
CAY policy acquisition cost and administrative expense ratio ex Cats	21.1%	19.9%	22.3%	22.4%	22.1%	21.1%	22.0%	22.1%
CAY combined ratio ex Cats	<u>84.9%</u>	<u>86.0%</u>	<u>86.5%</u>	<u>86.4%</u>	<u>87.6%</u>	<u>85.8%</u>	<u>87.8%</u>	<u>87.4%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ (3)	\$ —	\$ —	\$ —	\$ (3)	\$ —	\$ —
Catastrophe losses—pre-tax	\$ 447	\$ 1,270	\$ 118	\$ 102	\$ 88	\$ 1,835	\$ 319	\$ 421
Favorable prior period development (PPD)—pre-tax	\$ (200)	\$ (146)	\$ (105)	\$ (224)	\$ (109)	\$ (451)	\$ (425)	\$ (649)
% Change versus prior year period								
Net premiums written	9.4%	5.3%	10.2%	9.4%	7.9%	8.2%	6.4%	7.1%
Net premiums written adjusted for COVID-19 exposures (1)		9.8%				9.8%		
Net premiums earned	8.5%	6.1%	9.4%	6.0%	5.5%	7.9%	3.6%	4.2%
Other ratios								
Net premiums written/gross premiums written	78%	85%	77%	75%	76%	80%	76%	76%
Production by Size—Net premiums written (2)								
Major Accounts & Specialty	\$2,294	\$2,350	\$1,874	\$2,049	\$2,043	\$ 6,518	\$ 5,942	\$ 7,991
Commercial	1,484	1,370	1,378	1,389	1,409	4,232	3,995	5,384
Total	<u>\$3,778</u>	<u>\$3,720</u>	<u>\$3,252</u>	<u>\$3,438</u>	<u>\$3,452</u>	<u>\$10,750</u>	<u>\$ 9,937</u>	<u>\$13,375</u>

- YTD 2020 net premiums written were adversely impacted by COVID-19 including \$160 million recorded in Q2 2020 of exposure adjustments on in-force policies.
- Major Accounts & Specialty: large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts. Certain 2019 businesses, previously reported within Commercial, are now reported within Major Accounts & Specialty to align with 2020 reporting. The reclassifications are immaterial and have no impact to total reported North America Commercial P&C Insurance segment net premiums written.

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

North America Personal P&C Insurance

	<u>3Q-20</u>	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 1,448	\$ 1,511	\$ 1,265	\$ 1,349	\$ 1,422	\$ 4,224	\$ 4,112	\$ 5,461
Net premiums written	1,285	1,327	1,107	1,171	1,251	3,719	3,616	4,787
Net premiums earned	1,231	1,192	1,200	1,185	1,187	3,623	3,509	4,694
Losses and loss expenses	961	762	683	865	674	2,406	2,178	3,043
Policy acquisition costs	248	231	245	240	240	724	708	948
Administrative expenses	65	66	68	75	72	199	211	286
Underwriting income (loss)	(43)	133	204	5	201	294	412	417
Net investment income	64	65	66	64	66	195	194	258
Other income (expense)—operating	(1)	(1)	(2)	(1)	(1)	(4)	(2)	(3)
Amortization expense of purchased intangibles	(2)	(3)	(3)	(3)	(3)	(8)	(9)	(12)
Segment income	<u>\$ 18</u>	<u>\$ 194</u>	<u>\$ 265</u>	<u>\$ 65</u>	<u>\$ 263</u>	<u>\$ 477</u>	<u>\$ 595</u>	<u>\$ 660</u>
CAY underwriting income ex Cats	<u>\$ 310</u>	<u>\$ 242</u>	<u>\$ 226</u>	<u>\$ 223</u>	<u>\$ 222</u>	<u>\$ 778</u>	<u>\$ 653</u>	<u>\$ 876</u>
Combined ratio								
Loss and loss expense ratio	78.1%	63.8%	57.0%	73.0%	56.9%	66.4%	62.1%	64.8%
Policy acquisition cost ratio	20.1%	19.4%	20.4%	20.3%	20.2%	20.0%	20.2%	20.2%
Administrative expense ratio	5.3%	5.6%	5.6%	6.3%	6.0%	5.5%	6.0%	6.1%
Combined ratio	<u>103.5%</u>	<u>88.8%</u>	<u>83.0%</u>	<u>99.6%</u>	<u>83.1%</u>	<u>91.9%</u>	<u>88.3%</u>	<u>91.1%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	49.2%	54.7%	55.1%	55.1%	55.1%	53.0%	55.2%	55.1%
CAY policy acquisition cost and administrative expense ratio ex Cats	25.6%	24.9%	26.1%	26.3%	26.2%	25.5%	26.2%	26.3%
CAY combined ratio ex Cats	<u>74.8%</u>	<u>79.6%</u>	<u>81.2%</u>	<u>81.4%</u>	<u>81.3%</u>	<u>78.5%</u>	<u>81.4%</u>	<u>81.4%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ (1)	\$ —	\$ (11)	\$ —	\$ (1)	\$ —	\$ (11)
Catastrophe losses—pre-tax	\$ 305	\$ 109	\$ 21	\$ 214	\$ 83	\$ 435	\$ 329	\$ 543
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 48	\$ (1)	\$ 1	\$ (7)	\$ (62)	\$ 48	\$ (88)	\$ (95)
% Change versus prior year period								
Net premiums written	2.8%	1.4%	4.8%	9.2%	2.7%	2.9%	0.4%	2.4%
Net premiums earned	3.8%	2.1%	3.9%	4.8%	1.7%	3.3%	1.3%	2.2%
Other ratios								
Net premiums written/gross premiums written	89%	88%	88%	87%	88%	88%	88%	88%

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

North America Agricultural Insurance

	<u>3Q-20</u>	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 1,332	\$ 652	\$ 220	\$ 282	\$ 1,272	\$ 2,204	\$ 2,133	\$ 2,415
Net premiums written	986	461	157	276	938	1,604	1,534	1,810
Net premiums earned	971	376	94	421	941	1,441	1,374	1,795
Adjusted losses and loss expenses (1)	845	313	65	453	880	1,223	1,163	1,616
Policy acquisition costs	56	29	11	(6)	56	96	90	84
Administrative expenses	5	3	4	(3)	4	12	9	6
Underwriting income (loss)	65	31	14	(23)	1	110	112	89
Net investment income	7	7	9	8	8	23	22	30
Other income (expense)—operating	—	(1)	—	—	—	(1)	(1)	(1)
Amortization expense of purchased intangibles	(7)	(6)	(7)	(7)	(7)	(20)	(21)	(28)
Segment income (loss)	<u>\$ 65</u>	<u>\$ 31</u>	<u>\$ 16</u>	<u>\$ (22)</u>	<u>\$ 2</u>	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ 90</u>
CAY underwriting income (loss) ex Cats	<u>\$ 93</u>	<u>\$ 37</u>	<u>\$ 8</u>	<u>\$ (59)</u>	<u>\$ 22</u>	<u>\$ 138</u>	<u>\$ 76</u>	<u>\$ 17</u>
Combined ratio								
Loss and loss expense ratio	87.1%	83.1%	69.6%	107.6%	93.5%	84.9%	84.7%	90.1%
Policy acquisition cost ratio	5.8%	7.8%	11.1%	-1.5%	6.0%	6.6%	6.6%	4.7%
Administrative expense ratio	0.4%	0.9%	4.1%	-0.7%	0.4%	0.8%	0.6%	0.3%
Combined ratio	<u>93.3%</u>	<u>91.8%</u>	<u>84.8%</u>	<u>105.4%</u>	<u>99.9%</u>	<u>92.3%</u>	<u>91.9%</u>	<u>95.1%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	84.2%	81.5%	76.2%	113.6%	91.3%	83.0%	87.4%	93.5%
CAY policy acquisition cost and administrative expense ratio ex Cats	6.2%	8.7%	14.7%	0.3%	6.4%	7.4%	7.2%	5.6%
CAY combined ratio ex Cats	<u>90.4%</u>	<u>90.2%</u>	<u>90.9%</u>	<u>113.9%</u>	<u>97.7%</u>	<u>90.4%</u>	<u>94.6%</u>	<u>99.1%</u>
Catastrophe losses—pre-tax	\$ 10	\$ 6	\$ 8	\$ 1	\$ 3	\$ 24	\$ 7	\$ 8
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 18	\$ —	\$ (14)	\$ (37)	\$ 18	\$ 4	\$ (43)	\$ (80)
% Change versus prior year period								
Net premiums written	5.0%	-1.1%	21.2%	40.4%	6.2%	4.5%	11.2%	14.8%
Net premiums earned	3.2%	-0.5%	71.8%	32.4%	9.8%	4.9%	9.8%	14.4%
Other ratios								
Net premiums written/gross premiums written	74%	71%	71%	98%	74%	73%	72%	75%

(1) Includes Realized gains (losses) on crop derivatives.

