
**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 23, 2018

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
Telephone: +41 (0)43 456 76 00
(Address of principal executive offices)

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))

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 23, 2018, Chubb Limited issued a Press Release reporting its third quarter 2018 results and the availability of its third quarter 2018 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.

Item 9.01. Financial Statements and Exhibits*(d) Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, Dated October 23, 2018, Reporting Third Quarter 2018 Results
99.2	Third Quarter 2018 Financial Supplement

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 23, 2018



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News Release

Chubb Reports Third Quarter Net Income Per Share and Core Operating Income Per Share of \$2.64 and \$2.41, Respectively, Including Catastrophe Losses of \$0.80 Per Share; P&C Combined Ratio of 90.9%, or 84.8% Excluding Catastrophes

- Core operating income was \$1.1 billion compared with a loss of \$(60) million prior year. Core operating income excluding catastrophe losses was \$1.5 billion, or \$3.21 per share, up 2.9% per share. On a current accident year basis, core operating income excluding catastrophe losses was \$2.82 per share, up 5.2%.
- P&C net premiums written were \$7.5 billion and Global P&C net premiums written, which exclude Agriculture, were \$6.7 billion, up 2.5% and 3.5%, respectively, and up 2.8% and 3.9%, respectively, on a constant-dollar basis. Excluding merger-related actions, which are substantially completed, Global P&C net premiums written were up 4.4% in constant dollars.
- P&C underwriting income was \$669 million. P&C current accident year underwriting income excluding catastrophe losses was \$876 million, up 4.3%.
- P&C current accident year combined ratio excluding catastrophe losses was 88.2% compared with 88.5% prior year.
- Pre-tax catastrophe losses in the quarter were \$450 million compared with \$1,893 million prior year and \$341 million on an expected basis for the third quarter 2018.
- Adjusted net investment income was \$883 million pre-tax.
- Annualized ROE and core operating ROE were 9.7% and 8.7%, respectively.

ZURICH – October 23, 2018 – Chubb Limited (NYSE: CB) today reported net income for the quarter ended September 30, 2018 of \$1,231 million, or \$2.64 per share, compared with a net loss of \$(70) million, or \$(0.15) per share, for the same quarter last year. Core operating income was \$1,122 million, or \$2.41 per share, compared with a core operating loss of \$(60) million, or \$(0.13) per share, for the same quarter last year. The property and casualty (P&C) combined ratio was 90.9%. Book and tangible book value per share increased 0.4% and 1.3%, respectively, from June 30, 2018 and now stand at \$110.46 and \$66.83, respectively. Foreign currency movement (FX) unfavorably impacted book value by \$425 million after-tax and tangible book value by \$252 million after-tax.

Chubb Limited
Third Quarter Summary
(in millions, except per share amounts)
(Unaudited)

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income (loss)	\$1,231	\$(70)	NM	\$2.64	\$(0.15)	NM
Chubb integration expenses, net of tax	14	36	(61.1)%	0.03	0.08	(62.5)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	42	50	(16.0)%	0.09	0.11	(18.2)%
Adjusted net realized (gains) losses, net of tax	(165)	(76)	117.1%	(0.35)	(0.17)	105.9%
Core operating income (loss), net of tax	\$1,122	\$(60)	NM	\$2.41	\$(0.13)	NM

For the three months ended September 30, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(2) million and \$(14) million, respectively, for Chubb integration expenses; \$(12) million and \$(18) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$14 million and \$8 million, respectively, for adjusted net realized gains and losses; and \$183 million and \$(61) million, respectively, for core operating income (loss).

For the nine months ended September 30, 2018, net income was \$3,607 million, or \$7.71 per share, compared with \$2,328 million, or \$4.94 per share, for 2017. Core operating income was \$3,472 million, or \$7.42 per share, compared with \$2,295 million, or \$4.87 per share, for 2017. The P&C combined ratio was 89.8% for the nine months ended September 30, 2018 compared with 96.0% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 88.0% for the nine months ended September 30, 2018 and 2017. Book value per share remained essentially unchanged and tangible book value per share increased 1.5% from December 31, 2017. Book and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$1,326 million after-tax in the company's investment portfolio. In addition, FX unfavorably impacted book value by \$572 million after-tax and tangible book value by \$316 million after-tax.