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

Overseas General Insurance

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$2,756	\$2,561	\$ 3,131	\$ 2,964	\$2,705	\$8,448	\$ 8,444	\$ 11,408
Net premiums written	2,238	2,021	2,598	2,381	2,228	6,857	6,881	9,262
Net premiums earned	2,337	2,194	2,307	2,287	2,256	6,838	6,595	8,882
Losses and loss expenses	1,192	1,485	1,258	1,221	1,154	3,935	3,385	4,606
Policy acquisition costs	637	624	642	646	630	1,903	1,855	2,501
Administrative expenses	260	241	258	262	257	759	771	1,033
Underwriting income (loss)	248	(156)	149	158	215	241	584	742
Adjusted net investment income	130	121	145	144	147	396	444	588
Other income (expense)—operating	(1)	(5)	(4)	(1)	(2)	(10)	(11)	(12)
Amortization expense of purchased intangibles	(10)	(11)	(12)	(11)	(11)	(33)	(34)	(45)
Segment income (loss)	\$ 367	\$ (51)	\$ 278	\$ 290	\$ 349	\$ 594	\$ 983	\$ 1,273
CAY underwriting income ex Cats	\$ 283	\$ 207	\$ 235	\$ 202	\$ 225	\$ 725	\$ 604	\$ 806

Combined ratio

Loss and loss expense ratio	51.0%	67.7%	54.5%	53.3%	51.1%	57.6%	51.3%	51.9%
Policy acquisition cost ratio	27.3%	28.4%	27.8%	28.3%	28.0%	27.8%	28.1%	28.1%
Administrative expense ratio	11.1%	11.0%	11.2%	11.5%	11.4%	11.1%	11.7%	11.6%
Combined ratio	89.4%	107.1%	93.5%	93.1%	90.5%	96.5%	91.1%	91.6%

CAY combined ratio ex Cats

CAY loss and loss expense ratio ex Cats	49.5%	51.6%	50.8%	51.5%	50.7%	50.6%	51.0%	51.2%
CAY policy acquisition cost and administrative expense ratio ex Cats	38.4%	39.1%	39.0%	39.7%	39.3%	38.8%	39.8%	39.7%
CAY combined ratio ex Cats	87.9%	90.7%	89.8%	91.2%	90.0%	89.4%	90.8%	90.9%

Catastrophe reinstatement premiums

expensed—pre-tax	\$ —	\$ (16)	\$ —	\$ (4)	\$ —	\$ (16)	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 95	\$ 383	\$ 90	\$ 83	\$ 35	\$ 568	\$ 69	\$ 152
Favorable prior period development (PPD)—pre-tax	\$ (60)	\$ (36)	\$ (4)	\$ (43)	\$ (25)	\$ (100)	\$ (49)	\$ (92)

% Change versus prior year period

Net premiums written	0.5%	-10.5%	8.5%	6.3%	7.1%	-0.3%	3.3%	4.0%
Net premiums written adjusted for COVID-19 exposures (1)		-9.4%				0.0%		
Net premiums earned	3.6%	-1.5%	9.2%	4.6%	4.6%	3.7%	2.6%	3.1%
Net premiums written constant \$	2.8%	-5.1%	9.7%	8.8%	10.7%	2.7%	8.3%	8.4%
Net premiums written adjusted for COVID-19 exposures (1)		-4.0%				3.1%		
Net premiums earned constant \$	5.7%	4.2%	10.5%	6.9%	8.0%	6.8%	7.9%	7.6%

Other ratios

Net premiums written/gross premiums written	81%	79%	83%	80%	82%	81%	81%	81%
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Production by Region—Net premiums written

	3Q-20	3Q-19	% Change	Constant \$ % Change	YTD 2020	YTD 2019	% Change	Constant \$ % Change
Europe	\$ 915	\$ 782	17.1%	15.5%	\$2,994	\$2,698	11.0%	11.8%
Latin America	442	551	-19.7%	-8.7%	1,414	1,657	-14.6%	-5.5%
Asia	794	798	-0.5%	-1.2%	2,203	2,259	-2.5%	-1.5%
Other (2)	87	97	-10.3%	-9.7%	246	267	-8.0%	-6.6%
Total	\$2,238	\$2,228	0.5%	2.8%	\$6,857	\$6,881	-0.3%	2.7%

(1) YTD 2020 net premiums written were adversely impacted by COVID-19 including \$24 million recorded in Q2 2020 of exposure adjustments on in-force policies.

(2) Primarily includes Eurasia and Africa, and the company's international supplemental A&H business of Combined Insurance.

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars, except ratios)
(Unaudited)

Global Reinsurance

	<u>3Q-20</u>	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 198	\$ 262	\$ 242	\$ 111	\$ 150	\$ 702	\$ 608	\$ 719
Net premiums written	181	207	218	109	141	606	540	649
Net premiums earned	171	163	186	167	160	520	487	654
Losses and loss expenses	154	73	87	107	79	314	245	352
Policy acquisition costs	40	42	45	42	42	127	127	169
Administrative expenses	9	9	10	9	9	28	26	35
Underwriting income (loss)	(32)	39	44	9	30	51	89	98
Adjusted net investment income	85	60	69	73	71	214	206	279
Other income (expense)—operating	—	(1)	—	(1)	—	(1)	—	(1)
Segment income	<u>\$ 53</u>	<u>\$ 98</u>	<u>\$ 113</u>	<u>\$ 81</u>	<u>\$ 101</u>	<u>\$ 264</u>	<u>\$ 295</u>	<u>\$ 376</u>
CAY underwriting income ex Cats	\$ 30	\$ 36	\$ 37	\$ 28	\$ 28	\$ 103	\$ 89	\$ 117
Combined ratio								
Loss and loss expense ratio	89.6%	45.5%	46.5%	64.2%	49.6%	60.3%	50.3%	53.9%
Policy acquisition cost ratio	23.5%	25.5%	24.5%	24.7%	26.2%	24.5%	26.1%	25.7%
Administrative expense ratio	5.2%	5.6%	5.1%	5.7%	5.3%	5.3%	5.3%	5.4%
Combined ratio	<u>118.3%</u>	<u>76.6%</u>	<u>76.1%</u>	<u>94.6%</u>	<u>81.1%</u>	<u>90.1%</u>	<u>81.7%</u>	<u>85.0%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	49.7%	46.8%	50.4%	52.5%	49.9%	49.0%	50.0%	50.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	31.1%	31.4%	29.6%	30.8%	32.2%	30.7%	31.7%	31.5%
CAY combined ratio ex Cats	<u>80.8%</u>	<u>78.2%</u>	<u>80.0%</u>	<u>83.3%</u>	<u>82.1%</u>	<u>79.7%</u>	<u>81.7%</u>	<u>82.1%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ 7	\$ —	\$ —	\$ 1	\$ 2	\$ 7	\$ 2	\$ 3
Catastrophe losses—pre-tax	\$ 75	\$ 13	\$ —	\$ 16	\$ 25	\$ 88	\$ 35	\$ 51
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (6)	\$ (16)	\$ (7)	\$ 4	\$ (25)	\$ (29)	\$ (33)	\$ (29)
% Change versus prior year period								
Net premiums written as reported	28.4%	4.6%	8.4%	-6.0%	14.0%	12.2%	-2.5%	-3.2%
Net premiums earned as reported	6.7%	2.9%	10.4%	-5.8%	1.9%	6.8%	-1.1%	-2.3%
Net premiums written constant \$	27.2%	4.9%	7.9%	-4.8%	12.8%	11.9%	-1.1%	-1.7%
Net premiums earned constant \$	5.4%	4.0%	10.2%	-5.0%	3.1%	6.6%	0.7%	-0.8%
Other ratios								
Net premiums written/gross premiums written	91%	79%	90%	99%	94%	86%	89%	90%

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars)
(Unaudited)

Life Insurance

	<u>3Q-20</u>	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 645	\$ 653	\$ 683	\$ 652	\$ 642	\$ 1,981	\$ 1,865	\$ 2,517
Net premiums written	610	619	645	622	612	1,874	1,770	2,392
Net premiums earned	599	608	631	613	598	1,838	1,730	2,343
Losses and loss expenses	183	171	202	176	190	556	581	757
Adjusted policy benefits	174	183	185	201	165	542	495	696
Policy acquisition costs	175	196	180	166	176	551	454	620
Administrative expenses	80	82	76	86	80	238	237	323
Net investment income	95	95	95	95	92	285	278	373
Life Insurance underwriting income (1)	82	71	83	79	79	236	241	320
Other income (expense)—operating	23	17	12	11	17	52	37	48
Amortization expense of purchased intangibles	(1)	(1)	(1)	—	(1)	(3)	(2)	(2)
Segment income	<u>\$ 104</u>	<u>\$ 87</u>	<u>\$ 94</u>	<u>\$ 90</u>	<u>\$ 95</u>	<u>\$ 285</u>	<u>\$ 276</u>	<u>\$ 366</u>
% Change versus prior year period								
Net premiums written	-0.4%	7.0%	11.4%	6.9%	8.5%	5.9%	4.8%	5.3%
Net premiums earned	0.0%	6.5%	12.6%	6.6%	8.7%	6.2%	5.3%	5.6%
Net premiums written constant \$	0.2%	8.5%	11.3%	6.8%	9.1%	6.5%	6.2%	6.4%
Net premiums earned constant \$	0.7%	8.0%	12.5%	6.5%	9.3%	6.9%	6.7%	6.6%

- (1) We assess the performance of our Life Insurance business based on Life Insurance underwriting income which includes Net investment income and (Gains) losses from fair value changes in separate account assets.

International life insurance net premiums written and deposits breakdown (excludes Combined North America and Life reinsurance businesses):

	<u>3Q-20</u>	<u>3Q-19</u>	<u>% Change</u>	<u>Constant \$ % Change</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>% Change</u>	<u>Constant \$ % Change</u>
International life insurance net premiums written	\$ 280	\$ 259	8.3%	9.4%	\$ 865	\$ 715	21.0%	22.4%
International life insurance deposits (2)	363	369	-1.8%	-5.7%	1,115	1,059	5.3%	3.2%
Total international life insurance net premiums written and deposits	<u>\$ 643</u>	<u>\$ 628</u>	2.3%	0.4%	<u>\$ 1,980</u>	<u>\$ 1,774</u>	11.6%	10.8%
International life insurance segment income	<u>\$ 52</u>	<u>\$ 40</u>	26.4%	28.1%	<u>\$ 134</u>	<u>\$ 116</u>	15.1%	16.3%

- (2) Includes deposits collected on universal life and investment contracts. Consistent with GAAP, premiums collected on universal life and investment contracts are considered deposits and excluded from revenues.

Chubb Limited
Segment Results—Consecutive Quarters
(in millions of U.S. dollars)
(Unaudited)

Corporate

	<u>3Q-20</u>	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—	—
Losses and loss expenses	55	276	11	75	38	342	83	158
Policy acquisition costs	—	—	—	—	—	—	—	—
Administrative expenses	71	77	66	108	74	214	211	319
Underwriting loss	(126)	(353)	(77)	(183)	(112)	(556)	(294)	(477)
Adjusted net investment income	9	8	8	8	9	25	28	36
Other income (expense)—operating	(7)	(9)	(16)	(6)	(7)	(32)	(18)	(24)
Adjusted interest expense	(135)	(134)	(137)	(140)	(143)	(406)	(433)	(573)
Amortization expense of purchased intangibles	(52)	(51)	(50)	(55)	(54)	(153)	(163)	(218)
Income tax (expense) benefit	(172)	46	(237)	(173)	(219)	(363)	(637)	(810)
Core operating loss	(483)	(493)	(509)	(549)	(526)	(1,485)	(1,517)	(2,066)
Chubb integration expenses, net of tax	—	—	—	(12)	(2)	—	(7)	(19)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(19)	(19)	(22)	(25)	(24)	(60)	(89)	(114)
Adjusted net realized gains (losses), net of tax ⁽¹⁾	306	(58)	(946)	170	(119)	(698)	(224)	(54)
Net loss	<u>\$(196)</u>	<u>\$(570)</u>	<u>\$(1,477)</u>	<u>\$(416)</u>	<u>\$(671)</u>	<u>\$(2,243)</u>	<u>\$(1,837)</u>	<u>\$(2,253)</u>
Unfavorable prior period development (PPD)—pre-tax	\$ 54	\$ 274	\$ 11	\$ 74	\$ 36	\$ 339	\$ 79	\$ 153

(1) Includes Net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Loss Reserve Rollforward
(in millions of U.S. dollars, except ratios)
(Unaudited)

	Unpaid Losses			Net Paid to Incurred Ratio
	Gross	Ceded	Net	
Balance at December 31, 2018	\$62,960	\$14,689	\$48,271	
Losses and loss expenses incurred	5,261	1,163	4,098	
Losses and loss expenses paid	(5,197)	(1,178)	(4,019)	98%
Other (incl. foreign exch. revaluation)	119	33	86	
Balance at March 31, 2019	\$63,143	\$14,707	\$48,436	
Losses and loss expenses incurred	5,758	1,043	4,715	
Losses and loss expenses paid	(5,581)	(1,489)	(4,092)	87%
Other (incl. foreign exch. revaluation)	(115)	(28)	(87)	
Balance at June 30, 2019	\$63,205	\$14,233	\$48,972	
Losses and loss expenses incurred	6,783	1,731	5,052	
Losses and loss expenses paid	(6,751)	(1,568)	(5,183)	103%
Other (incl. foreign exch. revaluation)	(225)	(64)	(161)	
Balance at September 30, 2019	\$63,012	\$14,332	\$48,680	
Losses and loss expenses incurred	5,855	990	4,865	
Losses and loss expenses paid	(6,382)	(1,203)	(5,179)	106%
Other (incl. foreign exch. revaluation)	205	62	143	
Balance at December 31, 2019	\$62,690	\$14,181	\$48,509	
Losses and loss expenses incurred	5,569	1,084	4,485	
Losses and loss expenses paid	(5,345)	(1,090)	(4,255)	95%
Other (incl. foreign exch. revaluation)	(700)	(135)	(565)	
Balance at March 31, 2020	\$62,214	\$14,040	\$48,174	
Losses and loss expenses incurred	7,825	1,248	6,577	
Losses and loss expenses paid	(4,874)	(1,024)	(3,850)	59%(1)
Other (incl. foreign exch. revaluation)	534	97	437	
Balance at June 30, 2020	\$65,699	\$14,361	\$51,338	
Losses and loss expenses incurred	7,288	1,453	5,835	
Losses and loss expenses paid	(5,342)	(1,084)	(4,258)	73%
Other (incl. foreign exch. revaluation)	260	37	223	
Balance at September 30, 2020	\$67,905	\$14,767	\$53,138	
Add net recoverable on paid losses	—	903	(903)	
Balance including net recoverable on paid losses	\$67,905	\$15,670	\$52,235	

(1) The losses and loss expenses incurred increased \$2.1 billion in Q2 2020, principally reflecting the significant catastrophe events in the period, principally COVID-19, and resulting in the 59% net paid to incurred ratio for Q2 2020.

Chubb Limited
Reinsurance Recoverable Analysis
(in millions of U.S. dollars)
(Unaudited)

Net Reinsurance Recoverable by Division

	<u>September 30</u> <u>2020</u>	<u>June 30</u> <u>2020</u>	<u>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>
Reinsurance recoverable on paid losses and loss expenses				
Active operations	\$ 784	\$ 736	\$ 748	\$ 887
Brandywine and Other Run-off	184	173	177	189
Total	<u>\$ 968</u>	<u>\$ 909</u>	<u>\$ 925</u>	<u>\$ 1,076</u>
Reinsurance recoverable on unpaid losses and loss expenses				
Active operations	\$ 13,707	\$ 13,315	\$ 13,088	\$ 13,223
Brandywine and Other Run-off	1,315	1,286	1,190	1,198
Total	<u>\$ 15,022</u>	<u>\$ 14,601</u>	<u>\$ 14,278</u>	<u>\$ 14,421</u>
Gross reinsurance recoverable				
Active operations	\$ 14,491	\$ 14,051	\$ 13,836	\$ 14,110
Brandywine and Other Run-off	1,499	1,459	1,367	1,387
Total	<u>\$ 15,990</u>	<u>\$ 15,510</u>	<u>\$ 15,203</u>	<u>\$ 15,497</u>
Provision for uncollectible reinsurance (1)				
Active operations	\$ (185)	\$ (177)	\$ (176)	\$ (180)
Brandywine and Other Run-off	(135)	(126)	(129)	(136)
Total	<u>\$ (320)</u>	<u>\$ (303)</u>	<u>\$ (305)</u>	<u>\$ (316)</u>
Net reinsurance recoverable				
Active operations	\$ 14,306	\$ 13,874	\$ 13,660	\$ 13,930
Brandywine and Other Run-off	1,364	1,333	1,238	1,251
Total	<u>\$ 15,670</u>	<u>\$ 15,207</u>	<u>\$ 14,898</u>	<u>\$ 15,181</u>

(1) The provision for uncollectible reinsurance is based on a default analysis applied to gross reinsurance, net of usable collateral of approximately \$3.4 billion.

Chubb Limited
Investment Portfolio
(in millions of U.S. dollars)
(Unaudited)

	September 30 2020		June 30 2020		March 31 2020		December 31 2019	
Market Value								
Fixed maturities available for sale	\$ 89,852		\$ 86,712		\$ 81,523		\$ 85,488	
Fixed maturities held to maturity	12,473		12,620		12,468		13,005	
Short-term investments	4,660		4,003		3,586		4,291	
Total fixed maturities	<u>\$ 106,985</u>		<u>\$ 103,335</u>		<u>\$ 97,577</u>		<u>\$ 102,784</u>	
Asset Allocation by Market Value								
U.S. Treasury / Agency	\$ 4,100	4%	\$ 4,190	4%	\$ 4,296	4%	\$ 4,630	5%
Corporate and asset-backed securities	37,712	35%	36,345	35%	32,990	33%	34,259	33%
Mortgage-backed securities	21,590	20%	20,529	20%	20,252	21%	21,588	21%
Municipal	12,267	12%	12,291	12%	12,266	13%	12,824	12%
Non-U.S.	26,656	25%	25,977	25%	24,187	25%	25,192	25%
Short-term investments	4,660	4%	4,003	4%	3,586	4%	4,291	4%
Total fixed maturities	<u>\$ 106,985</u>		<u>\$ 103,335</u>		<u>\$ 97,577</u>		<u>\$ 102,784</u>	
Credit Quality by Market Value								
AAA	\$ 16,177	15%	\$ 15,411	15%	\$ 14,577	15%	\$ 15,714	15%
AA	36,759	34%	35,600	35%	35,437	36%	37,504	37%
A	19,359	18%	19,703	19%	18,375	19%	19,236	19%
BBB	17,009	16%	15,690	15%	13,617	14%	13,650	13%
BB	9,609	9%	9,302	9%	8,661	9%	9,474	9%
B	7,466	7%	7,124	7%	6,487	7%	6,897	7%
Other	606	1%	505	0%	423	0%	309	0%
Total fixed maturities	<u>\$ 106,985</u>		<u>\$ 103,335</u>		<u>\$ 97,577</u>		<u>\$ 102,784</u>	
Cost/Amortized Cost, net								
Fixed maturities available for sale ⁽¹⁾	\$ 85,167		\$ 82,671		\$ 80,776		\$ 82,580	
Fixed maturities held to maturity ⁽¹⁾	11,651		11,845		12,022		12,581	
Short-term investments ⁽¹⁾	4,662		4,002		3,582		4,291	
Subtotal fixed maturities	101,480		98,518		96,380		99,452	
Equity securities	3,088		2,394		2,068		812	
Other investments	6,796		5,923		6,075		6,062	
Total investment portfolio	<u>\$ 111,364</u>		<u>\$ 106,835</u>		<u>\$ 104,523</u>		<u>\$ 106,326</u>	
Avg. duration of fixed maturities	4.0 years		4.0 years		3.9 years		3.8 years	
Avg. market yield of fixed maturities	1.9%		2.2%		3.0%		2.7%	
Avg. credit quality	A/Aa		A/Aa		A/Aa		A/Aa	
Avg. yield on invested assets ⁽²⁾	3.3%		3.3%		3.5%		3.5%	

(1) Net of valuation allowance for expected credit losses.

(2) Calculated using adjusted net investment income.

Chubb Limited
Investment Portfolio—2
(in millions of U.S. dollars)
(Unaudited)

Mortgage-backed Fixed Income Portfolio

Mortgage-backed securities

	S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Market Value at September 30, 2020						
Agency residential mortgage-backed securities (RMBS)	\$ 127	\$17,765	\$ —	\$ —	\$ —	\$17,892
Non-agency RMBS	147	43	78	16	10	294
Commercial mortgage-backed securities	2,949	303	137	13	2	3,404
Total mortgage-backed securities at market value	\$3,223	\$18,111	\$ 215	\$ 29	\$ 12	\$21,590

U.S. Corporate and Asset-backed Fixed Income Portfolios

Market Value at September 30, 2020

	S&P Credit Rating					Total
	Investment Grade					
	AAA	AA	A	BBB		
Asset-backed	\$ 3,253	\$ 474	\$ 33	\$ 35		\$ 3,795
Banks	—	12	1,940	2,144		4,096
Basic Materials	—	—	91	285		376
Communications	—	215	567	1,306		2,088
Consumer, Cyclical	—	285	508	737		1,530
Consumer, Non-Cyclical	55	674	1,597	1,836		4,162
Diversified Financial Services	7	210	380	460		1,057
Energy	—	87	209	710		1,006
Industrial	—	14	884	914		1,812
Utilities	—	3	1,092	560		1,655
All Others	247	442	1,676	1,158		3,523
Total	\$ 3,562	\$2,416	\$8,977	\$ 10,145		\$25,100