Chubb Limited
Nine Months Ended Summary
(in millions, except per share amounts)
(Unaudited)

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income	\$3,607	\$2,328	55.0%	\$7.71	\$4.94	56.1%
Chubb integration expenses, net of tax	32	160	(80.0)%	0.07	0.34	(79.4)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	133	157	(15.3)%	0.29	0.33	(12.1)%
Adjusted net realized (gains) losses, net of tax	(300)	(350)	(14.3)%	(0.65)	(0.74)	(12.2)%
Core operating income, net of tax	\$3,472	\$2,295	51.3%	\$7.42	\$4.87	52.4%

For the nine months ended September 30, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(7) million and \$(73) million, respectively, for Chubb integration expenses; \$(32) million and \$(62) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$25 million for adjusted net realized gains and losses for both periods; and \$550 million and \$353 million, respectively, for core operating income.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “As a global insurer with operations in 54 countries, we experienced an active quarter for natural catastrophes around the world, and Chubb’s underwriting excellence once again distinguished the company. We produced core operating income of \$1.1 billion, or \$2.41 per share, and a P&C combined ratio of 90.9%. Excluding catastrophes, our combined ratio of 84.8% reflects strong current accident year EPS, up 5% over prior year, and a nice contribution from positive prior period reserve development. The quality and balance of our earnings this quarter were evident, with P&C underwriting income of \$669 million and net investment income of \$883 million.

“Global P&C net premiums written, which exclude agriculture, increased 4% in the quarter in constant dollars. We had good growth in our U.S. commercial P&C divisions and simply excellent growth in our international P&C business. In our U.S. commercial P&C business excluding agriculture, net premiums increased 3.6%, or 4.6% excluding merger-related actions, which are now substantially completed and will be behind us after one more quarter. We achieved even stronger growth in our Overseas General operations, which include both commercial and consumer lines, with premiums up 7.5% in constant dollars. Our global presence and the expanded capabilities of today’s Chubb allow us to take advantage of growth opportunities in many areas without sacrificing underwriting standards.

“Commercial P&C pricing for the business we wrote was consistent with the prior quarter. Given market conditions, we are trading some growth for an underwriting profit – a proven strategy that requires discipline. We’re confident and optimistic about our ability to outperform the balance of the year and beyond.”

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Operating highlights for the quarter ended September 30, 2018 were as follows:

Chubb Limited

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

	Q3 2018	Q3 2017	Change
P&C			
Net premiums written (increase of 2.8% in constant dollars)	\$ 7,546	\$ 7,363	2.5%
Net premiums written – excluding merger-related actions (increase of 3.3% in constant dollars)			2.9%
Underwriting income (loss)	\$ 669	\$ (784)	NM
Combined ratio	90.9%	110.8%	
Current accident year underwriting income excluding catastrophe losses	\$ 876	\$ 839	4.3%
Current accident year combined ratio excluding catastrophe losses	88.2%	88.5%	

Global P&C (excludes Agriculture)

Net premiums written (increase of 3.9% in constant dollars)	\$ 6,662	\$ 6,437	3.5%
Net premiums written – excluding merger-related actions (increase of 4.4% in constant dollars)			4.0%
Underwriting income (loss)	\$ 590	\$ (870)	NM
Combined ratio	90.9%	113.6%	
Current accident year underwriting income excluding catastrophe losses	\$ 790	\$ 752	4.9%
Current accident year combined ratio excluding catastrophe losses	87.9%	88.2%	

- Net premiums earned increased 1.3%, or 1.6% in constant-dollar.
- Total pre-tax and after-tax catastrophe losses were \$450 million (6.1 percentage points of the combined ratio) and \$372 million, respectively, compared with \$1,893 million (26.0 percentage points of the combined ratio) and \$1,525 million, respectively, last year.
- Core operating income with an expected level of catastrophe losses was \$1.2 billion, or \$2.60 per share, up 1.6% per share on the same basis from last year. P&C combined ratio with an expected level of catastrophe losses was 89.4% compared with 89.3% prior year.
- Total pre-tax and after-tax favorable prior period development were \$243 million (3.4 percentage points of the combined ratio) and \$180 million, respectively, compared with \$270 million (3.7 percentage points of the combined ratio) and \$206 million, respectively, last year.
- Operating cash flow was \$1.7 billion.
- Share repurchases totaled \$379 million, or approximately 2.8 million shares, during the quarter and \$703 million, or approximately 5.2 million shares, through September 30, 2018.
- Net loss reserves increased \$269 million adjusted for foreign exchange.