Market Value at September 30, 2020

	S&P Credit Rating				Total
	Below Investment Grade				
	BB	B	CCC		
Asset-backed	\$ 5	\$ 19	\$ 3		\$ 27
Banks	—	—	—		—
Basic Materials	323	229	1		553
Communications	839	854	57		1,750
Consumer, Cyclical	1,038	959	159		2,156
Consumer, Non-Cyclical	1,408	1,415	82		2,905
Diversified Financial Services	220	101	7		328
Energy	736	329	12		1,077
Industrial	839	836	25		1,700
Utilities	348	35	1		384
All Others	871	796	65		1,732
Total	\$6,627	\$5,573	\$ 412		\$12,612

Chubb Limited
Investment Portfolio—3
(in millions of U.S. dollars)
(Unaudited)

Non-U.S. Fixed Income Portfolio
September 30, 2020

Non-U.S. Government Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Republic of Korea	\$ —	\$ 1,058	\$ —	\$ —	\$ —	\$ 1,058
Canada	942	—	—	—	—	942
United Kingdom	—	905	—	—	—	905
Province of Ontario	—	—	681	—	—	681
Kingdom of Thailand	—	—	612	—	—	612
Province of Quebec	—	539	—	—	—	539
Federative Republic of Brazil	—	—	—	—	512	512
Commonwealth of Australia	451	—	3	—	—	454
United Mexican States	—	—	—	453	—	453
Socialist Republic of Vietnam	—	—	—	—	380	380
Other Non-U.S. Government Securities	862	1,658	1,173	902	891	5,486
Total	<u>\$2,255</u>	<u>\$4,160</u>	<u>\$2,469</u>	<u>\$1,355</u>	<u>\$ 1,783</u>	<u>\$12,022</u>

Non-U.S. Corporate Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
United Kingdom	\$ 70	\$ 54	\$ 777	\$ 940	\$ 447	\$ 2,288
Canada	100	264	441	606	422	1,833
France	8	46	700	377	58	1,189
United States (1)	—	—	198	307	650	1,155
Australia	105	204	319	236	23	887
Netherlands	53	94	215	147	108	617
Japan	—	5	505	71	—	581
Switzerland	57	4	270	203	32	566
Germany	62	45	108	272	49	536
China	—	—	282	89	72	443
Other Non-U.S. Corporate Securities	356	439	1,014	1,644	1,086	4,539
Total	<u>\$ 811</u>	<u>\$1,155</u>	<u>\$4,829</u>	<u>\$4,892</u>	<u>\$ 2,947</u>	<u>\$14,634</u>

(1) Countries represent the ultimate parent company's country of risk. Non-U.S. corporate securities could be issued by foreign subsidiaries of U.S. corporations.

Chubb Limited
Investment Portfolio—4
(in millions of U.S. dollars)
(Unaudited)

Fixed Maturity Investment Portfolio

Top 10 Global Corporate Exposures

<u>September 30, 2020</u>		<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 762	BBB+
2	Bank of America Corp	670	A-
3	JP Morgan Chase & Co	658	A-
4	Comcast Corp	511	A-
5	Morgan Stanley	459	BBB+
6	Citigroup Inc	441	BBB+
7	Verizon Communications Inc	430	BBB+
8	AT&T Inc	393	BBB
9	Goldman Sachs Group Inc	377	BBB+
10	HSBC Holdings Plc	376	A-

Chubb Limited
Net Realized and Unrealized Gains (Losses)
(in millions of U.S. dollars)
(Unaudited)

Three months ended September 30, 2020

	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
Fixed income investments (1)	\$ 58	\$ (8)	\$ 50	\$ 638	\$ (95)	\$ 543	\$ 696	\$ (103)	\$ 593
Public equity:									
Realized gains (losses) on sales	34	(2)	32	—	—	—	34	(2)	32
Mark-to-market	(34)	5	(29)	—	—	—	(34)	5	(29)
Private equity:									
Realized gains (losses) on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	436	(8)	428	—	—	—	436	(8)	428
Total investment portfolio	494	(13)	481	638	(95)	543	1,132	(108)	1,024
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	(6)	—	(6)	—	—	—	(6)	—	(6)
Foreign exchange	(222)	38	(184)	246	(13)	233	24	25	49
Partially-owned entities (3)	17	—	17	—	—	—	17	—	17
Other	(3)	1	(2)	(23)	5	(18)	(26)	6	(20)
Net gains (losses)	\$ 280	\$ 26	\$ 306	\$ 861	\$ (103)	\$ 758	\$ 1,141	\$ (77)	\$ 1,064

- (1) The quarter includes pre-tax realized gains on fixed income derivatives of \$9 million, a net reduction of the valuation allowance of expected credit losses of \$42 million, and impairment of \$11 million for fixed maturities during the quarter.
- (2) The quarter includes \$52 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

Three months ended September 30, 2019

	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
Fixed income investments (4)	\$ (106)	\$ 2	\$ (104)	\$ 705	\$ (125)	\$ 580	\$ 599	\$ (123)	\$ 476
Public equity (4):									
Realized gains (losses) on sales	22	(5)	17	—	—	—	22	(5)	17
Mark-to-market	(21)	1	(20)	—	—	—	(21)	1	(20)
Private equity:									
Realized gains (losses) on sales	(2)	—	(2)	—	—	—	(2)	—	(2)
Mark-to-market	34	(2)	32	—	—	—	34	(2)	32
Total investment portfolio	(73)	(4)	(77)	705	(125)	580	632	(129)	503
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (5)	(112)	—	(112)	—	—	—	(112)	—	(112)
Foreign exchange	84	(15)	69	(193)	8	(185)	(109)	(7)	(116)
Partially-owned entities (6)	5	—	5	—	—	—	5	—	5
Other	(4)	—	(4)	(17)	4	(13)	(21)	4	(17)
Net gains (losses)	\$ (100)	\$ (19)	\$ (119)	\$ 495	\$ (113)	\$ 382	\$ 395	\$ (132)	\$ 263

- (4) The quarter includes pre-tax realized losses on derivatives of: \$95 million in fixed income and \$2 million in public equity. Other-than-temporary impairments for the quarter in realized losses were \$24 million pre-tax for fixed maturities.
- (5) The quarter includes \$6 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (6) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

Chubb Limited
Net Realized and Unrealized Gains (Losses)
(in millions of U.S. dollars)
(Unaudited)

Nine months ended September 30, 2020

	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax			Pre-Tax			Pre-Tax		
Fixed income investments (1)	\$ (307)	\$ 32	\$ (275)	\$ 1,759	\$ (335)	\$ 1,424	\$ 1,452	\$ (303)	\$ 1,149
Public equity (1):									
Realized gains (losses) on sales	239	(44)	195	—	—	—	239	(44)	195
Mark-to-market	(78)	8	(70)	—	—	—	(78)	8	(70)
Private equity:									
Realized gains (losses) on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	229	(6)	223	—	—	—	229	(6)	223
Total investment portfolio	83	(10)	73	1,759	(335)	1,424	1,842	(345)	1,497
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	(456)	—	(456)	—	—	—	(456)	—	(456)
Foreign exchange	(351)	55	(296)	(168)	27	(141)	(519)	82	(437)
Partially-owned entities (3)	15	—	15	—	—	—	15	—	15
Other	(43)	9	(34)	(59)	13	(46)	(102)	22	(80)
Net gains (losses)	\$ (752)	\$ 54	\$ (698)	\$ 1,532	\$ (295)	\$ 1,237	\$ 780	\$ (241)	\$ 539

- (1) Year to date includes pre-tax realized gains on equity derivatives of \$42 million, realized losses on fixed income derivatives of \$4 million, expected credit losses of \$4 million, and impairments of \$163 million related to certain securities the company intended to sell and securities written to market entering default.
- (2) Year to date includes \$30 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

Nine months ended September 30, 2019

	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax			Pre-Tax			Pre-Tax		
Fixed income investments (4)	\$ (417)	\$ 10	\$ (407)	\$ 3,834	\$ (676)	\$ 3,158	\$ 3,417	\$ (666)	\$ 2,751
Public equity (4):									
Realized gains (losses) on sales	23	(5)	18	—	—	—	23	(5)	18
Mark-to-market	9	(3)	6	—	—	—	9	(3)	6
Private equity:									
Realized gains (losses) on sales	(4)	—	(4)	—	—	—	(4)	—	(4)
Mark-to-market	227	—	227	—	—	—	227	—	227
Total investment portfolio	(162)	2	(160)	3,834	(676)	3,158	3,672	(674)	2,998
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (5)	(146)	—	(146)	—	—	—	(146)	—	(146)
Foreign exchange	86	(14)	72	(143)	3	(140)	(57)	(11)	(68)
Partially-owned entities (6)	15	(1)	14	—	—	—	15	(1)	14
Other	(4)	—	(4)	(62)	13	(49)	(66)	13	(53)
Net gains (losses)	\$ (211)	\$ (13)	\$ (224)	\$ 3,629	\$ (660)	\$ 2,969	\$ 3,418	\$ (673)	\$ 2,745

- (4) Year to date includes pre-tax realized losses on derivatives of: \$374 million in fixed income and \$34 million in public equity. Year to date other-than-temporary impairments in realized losses were \$50 million pre-tax for fixed maturities.
- (5) Year to date includes \$89 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (6) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

Chubb Limited
Debt and Capital
(in millions of U.S. dollars, except ratios)
(Unaudited)

	September 30 2020	June 30 2020	March 31 2020	December 31 2019	December 31 2018
Financial Debt:					
Total short-term debt	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,299	\$ 509
Total long-term debt (1)	14,830	13,656	13,510	13,559	12,087
Total financial debt	\$ 16,130	\$ 14,956	\$ 14,810	\$ 14,858	\$ 12,596
Hybrid debt:					
Total trust preferred securities	308	308	308	308	308
Total	\$ 16,438	\$ 15,264	\$ 15,118	\$ 15,166	\$ 12,904
Capitalization:					
Shareholders' equity	\$ 56,413	\$ 54,760	\$ 52,197	\$ 55,331	\$ 50,312
Hybrid debt	308	308	308	308	308
Financial debt	16,130	14,956	14,810	14,858	12,596
Total capitalization	\$ 72,851	\$ 70,024	\$ 67,315	\$ 70,497	\$ 63,216
Leverage ratios (based on total capital):					
Hybrid debt	0.4%	0.4%	0.5%	0.4%	0.5%
Financial debt (1)	22.1%	21.4%	22.0%	21.1%	19.9%
Total hybrid & financial debt	22.5%	21.8%	22.5%	21.5%	20.4%

Note: As of September 30, 2020, there was \$1.7 billion usage of credit facilities on total capacity of \$4.0 billion.

- (1) In September 2020, the company issued \$1.0 billion of senior notes at 1.375% due 2030. At September 30, 2020, and December 31, 2019, total debt included \$2.3 billion and \$1.3 billion, respectively, of senior notes issued to provide proceeds to retire existing debt coming due in November 2022 and November 2020, respectively. These prefundings had the effect of increasing the leverage ratios at September 30, 2020, and December 31, 2019, by 2.5 percentage points and 1.4 percentage points, respectively.

Chubb Limited
Computation of Basic and Diluted Earnings Per Share
(in millions of U.S. dollars, except share and per share data)
(Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Numerator				
Core operating income to common shares	\$ 907	\$ 1,236	\$ 1,873	\$ 3,601
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(23)	(32)	(74)	(111)
Tax benefit on amortization adjustment	4	8	14	22
Chubb integration expenses, pre-tax	—	(2)	—	(9)
Tax benefit on Chubb integration expenses	—	—	—	2
Adjusted net realized gains (losses), pre-tax	280	(100)	(752)	(211)
Tax (expense) benefit on adjusted net realized gains (losses)	26	(19)	54	(13)
Net income	<u>\$ 1,194</u>	<u>\$ 1,091</u>	<u>\$ 1,115</u>	<u>\$ 3,281</u>
Rollforward of Common Shares Outstanding				
Shares—beginning of period	451,360,023	456,077,819	451,971,567	459,203,378
Repurchase of shares	—	(3,079,618)	(2,266,150)	(8,417,838)
Shares issued, excluding option exercises	(13,731)	(76,142)	1,013,831	1,146,942
Issued for option exercises	29,902	611,583	656,946	1,601,160
Shares—end of period	<u>451,376,194</u>	<u>453,533,642</u>	<u>451,376,194</u>	<u>453,533,642</u>
Denominator				
Weighted average shares outstanding (1)	451,794,046	454,975,143	451,683,093	456,987,560
Effect of other dilutive securities	1,471,434	3,175,226	1,894,699	2,937,026
Adj. wtd. avg. shares outstanding and assumed conversions	<u>453,265,480</u>	<u>458,150,369</u>	<u>453,577,792</u>	<u>459,924,586</u>
Basic earnings per share				
Core operating income	\$ 2.01	\$ 2.72	\$ 4.15	\$ 7.88
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.04)	(0.06)	(0.13)	(0.19)
Chubb integration expenses, net of tax	—	—	—	(0.02)
Adjusted net realized gains (losses), net of tax	0.67	(0.26)	(1.55)	(0.49)
Net income	<u>\$ 2.64</u>	<u>\$ 2.40</u>	<u>\$ 2.47</u>	<u>\$ 7.18</u>
Diluted earnings per share				
Core operating income	\$ 2.00	\$ 2.70	\$ 4.13	\$ 7.83
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.04)	(0.06)	(0.13)	(0.19)
Chubb integration expenses, net of tax	—	—	—	(0.02)
Adjusted net realized gains (losses), net of tax	0.67	(0.26)	(1.54)	(0.49)
Net income	<u>\$ 2.63</u>	<u>\$ 2.38</u>	<u>\$ 2.46</u>	<u>\$ 7.13</u>

(1) Includes unvested restricted stock units that are not included in common shares outstanding as the shares are not issued until time of vesting, but are eligible to receive dividends (participating securities).

Chubb Limited
Book Value and Book Value per Common Share
(in millions of U.S. dollars, except share and per share data)
(Unaudited)

Reconciliation of Book Value per Common Share

	September 30 2020	June 30 2020	March 31 2020	December 31 2019	September 30 2019
Shareholders' equity	\$ 56,413	\$ 54,760	\$ 52,188	\$ 55,331	\$ 54,572
Less: goodwill and other intangible assets, net of tax	19,802	19,783	19,569	20,012	20,010
Numerator for tangible book value per share	<u>\$ 36,611</u>	<u>\$ 34,977</u>	<u>\$ 32,619</u>	<u>\$ 35,319</u>	<u>\$ 34,562</u>
Book value—% change over prior quarter	3.0%	4.9%	-5.7%	1.4%	1.4%
Tangible book value—% change over prior quarter	4.7%	7.2%	-7.6%	2.2%	2.8%
Denominator	<u>451,376,194</u>	<u>451,360,023</u>	<u>451,367,782</u>	<u>451,971,567</u>	<u>453,533,642</u>
Book value per common share	<u>\$ 124.98</u>	<u>\$ 121.32</u>	<u>\$ 115.62</u>	<u>\$ 122.42</u>	<u>\$ 120.33</u>
Tangible book value per common share	<u>\$ 81.11</u>	<u>\$ 77.49</u>	<u>\$ 72.27</u>	<u>\$ 78.14</u>	<u>\$ 76.21</u>
Reconciliation of Book Value					
Shareholders' equity, beginning of quarter (1)	\$ 54,760	\$ 52,188	\$ 55,259	\$ 54,572	\$ 53,802
Core operating income (loss)	907	(254)	1,220	1,040	1,236
Amortization of fair value adjustment of acquired invested assets and long-term debt	(19)	(19)	(22)	(25)	(24)
Chubb integration expenses	—	—	—	(12)	(2)
Adjusted net realized gains (losses) (2)	306	(58)	(946)	170	(119)
Net unrealized gains (losses) on investments	543	2,757	(1,876)	(70)	580
Repurchase of shares	—	—	(326)	(310)	(478)
Dividend declared on common shares	(353)	(353)	(340)	(340)	(341)
Cumulative translation gains (losses)	233	451	(825)	177	(185)
Postretirement benefit liability	(18)	(17)	(11)	(9)	(13)
Other (3)	54	65	55	138	116
	<u>\$ 56,413</u>	<u>\$ 54,760</u>	<u>\$ 52,188</u>	<u>\$ 55,331</u>	<u>\$ 54,572</u>

- (1) January 1, 2020 included a \$72 million after-tax reduction to beginning equity principally related to the adoption of the current expected credit loss accounting guidance.
- (2) Includes net realized gains (losses) related to unconsolidated entities.
- (3) Other primarily includes proceeds from exercise of stock options and stock compensation, offset by the value of any share cancellations for restricted stock vesting taxes.

Chubb Limited
Non-GAAP Financial Measures
(Unaudited)

Regulation G—Non-GAAP Financial Measures

In presenting our results, we included and discussed certain non-GAAP measures. These non-GAAP measures, which may be defined differently by other companies, are important for an understanding of our overall results of operations and financial condition. However, they should not be viewed as a substitute for measures determined in accordance with generally accepted accounting principles (GAAP).

Throughout this document there are various measures presented on a constant-dollar basis (i.e., excludes the impact of foreign exchange). We believe it is useful to evaluate the trends in our results exclusive of the effect of fluctuations in exchange rates between the U.S. dollar and the currencies in which our international business is transacted, as these exchange rates could fluctuate significantly between periods and distort the analysis of trends. The impact is determined by assuming constant foreign exchange rates between periods by translating prior period results using the same local currency exchange rates as the comparable current period.

Underwriting income (loss) is calculated by subtracting adjusted losses and loss expenses, adjusted policy benefits, policy acquisition costs and administrative expenses from net premiums earned. We use underwriting income (loss) and operating ratios to monitor the results of our operations without the impact of certain factors, including net investment income, other income (expense), interest expense, amortization expense of purchased intangibles, Chubb integration expense, income tax expense and adjusted net realized gains (losses).

CAY underwriting income excluding catastrophe losses (Cats) is underwriting income (loss) adjusted to exclude Cats and prior period development (PPD). We believe it is useful to exclude Cats, as they are not predictable as to timing and amount, and PPD as these unexpected loss developments on historical reserves are not indicative of our current underwriting performance. We believe the use of these measures enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business.

Adjusted losses and loss expenses include realized gains and losses on crop derivatives. These derivatives were purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing impacts underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations, and therefore realized gains (losses) from these derivatives are reclassified to adjusted losses and loss expenses.

Adjusted policy benefits includes gains and losses from fair value changes in separate account assets, as well as the offsetting movement in separate account liabilities, for purposes of reporting Life Insurance underwriting income. The gains and losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified from Other (income) expense. We view gains and losses from fair value changes in both separate account assets and liabilities as part of the results of our underwriting operations, and therefore these gains and losses are reclassified to adjusted policy benefits.

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets from the acquisition of The Chubb Corporation (Chubb Corp) and including investment income from partially-owned investment companies (private equity partnerships) where our ownership interest is in excess of three percent that are accounted for under the equity method. The mark-to-market movement on these private equity partnerships are included in adjusted net realized gains (losses) as described below. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

Adjusted net realized gains (losses), net of tax, includes net realized gains (losses) and net realized gains (losses) recorded in other income (expense) related to unconsolidated subsidiaries, and excludes realized gains and losses on crop derivatives.

Adjusted interest expense is interest expense excluding the amortization of the fair value adjustment on acquired long-term debt, related to the Chubb Corp acquisition due to the size and complexity of this acquisition.

Other income (expense) — operating excludes from consolidated Other income (expense) the portion of net realized gains and losses related to unconsolidated entities, other income (expense) from private equity partnerships, and gains and losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP. Net realized gains (losses) related to unconsolidated entities is excluded from core operating income (loss) in order to enhance the understanding of our results of underwriting operations as they are heavily influenced by, and fluctuate in part according to, market conditions. Other income (expense) from private equity partnerships and net realized gains and losses related to unconsolidated entities are recorded to Other income (expense) in our income statement on a GAAP basis.

P&C underwriting income and P&C combined ratio exclude the Life Insurance segment. P&C loss and loss expense ratio and P&C combined ratio include adjusted losses and loss expenses in the ratio numerator. P&C expense ratio and P&C combined ratio include policy acquisition costs and administrative expenses in the ratio numerator. A reconciliation of combined ratio to P&C combined ratio is provided on pages 33-36.

CAY P&C combined ratio excluding catastrophe losses excludes Cats and PPD from the P&C combined ratio. We exclude Cats as they are not predictable as to timing and amount and PPD as these unexpected loss developments on historical reserves are not indicative of our current underwriting performance. The combined ratio numerator is adjusted to exclude Cats, net premiums earned adjustments on PPD, prior period expense adjustments and reinstatement premiums on PPD, and the denominator is adjusted to exclude net premiums earned adjustments on PPD and reinstatement premiums on Cats and PPD. In periods where there are adjustments on loss sensitive policies, these adjustments are excluded from PPD and net premiums earned when calculating the ratios. We believe this measure provides a better evaluation of our underwriting performance and enhances the understanding of the trends in our P&C business that may be obscured by these items. This measure is commonly reported among our peer companies and allows for a better comparison.