Details of financial results by business segment are available in the Chubb Limited Financial Supplement. Key segment items for the quarter ended September 30, 2018 are presented below:

Chubb Limited

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

	Q3 2018	Q3 2017	Change
<u>Total North America P&C Insurance</u>			
Net premiums written (increase of 2.4% excluding merger-related actions)	\$ 5,301	\$ 5,206	1.8%
Combined ratio	89.9%	108.7%	
Current accident year combined ratio excluding catastrophe losses	86.4%	86.5%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written (increase of 4.6% excluding merger-related actions)	\$ 3,199	\$ 3,086	3.6%
Net premiums written – Major accounts retail and excess and surplus (E&S) wholesale (increase of 5.4% excluding merger-related actions)	1,852	1,786	3.6%
Net premiums written – Middle market and small commercial	1,347	1,300	3.6%
Combined ratio	85.8%	109.6%	
Current accident year combined ratio excluding catastrophe losses	86.7%	88.7%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 1,218	\$ 1,194	2.0%
Net premiums written adjusted for one-time accounting actions			2.7%
Combined ratio	99.8%	120.8%	
Current accident year combined ratio excluding catastrophe losses	83.2%	77.5%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 884	\$ 926	(4.5)%
Combined ratio	90.7%	90.4%	
Current accident year combined ratio excluding catastrophe losses	89.9%	90.3%	
<u>Overseas General Insurance</u>			
Net premiums written (increase of 7.5% in constant dollars)	\$ 2,081	\$ 1,966	5.9%
Combined ratio	90.3%	101.6%	
Current accident year combined ratio excluding catastrophe losses	90.0%	90.6%	

- North America Commercial P&C Insurance: Net premiums written in the middle market and small commercial divisions increased 3.6%. This growth reflects a 5.2% increase in P&C lines and an increase of 0.2% in financial lines. Net premiums written in the small commercial division increased 29.8%.
- North America Personal P&C Insurance: The current accident year combined ratio excluding catastrophe losses was 83.2% compared with 77.5%, principally reflecting increasing frequency and severity of homeowners losses, primarily non-catastrophe water and fire losses.
- Global Reinsurance: Net premiums written decreased 14.3%, or 14.7% in constant dollars, principally due to higher reinstatement premiums collected in the prior year relating to the 2017 natural catastrophes. The combined ratio was 86.7% compared with 187.4%. The current accident year combined ratio excluding catastrophe losses was 82.8%, compared with 82.2%.

- Life Insurance: Segment income was \$78 million, up 22.6%. International life insurance income was \$29 million, up \$16 million, which included a favorable reserve development of \$8 million in the current quarter. Combined Insurance North America contributed segment income of \$37 million, up 1.5%, and net premiums written increased 5.8%.

Please refer to the Chubb Limited [Financial Supplement](#), dated September 30, 2018, 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 24, 2018 beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 888-394-8218 (within the United States) or 323-794-2588 (international), passcode 4557328. Please refer to the Chubb investor relations website under Events and Presentations for details. A replay of the call will be available until Wednesday, November 7, 2018 and the archived webcast will be available 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 and other locations, and employs approximately 31,000 people worldwide. Additional information can be found at: www.chubb.com.

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

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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 (FX)). 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, which was \$60 million in Q3 2018. Refer to page 3 in the Financial Supplement for the fair value adjustment in other periods. 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. The P&C combined ratio includes adjusted losses and loss expenses in the ratio numerator.

Underwriting income, P&C underwriting income and Global P&C underwriting income are calculated by subtracting losses and loss expenses, policy benefits, policy acquisition costs and administrative expenses from net premiums earned. P&C underwriting income also includes gains (losses) on crop derivatives. We use underwriting income and operating ratios to monitor the results of our operations without the impact of certain factors, including adjusted net investment income, other income (expense), interest and 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.

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

Core operating income (loss), net of tax excludes adjusted realized gains and losses, Chubb integration expenses, and the amortization of the fair value adjustments of acquired debt and invested assets 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) is heavily influenced by the availability of market opportunities. We also exclude Chubb integration expenses

related to the acquisition due to the size, complexity, and volume of this acquisition, which may not be indicative of such future costs. We believe that excluding the Chubb integration expenses facilitates the comparison of our financial results to our historical operating results. References to core operating income mean net of tax, whether or not noted.

Core operating income excluding catastrophe losses excludes the impact of catastrophe losses due to the significant size and number of these events which could obscure the underlying operating results. We believe this measure provides a better evaluation of our operating performance and enhances the understanding of the trends in our property and casualty business. Core operating income with expected level of catastrophe losses is a non-GAAP financial measure which excludes catastrophe losses above or below management's view of typical catastrophe losses for that period. The adjustment for normalized catastrophe activity reduces the unusually large impact of catastrophe activity which is not indicative of our underlying performance. We believe it is useful to exclude catastrophe losses, as they are not predictable as to timing and amount. Core operating income, Core operating income excluding catastrophe losses, and Core operating income with expected level of catastrophe losses should not be viewed as a substitute for net income determined in accordance with GAAP. 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. 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.