Expense ratio excluding accident and health (A&H) excludes the impact of our A&H business from our expense ratio. The expense ratio for the A&H business is typically higher than our traditional P&C business, and we believe that this measure provides better comparison to our peer companies that may not have a significant A&H block of business.

Global P&C performance metrics comprise consolidated operating results (including corporate) and exclude the operating results of the company's Life Insurance and North America Agricultural Insurance segments. The agriculture insurance business is a different business in that it is a public sector and private sector partnership in which insurance rates, premium growth, and risk-sharing is not market-driven like the remainder of the company's P&C insurance business. We believe that these measures are useful and meaningful to investors as they are used by management to assess the company's global P&C operations which are the most economically similar. We exclude the North America Agricultural Insurance and Life Insurance segments because the results of these businesses do not always correlate with the results of our global P&C operations.

Core operating income (loss), net of tax, excludes from net income, the after-tax impact of adjusted net realized gains (losses), Chubb integration expenses, and the amortization of fair value adjustment of acquired invested assets and long-term debt related to the Chubb Corp acquisition. We believe this presentation enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business. We exclude adjusted net realized gains (losses) because the amount of these gains (losses) are heavily influenced by, and fluctuate in part according to the availability of market opportunities. We exclude the amortization of the fair value adjustments related to purchased invested assets and long-term debt and Chubb integration expenses due to the size and complexity of this acquisition. These integration expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration expenses facilitates the comparison of our financial results to our historical operating results. References to core operating income measures mean net of tax, whether or not noted.

Core operating effective tax rate is income tax expense (benefit) excluding tax expense (benefit) on adjusted net realized gains (losses), tax benefit on amortization of fair value of acquired invested assets and debt, and tax benefit on Chubb integration expenses, divided by income excluding adjusted net realized gains (losses) before tax, amortization of fair value of acquired invested assets and debt before tax, and Chubb integration expenses before tax. We believe the use of this measure is meaningful to show the tax on the underlying performance of our insurance business, by excluding the tax on adjusted net realized gains (losses), the tax on amortization of the fair value adjustments related to purchased invested assets and long-term debt and the tax on Chubb integration expenses. Refer to the definition of core operating income (loss), net of tax above for more information on these adjustments.

Book value per common share, is shareholders' equity divided by the shares outstanding. Tangible book value per common share, is shareholders' equity less goodwill and other intangible assets, net of tax, divided by the shares outstanding. We believe that goodwill and other intangible assets are not indicative of our underlying insurance results or trends and make book value comparisons to less acquisitive peer companies less meaningful. Book value per common share excluding mark-to-market, excludes unrealized investment gains (losses). Tangible book value per common share excluding mark-to-market, excludes goodwill and other intangible assets, net of tax, as well as unrealized investment gains (losses), net of tax. We exclude unrealized investment gains (losses) because the amount of these gains (losses) is heavily influenced by changes in market conditions, including interest rate changes, and we believe that excluding these gains and losses would highlight the underlying growth in book value and tangible book value.

International life insurance net premiums written and deposits collected includes deposits collected on universal life and investment contracts (life deposits). Life deposits are not reflected as revenues in our consolidated statements of operations in accordance with GAAP. However, we include life deposits in presenting growth in our life insurance business because new life deposits are an important component of production and key to our efforts to grow our business.

Chubb Limited
Non-GAAP Financial Measures—2
(in millions of U.S. dollars, except per share data and ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

Core operating effective tax rate

The following table presents the reconciliation of effective tax rate to the Core operating effective tax rate:

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Tax expense (benefit), as reported	\$ 142	\$ (62)	\$ 215	\$ 169	\$ 230	\$ 295	\$ 626	\$ 795
Less: tax benefit on amortization of fair value of acquired invested assets and debt	(4)	(5)	(5)	(4)	(8)	(14)	(22)	(26)
Less: tax benefit on Chubb integration expenses	—	—	—	(2)	—	—	(2)	(4)
Less: tax expense (benefit) on adjusted net realized gains (losses)	(26)	(11)	(17)	2	19	(54)	13	15
Tax expense (benefit), adjusted	\$ 172	\$ (46)	\$ 237	\$ 173	\$ 219	\$ 363	\$ 637	\$ 810
Income (loss) before tax, as reported	\$1,336	\$ (393)	\$ 467	\$1,342	\$1,321	\$ 1,410	\$3,907	\$ 5,249
Less: amortization of fair value of acquired invested assets and debt	(23)	(24)	(27)	(29)	(32)	(74)	(111)	(140)
Less: Chubb integration expenses	—	—	—	(14)	(2)	—	(9)	(23)
Less: adjusted realized gains (losses)	(142)	31	(956)	(55)	(141)	(1,067)	(467)	(522)
Less: realized gains (losses) related to unconsolidated entities	422	(100)	(7)	227	41	315	256	483
Core operating income (loss) before tax	\$1,079	\$ (300)	\$1,457	\$1,213	\$1,455	\$ 2,236	\$4,238	\$ 5,451
Effective tax rate	10.7%	15.8%	46.0%	12.6%	17.4%	20.9%	16.0%	15.1%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt	0.0%	-0.4%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
Adjustment for tax impact of Chubb integration expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjustment for tax impact of adjusted net realized gains (losses)	5.3%	-0.1%	-29.7%	1.6%	-2.5%	-4.8%	-1.1%	-0.3%
Core operating effective tax rate	16.0%	15.3%	16.3%	14.2%	15.1%	16.2%	15.0%	14.9%

Core operating income

The following table presents the reconciliation of Net income (loss) to Core operating income (loss):

	3Q-20	2Q-20	1Q-20	4Q-19	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Net income (loss), as reported	\$1,194	\$ (331)	\$ 252	\$1,173	\$1,091	\$ 1,115	\$3,281	\$ 4,454
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(23)	(24)	(27)	(29)	(32)	(74)	(111)	(140)
Tax benefit on amortization adjustment	4	5	5	4	8	14	22	26
Chubb integration expenses, pre-tax	—	—	—	(14)	(2)	—	(9)	(23)
Tax benefit on Chubb integration expenses	—	—	—	2	—	—	2	4
Adjusted realized gains (losses), pre-tax	(142)	31	(956)	(55)	(141)	(1,067)	(467)	(522)
Net realized gains (losses) related to unconsolidated entities, pre-tax (1)	422	(100)	(7)	227	41	315	256	483
Tax (expense) benefit on adjusted net realized gains (losses)	26	11	17	(2)	(19)	54	(13)	(15)
Core operating income (loss)	\$ 907	\$ (254)	\$1,220	\$1,040	\$1,236	\$ 1,873	\$3,601	\$ 4,641
Catastrophe losses—after-tax	\$ 797	\$1,510	\$ 199	\$ 353	\$ 191	\$ 2,506	\$ 613	\$ 966
Unfavorable (favorable) prior period development (PPD)—after-tax	\$ (126)	\$ 52	\$ (94)	\$ (199)	\$ (112)	\$ (168)	\$ (425)	\$ (624)
Core operating income (loss) per share	\$ 2.00	\$ (0.56)	\$ 2.68	\$ 2.28	\$ 2.70	\$ 4.13	\$ 7.83	\$ 10.11
Impact of Cats on Core operating income per share— Unfavorable	\$ (1.76)	\$ (3.35)	\$ (0.44)	\$ (0.77)	\$ (0.41)	\$ (5.52)	\$ (1.33)	\$ (2.11)
Impact of PPD on Core operating income per share— Favorable (unfavorable)	\$ 0.28	\$ (0.11)	\$ 0.21	\$ 0.43	\$ 0.24	\$ 0.37	\$ 0.92	\$ 1.36
Impact of Cats and PPD on Core operating income per share— Unfavorable	\$ (1.48)	\$ (3.46)	\$ (0.23)	\$ (0.34)	\$ (0.17)	\$ (5.15)	\$ (0.41)	\$ (0.75)

(1) Realized gains (losses) on partially-owned entities, which are investments where we hold more than an insignificant percentage of the investee's shares. The net income or loss is included in other income (expense).

Chubb Limited
Non-GAAP Financial Measures—3
(in millions of U.S. dollars, except share, per share data, and ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

Core operating return on equity (ROE) and Core operating return on tangible equity (ROTE) are annualized non-GAAP financial measures. The numerator includes core operating income (loss), net of tax. The denominator includes the average shareholders' equity for the period adjusted to exclude unrealized gains (losses) on investments, net of tax. For the ROTe calculation, the denominator is also adjusted to exclude goodwill and other intangible assets, net of tax. These measures enhance the understanding of the return on shareholders' equity by highlighting the underlying profitability relative to shareholders' equity and tangible equity excluding the effect of unrealized gains and losses on our investments.