Current accident year P&C combined ratio excluding catastrophe losses and Current accident year core operating income excluding catastrophe losses excludes the impact of catastrophe losses and PPD. 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. P&C combined ratio with expected level of catastrophe losses excludes the impact of catastrophe losses above or below management's view of typical catastrophe losses for that period. The adjustment for normalized catastrophe activity reduces the unusually large impact of catastrophe activity which is not indicative of our underlying performance.

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. 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.

International life gross and net premiums written and deposits collected and Life Insurance gross and net premiums written measures presented in this release 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.

Core operating return on equity (ROE) or ROE calculated using core operating income are annualized financial measures. The ROE numerator includes income adjusted to exclude after-tax adjusted net realized gains (losses), Chubb integration expenses, and the amortization of the fair value adjustment of acquired invested assets and long-term debt. The ROE

denominator includes the average shareholders' equity for the period adjusted to exclude unrealized gains (losses) on investments, net of tax. Core operating ROE is a useful measure as it enhances the understanding of the return on shareholders' equity by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments.

Net premiums written excluding merger-related actions is a non-GAAP performance measure. Since the acquisition of the Chubb Corp, we have entered into new reinsurance agreements with third-party reinsurers for the Chubb Corp businesses and have taken other merger-related actions, including exiting certain types of business that do not meet our underwriting standards or adhere to our risk diversification strategy. We believe that this measure is meaningful to evaluate trends in our underlying business on a comparable basis.

Book value per common share, net of tax is shareholders' equity divided by the shares outstanding. Tangible book value per common share, net of tax 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. In addition, we disclose per share measures for book value and tangible book value that exclude the impact of foreign currency fluctuations in order to adjust for the distortive effects of fluctuations in exchange rates.

Other income (expense) – operating excludes from consolidated Other income (expense) the portion of net realized gains and losses related to unconsolidated entities 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 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.

Chubb integration expenses include all internal and external costs directly related to the integration activities of the Chubb Corp acquisition, consisting primarily of personnel-related expenses, including severance and employee retention and relocation; consulting fees; and advisor fees.

See reconciliation of Non-GAAP Financial Measures on pages 32-38 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, net investment income, and effective tax rate.

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 2018 performance and growth opportunities, pricing, taxes, 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, 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.

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

	September 30 2018	December 31 2017
Assets		
Investments	\$ 101,163	\$ 102,444
Cash	1,053	728
Insurance and reinsurance balances receivable	10,193	9,334
Reinsurance recoverable on losses and loss expenses	15,088	15,034
Goodwill and other intangible assets	21,471	22,054
Other assets	18,716	17,428
Total assets	<u>\$ 167,684</u>	<u>\$ 167,022</u>
Liabilities		
Unpaid losses and loss expenses	\$ 63,029	\$ 63,179
Unearned premiums	15,725	15,216
Other liabilities	37,996	37,455
Total liabilities	<u>\$ 116,750</u>	<u>\$ 115,850</u>
Shareholders' equity		
Total shareholders' equity	50,934	51,172
Total liabilities and shareholders' equity	<u>\$ 167,684</u>	<u>\$ 167,022</u>
Book value per common share	\$ 110.46	\$ 110.32
Tangible book value per common share	\$ 66.83	\$ 65.87
Book value per common share excluding cumulative translation losses (1)	\$ 114.45	\$ 112.88
Tangible book value per common share excluding cumulative translation losses (1)	\$ 69.67	\$ 67.84

(1) Cumulative translation losses were \$1.8 billion in 2018 (\$1.3 billion on tangible and \$528 million on intangible net assets) and \$1.2 billion in 2017 (\$914 million on tangible and \$273 million 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	
	2018	2017	2018	2017
Gross premiums written	\$ 10,054	\$ 9,710	\$28,716	\$ 27,416
Net premiums written	8,110	7,902	23,229	22,193
Net premiums earned	7,908	7,807	22,599	21,816
Losses and loss expenses	4,868	6,247	13,457	14,182
Policy benefits	127	169	428	500
Policy acquisition costs	1,504	1,488	4,432	4,334
Administrative expenses	719	714	2,158	2,096
Net investment income	823	813	2,457	2,328
Net realized gains (losses)	19	(10)	35	84
Interest expense	164	150	488	451
Other income (expense):				
Gains (losses) from separate account assets	(14)	24	(18)	70
Other	159	94	325	263
Amortization of purchased intangibles	83	65	253	194
Chubb integration expenses	16	50	39	233
Income tax expense (benefit)	183	(85)	536	243
Net income (loss)	<u>\$ 1,231</u>	<u>\$ (70)</u>	<u>\$ 3,607</u>	<u>\$ 2,328</u>
Diluted earnings per share:				
Net income (loss)	\$ 2.64	\$ (0.15) (1)	\$ 7.71	\$ 4.94
Core operating income (loss)	\$ 2.41	\$ (0.13) (1)	\$ 7.42	\$ 4.87
Weighted average diluted shares outstanding	466.0	466.4 (1)	468.0	471.6

(1) For the three months ended September 30, 2017, weighted-average shares outstanding used in calculating net loss and core operating loss per share excludes the effect of dilutive securities of 3,820,673 shares. In periods where a net loss or core operating loss is recognized, inclusion of incremental dilution is antidilutive.

P&C combined ratio

Loss and loss expense ratio	63.6%	83.4%	61.4%	67.3%
Policy acquisition cost ratio	18.6%	18.6%	19.2%	19.5%
Administrative expense ratio	8.7%	8.8%	9.2%	9.2%
P&C combined ratio	90.9%	110.8%	89.8%	96.0%
P&C underwriting income (loss)	\$ 669	\$ (784)	\$ 2,135	\$ 807

Chubb Limited
Consolidated Supplemental Segment Information
(in millions of U.S. dollars)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2018	2017	2018	2017
Gross Premiums Written				
North America Commercial P&C Insurance	\$ 4,108	\$ 3,919	\$ 12,108	\$ 11,649
North America Personal P&C Insurance	1,369	1,338	4,039	3,892
North America Agricultural Insurance	1,270	1,303	2,018	2,039
Overseas General Insurance	2,541	2,380	8,156	7,519
Global Reinsurance	167	202	605	642
Life Insurance (1)	991	990	2,953	2,723
<i>Total</i>	<u>\$ 10,446</u>	<u>\$ 10,132</u>	<u>\$ 29,879</u>	<u>\$ 28,464</u>
Net Premiums Written				
North America Commercial P&C Insurance	\$ 3,199	\$ 3,086	\$ 9,342	\$ 9,019
North America Personal P&C Insurance	1,218	1,194	3,601	3,433
North America Agricultural Insurance	884	926	1,380	1,390
Overseas General Insurance	2,081	1,966	6,664	6,185
Global Reinsurance	164	191	554	580
Life Insurance (1)	956	961	2,851	2,634
<i>Total</i>	<u>\$ 8,502</u>	<u>\$ 8,324</u>	<u>\$ 24,392</u>	<u>\$ 23,241</u>
Net Premiums Earned				
North America Commercial P&C Insurance	\$ 3,019	\$ 3,016	\$ 9,325	\$ 9,156
North America Personal P&C Insurance	1,167	1,117	3,463	3,296
North America Agricultural Insurance	857	898	1,251	1,256
Overseas General Insurance	2,157	2,064	6,425	6,018
Global Reinsurance	157	185	492	542
Life Insurance	551	527	1,643	1,548
<i>Total</i>	<u>\$ 7,908</u>	<u>\$ 7,807</u>	<u>\$ 22,599</u>	<u>\$ 21,816</u>
Segment income (loss)				
North America Commercial P&C Insurance	\$ 933	\$ 212	\$ 2,875	\$ 2,101
North America Personal P&C Insurance	57	(180)	252	206
North America Agricultural Insurance	79	84	222	197
Overseas General Insurance	363	131	1,095	756
Global Reinsurance	97	(81)	325	146
Life Insurance	78	64	219	178
Corporate	(132)	(189)	(450)	(448)
<i>Total</i>	<u>\$ 1,475</u>	<u>\$ 41</u>	<u>\$ 4,538</u>	<u>\$ 3,136</u>

(1) Life Insurance gross and net premiums written includes deposits collected on universal life and investment contracts in 2018 (Q3 \$392 million, YTD \$1,163 million) and 2017 (Q3 \$422 million, YTD \$1,048 million).



**Chubb Limited
Financial Supplement
for the Quarter Ended September 30, 2018**

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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 as indicated by 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, credit developments among reinsurers, and activities and expenses related to our post-acquisition integration of The Chubb Corporation.

Our forward-looking statements could also be affected by 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. 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
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The 2017 gross premiums written and net premiums written amounts for the North America Commercial P&C Insurance and Overseas General Insurance segments have been revised to reflect the transfer of certain multinational accounts between these segments to better align the reporting with the management of these businesses in 2018. The North America Commercial P&C Insurance segment transfers to (from) Overseas General Insurance segment in 2017 were: \$12 million for Q1, \$1 million for Q2, \$3 million for Q3 and (\$7) million for Q4. There is no impact on a consolidated basis.