	3Q-20	3Q-19	YTD 2020	YTD 2019	Full Year 2019
Net income	\$ 1,194	\$ 1,091	\$ 1,115	\$ 3,281	\$ 4,454
Core operating income	\$ 907	\$ 1,236	\$ 1,873	\$ 3,601	\$ 4,641
Equity—beginning of period, as reported (1)	\$ 54,760	\$ 53,802	\$ 55,259	\$ 50,300	\$ 50,300
Less: unrealized gains (losses) on investments, net of deferred tax	3,424	2,033	2,543	(545)	(545)
Equity—beginning of period, as adjusted	\$ 51,336	\$ 51,769	\$ 52,716	\$ 50,845	\$ 50,845
Less: goodwill and other intangible assets, net of tax	\$ 19,783	\$ 20,170	\$ 20,012	\$ 20,054	\$ 20,054
Equity—beginning of period, as adjusted ex goodwill and other intangible assets	\$ 31,553	\$ 31,599	\$ 32,704	\$ 30,791	\$ 30,791
Equity—end of period, as reported	\$ 56,413	\$ 54,572	\$ 56,413	\$ 54,572	\$ 55,331
Less: unrealized gains (losses) on investments, net of deferred tax	3,967	2,613	3,967	2,613	2,543
Equity—end of period, as adjusted	\$ 52,446	\$ 51,959	\$ 52,446	\$ 51,959	\$ 52,788
Less: goodwill and other intangible assets, net of tax	19,802	20,010	19,802	20,010	20,012
Equity—end of period, as adjusted ex goodwill and other intangible assets	\$ 32,644	\$ 31,949	\$ 32,644	\$ 31,949	\$ 32,776
Weighted average equity, as reported	\$ 55,587	\$ 54,187	\$ 55,836	\$ 52,436	\$ 52,816
Weighted average equity, as adjusted	\$ 51,891	\$ 51,864	\$ 52,581	\$ 51,402	\$ 51,817
Weighted average equity, as adjusted ex goodwill and other intangible assets	\$ 32,099	\$ 31,774	\$ 32,674	\$ 31,370	\$ 31,784
ROE	8.6%	8.1%	2.7%	8.3%	8.4%
Core operating ROE	7.0%	9.5%	4.7%	9.3%	9.0%
Core operating ROTe	11.3%	15.6%	7.6%	15.3%	14.6%
Private equities realized gains, after-tax (2)	\$ 428	\$ 30	\$ 223	\$ 223	\$ 434
Impact of Private equities if included in Core operating ROE— Favorable (2)	3.3 pts	0.3 pt	0.6 pt	0.6 pt	0.8 pt

Reconciliation of Book Value and Tangible Book Value per Share, excluding mark-to-market

	September 30 2020	June 30 2020	December 31 2019	QTD % Change	YTD % Change
Book value	\$ 56,413	\$ 54,760	\$ 55,331		
Less: unrealized gains (losses) on investments, net of deferred tax	3,967	3,424	2,543		
Book value excluding mark-to-market	52,446	51,336	52,788		
Less: goodwill and other intangible assets, net of tax	19,802	19,783	20,012		
Tangible book value excluding mark-to-market	\$ 32,644	\$ 31,553	\$ 32,776		
Denominator	451,376,194	451,360,023	451,971,567		
Book value per share excluding mark-to-market	\$ 116.19	\$ 113.74	\$ 116.80	2.2%	-0.5%
Tangible book value per share excluding mark-to-market	\$ 72.32	\$ 69.90	\$ 72.52	3.5%	-0.3%

- January 1, 2020 included a \$72 million after-tax reduction to beginning equity principally related to the adoption of the current expected credit loss accounting guidance.
- We record the change in the fair value mark and gains (losses) on sales of private equity funds as realized gains (losses) instead of investment income.

Chubb Limited
Non-GAAP Financial Measures—4
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio

The P&C combined ratio includes the impact of realized gains and losses on crop derivatives. These derivatives were purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing will impact underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations.

The following tables present the calculation of combined ratio, as reported, for each segment to P&C combined ratio, adjusted for catastrophe losses (Cats) and prior period development (PPD).

Q3 2020		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 2,444	\$ 961	\$ 846	\$ 1,192	\$ 154	\$ 55	\$5,652
Realized (gains) losses on crop derivatives		—	—	(1)	—	—	—	(1)
Adjusted losses and loss expenses	A	<u>\$ 2,444</u>	<u>\$ 961</u>	<u>\$ 845</u>	<u>\$ 1,192</u>	<u>\$ 154</u>	<u>\$ 55</u>	<u>\$5,651</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(447)	(305)	(10)	(95)	(68)	—	(925)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	7	—	7
Catastrophe losses, gross of related adjustments		<u>(447)</u>	<u>(305)</u>	<u>(10)</u>	<u>(95)</u>	<u>(75)</u>	<u>—</u>	<u>(932)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		200	(48)	(18)	60	6	(54)	146
Net premiums earned adjustments on PPD—unfavorable (favorable)		28	—	—	—	—	—	28
Expense adjustments—unfavorable (favorable)		(1)	—	—	—	(2)	—	(3)
PPD reinstatement premiums—unfavorable (favorable)		—	(8)	—	—	—	—	(8)
PPD, gross of related adjustments—favorable (unfavorable)		<u>227</u>	<u>(56)</u>	<u>(18)</u>	<u>60</u>	<u>4</u>	<u>(54)</u>	<u>163</u>
CAY loss and loss expense ex Cats	B	<u>\$ 2,224</u>	<u>\$ 600</u>	<u>\$ 817</u>	<u>\$ 1,157</u>	<u>\$ 83</u>	<u>\$ 1</u>	<u>\$4,882</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 732	\$ 313	\$ 61	\$ 897	\$ 49	\$ 71	\$2,123
Expense adjustments—favorable (unfavorable)		1	—	—	—	2	—	3
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 733</u>	<u>\$ 313</u>	<u>\$ 61</u>	<u>\$ 897</u>	<u>\$ 51</u>	<u>\$ 71</u>	<u>\$2,126</u>
Denominator								
Net premiums earned	E	\$ 3,456	\$ 1,231	\$ 971	\$ 2,337	\$ 171		\$8,166
Reinstatement premiums (collected) expensed on catastrophe losses		—	—	—	—	(7)		(7)
Net premiums earned adjustments on PPD—unfavorable (favorable)		28	—	—	—	—		28
PPD reinstatement premiums—unfavorable (favorable)		—	(8)	—	—	—		(8)
Net premiums earned excluding adjustments	F	<u>\$ 3,484</u>	<u>\$ 1,223</u>	<u>\$ 971</u>	<u>\$ 2,337</u>	<u>\$ 164</u>		<u>\$8,179</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	70.7%	78.1%	87.1%	51.0%	89.6%		69.2%
Policy acquisition cost and administrative expense ratio	C/E	21.2%	25.4%	6.2%	38.4%	28.7%		26.0%

P&C combined ratio		<u>91.9%</u>	<u>103.5%</u>	<u>93.3%</u>	<u>89.4%</u>	<u>118.3%</u>	<u>95.2%</u>
CAY P&C combined ratio ex Cats							
Loss and loss expense ratio, adjusted	B/F	63.8%	49.2%	84.2%	49.5%	49.7%	59.7%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	<u>21.1%</u>	<u>25.6%</u>	<u>6.2%</u>	<u>38.4%</u>	<u>31.1%</u>	<u>26.0%</u>
CAY P&C combined ratio ex Cats		<u>84.9%</u>	<u>74.8%</u>	<u>90.4%</u>	<u>87.9%</u>	<u>80.8%</u>	<u>85.7%</u>
Combined ratio							
Combined ratio							95.2%
Add: impact of gains and losses on crop derivatives							<u>0.0%</u>
P&C combined ratio							<u>95.2%</u>

Note: The ratios above are calculated using whole U.S. dollars. Accordingly, calculations using rounded amounts may differ. Letters A, B, C, D, E, and F included in the table are references for calculating the ratios above.

Chubb Limited
Non-GAAP Financial Measures—5
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2020		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 8,123	\$ 2,406	\$ 1,221	\$ 3,935	\$ 314	\$ 342	\$ 16,341
Realized (gains) losses on crop derivatives		—	—	2	—	—	—	2
Adjusted losses and loss expenses	A	<u>\$ 8,123</u>	<u>\$ 2,406</u>	<u>\$ 1,223</u>	<u>\$ 3,935</u>	<u>\$ 314</u>	<u>\$ 342</u>	<u>\$ 16,343</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(1,838)	(436)	(24)	(584)	(81)	—	(2,963)
Reinstatement premiums collected (expensed) on catastrophe losses		(3)	(1)	—	(16)	7	—	(13)
Catastrophe losses, gross of related adjustments		<u>(1,835)</u>	<u>(435)</u>	<u>(24)</u>	<u>(568)</u>	<u>(88)</u>	<u>—</u>	<u>(2,950)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		451	(48)	(4)	100	29	(339)	189
Net premiums earned adjustments on PPD—unfavorable (favorable)		32	—	3	—	—	—	35
Expense adjustments—unfavorable (favorable)		(1)	—	—	—	(2)	—	(3)
PPD reinstatement premiums—unfavorable (favorable)		—	(8)	—	—	(1)	—	(9)
PPD, gross of related adjustments—favorable (unfavorable)		<u>482</u>	<u>(56)</u>	<u>(1)</u>	<u>100</u>	<u>26</u>	<u>(339)</u>	<u>212</u>
CAY loss and loss expense ex Cats	B	<u>\$ 6,770</u>	<u>\$ 1,915</u>	<u>\$ 1,198</u>	<u>\$ 3,467</u>	<u>\$ 252</u>	<u>\$ 3</u>	<u>\$ 13,605</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,203	\$ 923	\$ 108	\$ 2,662	\$ 155	\$ 214	\$ 6,265
Expense adjustments—favorable (unfavorable)		1	—	—	—	2	—	3
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,204</u>	<u>\$ 923</u>	<u>\$ 108</u>	<u>\$ 2,662</u>	<u>\$ 157</u>	<u>\$ 214</u>	<u>\$ 6,268</u>
Denominator								
Net premiums earned	E	\$ 10,427	\$ 3,623	\$ 1,441	\$ 6,838	\$ 520		\$ 22,849
Reinstatement premiums (collected) expensed on catastrophe losses		3	1	—	16	(7)		13
Net premiums earned adjustments on PPD—unfavorable (favorable)		32	—	3	—	—		35
PPD reinstatement premiums—unfavorable (favorable)		—	(8)	—	—	(1)		(9)
Net premiums earned excluding adjustments	F	<u>\$ 10,462</u>	<u>\$ 3,616</u>	<u>\$ 1,444</u>	<u>\$ 6,854</u>	<u>\$ 512</u>		<u>\$ 22,888</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	77.9%	66.4%	84.9%	57.6%	60.3%		71.5%
Policy acquisition cost and administrative expense ratio	C/E	21.1%	25.5%	7.4%	38.9%	29.8%		27.4%
P&C combined ratio		<u>99.0%</u>	<u>91.9%</u>	<u>92.3%</u>	<u>96.5%</u>	<u>90.1%</u>		<u>98.9%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.7%	53.0%	83.0%	50.6%	49.0%		59.4%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	21.1%	25.5%	7.4%	38.8%	30.7%		27.4%
CAY P&C combined ratio ex Cats		<u>85.8%</u>	<u>78.5%</u>	<u>90.4%</u>	<u>89.4%</u>	<u>79.7%</u>		<u>86.8%</u>
Combined ratio								
Combined ratio								98.9%
Add: impact of gains and losses on crop derivatives								<u>0.0%</u>

P&C combined ratio

98.9%

Note: The ratios above are calculated using whole U.S. dollars. Accordingly, calculations using rounded amounts may differ. Letters A, B, C, D, E, and F included in the table are references for calculating the ratios above.