Chubb Limited
Consolidated Financial Highlights—Quarter
(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		% Change	% Change ex Merger Actions (1)	Constant \$	Constant \$	CS % Change ex Merger Actions (1)
	2018	2017	3Q-18 vs. 3Q-17	3Q-18 vs. 3Q-17	2017	3Q-18 vs. 3Q-17	3Q-18 vs. 3Q-17
Gross premiums written	\$ 10,054	\$ 9,710	3.5%		\$ 9,684	3.8%	
Net premiums written	\$ 8,110	\$ 7,902	2.6%		\$ 7,874	3.0%	
P&C net premiums written	\$ 7,546	\$ 7,363	2.5%	2.9%	\$ 7,337	2.8%	3.3%
Global P&C net premiums written	\$ 6,662	\$ 6,437	3.5%	4.0%	\$ 6,411	3.9%	4.4%
Net premiums earned	\$ 7,908	\$ 7,807	1.3%		\$ 7,781	1.6%	
Net investment income	\$ 823	\$ 813	1.3%		\$ 810	1.5%	
Adjusted net investment income	\$ 883	\$ 893	-1.1%		\$ 890	-0.9%	
Core operating income (loss)	\$ 1,122	\$ (60)	NM		\$ (64)	NM	
Net income (loss)	\$ 1,231	\$ (70)	NM				
Operating cash flow	\$ 1,700	\$ 1,771					
P&C combined ratio							
Loss and loss expense ratio	63.6%	83.4%					
Policy acquisition costs and administrative expense ratio	27.3%	27.4%					
Combined ratio	90.9%	110.8%					
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)							
CAY loss and loss expense ratio ex Cats	61.1%	61.3%					
CAY policy acquisition costs and administrative expense ratio ex Cats	27.1%	27.2%					
CAY combined ratio ex Cats	88.2%	88.5%					
ROE	9.7%	-0.6%					
Core operating return on equity (ROE)	8.7%	-0.5%					
Effective tax rate (2)	12.9%	54.7%					
Core operating effective tax rate (2)	14.1%	50.9%					
Diluted earnings per share							
Net income (loss) (3)	\$ 2.64	\$ (0.15)	NM				
Core operating income (loss) (3)	\$ 2.41	\$ (0.13)	NM				
Weighted average basic common shares outstanding	463.0	466.4					
Weighted average diluted common shares outstanding (3)	466.0	466.4					

(1) Consolidated and P&C net premiums written were adversely impacted by merger-related actions of \$32 million in Q3 2018.

(2) For 2017, the effective tax rate reflects an income tax benefit as a result of pre-tax loss and pre-tax core operating loss.

(3) For the three months ended September 30, 2017, weighted-average shares outstanding used in calculating net loss and core operating loss per share excludes the effect of dilutive securities of 3,820,673 shares. In periods where a net loss or core operating loss is recognized, inclusion of incremental dilution is antidilutive.

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

	Nine months ended September 30		% Change YTD-18 vs YTD-17	% Change ex Merger Actions (1) YTD-18 vs YTD-17	Constant \$ 2017	Constant \$ % Change YTD-18 vs YTD-17	CS % Change ex Merger Actions (1) YTD-18 vs YTD-17
	2018	2017					
Gross premiums written	\$ 28,716	\$ 27,416	4.7%		\$ 27,682	3.7%	
Net premiums written	\$ 23,229	\$ 22,193	4.7%		\$ 22,427	3.6%	
P&C net premiums written	\$ 21,541	\$ 20,607	4.5%	5.1%	\$ 20,827	3.4%	4.0%
Global P&C net premiums written	\$ 20,161	\$ 19,217	4.9%	5.6%	\$ 19,437	3.7%	4.4%
Net premiums earned	\$ 22,599	\$ 21,816	3.6%		\$ 22,037	2.5%	
Net investment income	\$ 2,457	\$ 2,328	5.5%		\$ 2,335	5.2%	
Adjusted net investment income	\$ 2,650	\$ 2,584	2.5%		\$ 2,591	2.2%	
Core operating income	\$ 3,472	\$ 2,295	51.3%		\$ 2,326	49.2%	
Net income	\$ 3,607	\$ 2,328	55.0%				
Operating cash flow	\$ 3,897	\$ 3,411					
P&C combined ratio							
Loss and loss expense ratio	61.4%	67.3%					
Policy acquisition costs and administrative expense ratio	28.4%	28.7%					
Combined ratio	89.8%	96.0%					
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)							
CAY loss and loss expense ratio ex Cats	59.7%	59.4%					
CAY policy acquisition costs and administrative expense ratio ex Cats	28.3%	28.6%					
CAY combined ratio ex Cats	88.0%	88.0%					
ROE	9.4%	6.3%					
Core operating return on equity (ROE)	9.1%	6.4%					
Effective tax rate	12.9%	9.4%					
Core operating effective tax rate	13.7%	13.3%					
Diluted earnings per share							
Net income	\$ 7.71	\$ 4.94	56.1%				
Core operating income	\$ 7.42	\$ 4.87	52.4%				
Weighted average basic common shares outstanding	464.6	467.7					
Weighted average diluted common shares outstanding	468.0	471.6					
				December 31 2017	% Change 3Q-18 vs 4Q-17		
Book value per common share	\$ 110.46			\$ 110.32	0.1%		
Tangible book value per common share	\$ 66.83			\$ 65.87	1.5%		
Total hybrid & financial debt/capitalization	20.3%	20.4%		20.1%			