Reconciliation Non-GAAP 5

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Chubb Limited
Non-GAAP Financial Measures—6
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Q3 2019								
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 2,051	\$ 674	\$ 866	\$ 1,154	\$ 79	\$ 38	\$ 4,862
Realized (gains) losses on crop derivatives		—	—	14	—	—	—	14
Adjusted losses and loss expenses	A	<u>\$ 2,051</u>	<u>\$ 674</u>	<u>\$ 880</u>	<u>\$ 1,154</u>	<u>\$ 79</u>	<u>\$ 38</u>	<u>\$ 4,876</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(88)	(83)	(3)	(35)	(23)	—	(232)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	2	—	2
Catastrophe losses, gross of related adjustments		<u>(88)</u>	<u>(83)</u>	<u>(3)</u>	<u>(35)</u>	<u>(25)</u>	<u>—</u>	<u>(234)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		109	62	(18)	25	25	(36)	167
Net premiums earned adjustments on PPD—unfavorable (favorable)		39	—	—	—	1	—	40
Expense adjustments—unfavorable (favorable)		3	—	—	—	(1)	—	2
PPD reinstatement premiums—unfavorable (favorable)		(1)	(1)	—	1	—	—	(1)
PPD, gross of related adjustments—favorable (unfavorable)		<u>150</u>	<u>61</u>	<u>(18)</u>	<u>26</u>	<u>25</u>	<u>(36)</u>	<u>208</u>
CAY loss and loss expense ex Cats	B	<u>\$ 2,113</u>	<u>\$ 652</u>	<u>\$ 859</u>	<u>\$ 1,145</u>	<u>\$ 79</u>	<u>\$ 2</u>	<u>\$ 4,850</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 715	\$ 312	\$ 60	\$ 887	\$ 51	\$ 74	\$ 2,099
Expense adjustments—favorable (unfavorable)		(3)	—	—	—	1	—	(2)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 712</u>	<u>\$ 312</u>	<u>\$ 60</u>	<u>\$ 887</u>	<u>\$ 52</u>	<u>\$ 74</u>	<u>\$ 2,097</u>
Denominator								
Net premiums earned	E	\$ 3,185	\$ 1,187	\$ 941	\$ 2,256	\$ 160		\$ 7,729
Reinstatement premiums (collected) expensed on catastrophe losses		—	—	—	—	(2)		(2)
Net premiums earned adjustments on PPD—unfavorable (favorable)		39	—	—	—	1		40
PPD reinstatement premiums—unfavorable (favorable)		(1)	(1)	—	1	—		(1)
Net premiums earned excluding adjustments	F	<u>\$ 3,223</u>	<u>\$ 1,186</u>	<u>\$ 941</u>	<u>\$ 2,257</u>	<u>\$ 159</u>		<u>\$ 7,766</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	64.4%	56.9%	93.5%	51.1%	49.6%		63.1%
Policy acquisition cost and administrative expense ratio	C/E	22.5%	26.2%	6.4%	39.4%	31.5%		27.1%
P&C combined ratio		<u>86.9%</u>	<u>83.1%</u>	<u>99.9%</u>	<u>90.5%</u>	<u>81.1%</u>		<u>90.2%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.5%	55.1%	91.3%	50.7%	49.9%		62.4%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	22.1%	26.2%	6.4%	39.3%	32.2%		27.1%

CAY P&C combined ratio ex Cats	<u>87.6%</u>	<u>81.3%</u>	<u>97.7%</u>	<u>90.0%</u>	<u>82.1%</u>	<u>89.5%</u>	
Combined ratio							
Combined ratio							90.0%
Add: impact of gains and losses on crop derivatives							<u>0.2%</u>
P&C combined ratio							<u>90.2%</u>

Note: The ratios above are calculated using whole U.S. dollars. Accordingly, calculations using rounded amounts may differ. Letters A, B, C, D, E, and F included in the table are references for calculating the ratios above.

Chubb Limited
Non-GAAP Financial Measures—7
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2019		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 6,238	\$ 2,178	\$ 1,155	\$ 3,385	\$ 245	\$ 83	\$13,284
Realized (gains) losses on crop derivatives		—	—	8	—	—	—	8
Adjusted losses and loss expenses	A	<u>\$ 6,238</u>	<u>\$ 2,178</u>	<u>\$ 1,163</u>	<u>\$ 3,385</u>	<u>\$ 245</u>	<u>\$ 83</u>	<u>\$13,292</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(319)	(329)	(7)	(69)	(33)	—	(757)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	2	—	2
Catastrophe losses, gross of related adjustments		<u>(319)</u>	<u>(329)</u>	<u>(7)</u>	<u>(69)</u>	<u>(35)</u>	<u>—</u>	<u>(759)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		425	88	43	49	33	(79)	559
Net premiums earned adjustments on PPD—unfavorable (favorable)		38	—	32	—	1	—	71
Expense adjustments—unfavorable (favorable)		(3)	—	(3)	—	(1)	—	(7)
PPD reinstatement premiums—unfavorable (favorable)		(1)	(4)	—	1	—	—	(4)
PPD, gross of related adjustments—favorable (unfavorable)		<u>459</u>	<u>84</u>	<u>72</u>	<u>50</u>	<u>33</u>	<u>(79)</u>	<u>619</u>
CAY loss and loss expense ex Cats	B	<u>\$ 6,378</u>	<u>\$ 1,933</u>	<u>\$ 1,228</u>	<u>\$ 3,366</u>	<u>\$ 243</u>	<u>\$ 4</u>	<u>\$13,152</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,132	\$ 919	\$ 99	\$ 2,626	\$ 153	\$ 211	\$ 6,140
Expense adjustments—favorable (unfavorable)		3	—	3	—	1	—	7
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,135</u>	<u>\$ 919</u>	<u>\$ 102</u>	<u>\$ 2,626</u>	<u>\$ 154</u>	<u>\$ 211</u>	<u>\$ 6,147</u>
Denominator								
Net premiums earned	E	\$ 9,660	\$ 3,509	\$ 1,374	\$ 6,595	\$ 487		\$21,625
Reinstatement premiums (collected) expensed on catastrophe losses		—	—	—	—	(2)		(2)
Net premiums earned adjustments on PPD—unfavorable (favorable)		38	—	32	—	1		71
PPD reinstatement premiums—unfavorable (favorable)		(1)	(4)	—	1	—		(4)
Net premiums earned excluding adjustments	F	<u>\$ 9,697</u>	<u>\$ 3,505</u>	<u>\$ 1,406</u>	<u>\$ 6,596</u>	<u>\$ 486</u>		<u>\$21,690</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	64.6%	62.1%	84.7%	51.3%	50.3%		61.5%
Policy acquisition cost and administrative expense ratio	C/E	22.0%	26.2%	7.2%	39.8%	31.4%		28.4%
P&C combined ratio		<u>86.6%</u>	<u>88.3%</u>	<u>91.9%</u>	<u>91.1%</u>	<u>81.7%</u>		<u>89.9%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.8%	55.2%	87.4%	51.0%	50.0%		60.6%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	22.0%	26.2%	7.2%	39.8%	31.7%		28.4%
CAY P&C combined ratio ex Cats		<u>87.8%</u>	<u>81.4%</u>	<u>94.6%</u>	<u>90.8%</u>	<u>81.7%</u>		<u>89.0%</u>
Combined ratio								
Combined ratio								89.9%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>89.9%</u>

Note: The ratios above are calculated using whole U.S. dollars. Accordingly, calculations using rounded amounts may differ. Letters A, B, C, D, E, and F included in the table are references for calculating the ratios above.

Chubb Limited
Glossary

Chubb Limited Consolidated comprises all segments including Corporate.

P&C combined ratio: The sum of the loss and loss expense ratio, policy acquisition cost ratio and the administrative expense ratio excluding the life business and including the realized gains and losses on the crop derivatives.

Book value per common share: Shareholders' equity divided by the shares outstanding.

Tangible book value per common share: Shareholders' equity less goodwill and other intangible assets, net of tax, divided by the shares outstanding.

Average market yield of fixed maturities: Weighted average yield to maturity of our fixed income portfolio based on the market prices of the holdings as of that date.

Average yield on invested assets: Adjusted net investment income divided by average cost of fixed maturities and other investments, and average market value of equity securities.

Total capitalization: The sum of the short-term debt, long-term debt, trust preferreds, and shareholders' equity.

Chubb integration expenses: Chubb integration expenses comprise legal and professional fees and all other costs directly related to the integration activities of the Chubb Corp acquisition. Chubb integration expenses are incurred by the overall company and are therefore included in Corporate. These costs are not related to the on-going business activities of the segments and are therefore excluded from our definition of segment income.

Catastrophe losses (Cats): We generally define catastrophe loss events consistent with the definition of the Property Claims Service (PCS) for events in the U.S. and Canada. PCS defines a catastrophe as an event that causes damage of \$25 million or more in insured losses and affects a significant number of insureds, including from pandemics such as COVID-19. For events outside of the U.S. and Canada, we generally use a similar definition. Catastrophe loss events are events that occurred in the current calendar year only. Changes in catastrophe loss estimates in the current calendar year that relate to loss events that occurred in previous calendar years are considered prior period development.

Prior period development (PPD) arises from changes to loss estimates recognized in the current year that relate to loss events that occurred in previous calendar years and excludes the effect of losses from the development of earned premium from previous accident years.

Reinstatement premiums are additional premiums paid on certain reinsurance agreements in order to reinstate coverage that had been exhausted by loss occurrences. The reinstatement premium amount is typically a pro rata portion of the original ceded premium paid based on how much of the reinsurance limit had been exhausted.

Net premiums earned adjustments within prior period development are adjustments to the initial premium earned on retrospectively rated policies based on actual claim experience that develops after the policy period ends. The premium adjustments correlate to the prior period loss development on these same policies and are fully earned in the period the adjustments are recorded.

Prior period expense adjustments typically relate to either profit commission reserves or policyholder dividend reserves based on actual claim experience that develops after the policy period ends. The expense adjustments correlate to the prior period loss development on these same policies.

Segment income (loss) includes underwriting income (loss), adjusted net investment income, other income (expense) – operating, and amortization expense of purchased intangibles.

Commercial P&C lines includes Commercial P&C, Agriculture and Reinsurance lines of business.

Consumer P&C lines includes Personal and Global accident and health (A&H) lines of business.

NM: Not meaningful.