(1) Consolidated net premiums written were adversely impacted by merger-related actions of \$128 million for YTD 2018, of which \$125 million impacted P&C net premiums written.

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

Consolidated Statements of Operations

	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 10,054	\$ 9,929	\$ 8,733	\$ 8,960	\$ 9,710	\$ 28,716	\$ 27,416	\$ 36,376
Net premiums written	8,110	8,015	7,104	7,051	7,902	23,229	22,193	29,244
Net premiums earned	7,908	7,664	7,027	7,218	7,807	22,599	21,816	29,034
(1) Adjusted losses and loss expenses	4,876	4,479	4,100	4,272	6,252	13,455	14,189	18,461
Realized (gains) losses on crop derivatives	8	(8)	(2)	—	5	(2)	7	7
Losses and loss expenses	4,868	4,487	4,102	4,272	6,247	13,457	14,182	18,454
Policy benefits	127	150	151	176	169	428	500	676
Policy acquisition costs	1,504	1,464	1,464	1,447	1,488	4,432	4,334	5,781
Administrative expenses	719	747	692	737	714	2,158	2,096	2,833
(2) Adjusted net investment income	883	890	877	873	893	2,650	2,584	3,457
Amortization expense of fair value adjustment on acquired invested assets	(60)	(62)	(71)	(76)	(80)	(193)	(256)	(332)
Net investment income	823	828	806	797	813	2,457	2,328	3,125
(3) Adjusted realized gains (losses)	27	10	(4)	—	(5)	33	91	91
Realized gains (losses) on crop derivatives	(8)	8	2	—	(5)	2	(7)	(7)
Net realized gains (losses)	19	18	(2)	—	(10)	35	84	84
(4) Adjusted interest expense	170	177	169	168	162	516	488	656
Amortization benefit of fair value adjustment on acquired long term debt	(6)	(10)	(12)	(12)	(12)	(28)	(37)	(49)
Interest expense	164	167	157	156	150	488	451	607
Gains (losses) from fair value changes in separate account assets	(14)	(10)	6	27	24	(18)	70	97
Net realized gains (losses) related to unconsolidated entities	152	96	44	122	89	292	284	406
Other income (expense)—operating	7	29	(3)	(82)	5	33	(21)	(103)
Other income (expense)	145	115	47	67	118	307	333	400
Amortization expense of purchased intangibles	83	85	85	66	65	253	194	260
Chubb integration expenses	16	13	10	77	50	39	233	310
Income tax expense (benefit)	183	218	135	(382)	(85)	536	243	(139)
Net income (loss)	<u>\$ 1,231</u>	<u>\$ 1,294</u>	<u>\$ 1,082</u>	<u>\$ 1,533</u>	<u>\$ (70)</u>	<u>\$ 3,607</u>	<u>\$ 2,328</u>	<u>\$ 3,861</u>

- (1) Adjusted losses and loss expenses used throughout this report include realized gains and losses on crop derivatives.
(2) Adjusted net investment income used throughout this report excludes amortization of the fair value adjustment on acquired invested assets.
(3) Adjusted realized gains and losses used throughout this report excludes realized gains and losses on crop derivatives.
(4) Adjusted interest expense used throughout this report excludes amortization benefit of the 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-18	2Q-18	1Q-18	4Q-17	3Q-17	YTD 2018	YTD 2017	Full Year 2017
P&C Underwriting income (Including Corporate and excluding Life Insurance)								
Gross premiums written	\$9,455	\$9,330	\$8,141	\$8,374	\$9,142	\$26,926	\$25,741	\$ 34,115
Net premiums written	7,546	7,450	6,545	6,496	7,363	21,541	20,607	27,103
Net premiums earned	7,357	7,112	6,487	6,665	7,280	20,956	20,268	26,933
Adjusted losses and loss expenses	4,681	4,295	3,895	4,089	6,071	12,871	13,633	17,722
Policy acquisition costs	1,365	1,326	1,336	1,293	1,356	4,027	3,958	5,251
Administrative expenses	642	667	614	660	637	1,923	1,870	2,530
P&C Underwriting income (loss)	<u>\$ 669</u>	<u>\$ 824</u>	<u>\$ 642</u>	<u>\$ 623</u>	<u>\$ (784)</u>	<u>\$ 2,135</u>	<u>\$ 807</u>	<u>\$ 1,430</u>
P&C CAY Underwriting income ex Cats	\$ 876	\$ 844	\$ 813	\$ 912	\$ 839	\$ 2,533	\$ 2,435	\$ 3,347
% Change versus prior year period								
Net premiums written	2.5%	5.6%	5.8%	1.7%	4.6%	4.5%	5.0%	4.2%
Net premiums written excluding merger-related actions (1)	2.9%	6.2%	6.6%	3.7%	3.9%	5.1%	7.1%	6.3%
Net premiums earned	1.0%	5.8%	3.5%	2.2%	1.5%	3.4%	0.5%	0.9%
Net premiums written constant \$	2.8%	4.1%	3.4%	0.5%	4.6%	3.4%	5.3%	4.2%
Net premiums written constant \$ excluding merger-related actions (1)	3.3%	4.7%	4.1%	2.5%	4.0%	4.0%	7.5%	6.2%
Net premiums earned constant \$	1.4%	4.0%	1.6%	1.0%	1.3%	2.3%	0.7%	0.7%
P&C combined ratio								
Loss and loss expense ratio	63.6%	60.4%	60.0%	61.4%	83.4%	61.4%	67.3%	65.8%
Policy acquisition cost ratio	18.6%	18.6%	20.6%	19.4%	18.6%	19.2%	19.5%	19.5%
Administrative expense ratio	8.7%	9.4%	9.5%	9.9%	8.8%	9.2%	9.2%	9.4%
Combined ratio	<u>90.9%</u>	<u>88.4%</u>	<u>90.1%</u>	<u>90.7%</u>	<u>110.8%</u>	<u>89.8%</u>	<u>96.0%</u>	<u>94.7%</u>
CAY P&C combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	61.1%	60.0%	57.7%	57.1%	61.3%	59.7%	59.4%	58.8%
CAY policy acquisition costs and administrative expense ratio ex Cats	27.1%	28.1%	29.9%	29.3%	27.2%	28.3%	28.6%	28.8%
CAY combined ratio ex Cats	<u>88.2%</u>	<u>88.1%</u>	<u>87.6%</u>	<u>86.4%</u>	<u>88.5%</u>	<u>88.0%</u>	<u>88.0%</u>	<u>87.6%</u>
Other ratios								
Net premiums written/gross premiums written	80%	80%	80%	78%	81%	80%	80%	79%
Expense ratio	27.3%	28.0%	30.1%	29.3%	27.4%	28.4%	28.7%	28.9%
Expense ratio excluding A&H	25.2%	25.9%	27.9%	27.2%	25.1%	26.3%	26.6%	26.8%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ 4	\$ —	\$ —	\$ (15)	\$ 22	\$ 4	\$ 22	\$ 7
Catastrophe losses—pre-tax	\$ 454	\$ 211	\$ 380	\$ 432	\$ 1,915	\$ 1,045	\$ 2,321	\$ 2,753
Favorable prior period development (PPD)—pre-tax	\$ (243)	\$ (191)	\$ (209)	\$ (158)	\$ (270)	\$ (643)	\$ (671)	\$ (829)

(1) Net premiums written were adversely impacted by merger-related actions of \$32 million in Q3 2018 and \$125 million for YTD 2018.

Note: Refer to the Non-GAAP financial measures section for further information on the calculation of the components of combined ratios.

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 13), North America Personal P&C Insurance segment (refer to page 14), Overseas General Insurance segment (refer to page 16), Global Reinsurance segment (refer to page 18), and Corporate (refer to page 20). Global P&C excludes the North America Agricultural Insurance and Life Insurance segments.

Global P&C (Including Corporate and excluding Agriculture)

	3Q-18	2Q-18	1Q-18	4Q-17	3Q-17	YTD 2018	YTD 2017	Full Year 2017
Global P&C Underwriting income								
Gross premiums written	\$ 8,185	\$ 8,787	\$ 7,936	\$ 8,098	\$ 7,839	\$ 24,908	\$ 23,702	\$ 31,800
Net premiums written	6,662	7,062	6,437	6,370	6,437	20,161	19,217	25,587
Net premiums earned	6,500	6,761	6,444	6,413	6,382	19,705	19,012	25,425
Adjusted losses and loss expenses	3,954	4,014	3,950	4,029	5,307	11,918	12,650	16,679
Policy acquisition costs	1,316	1,300	1,337	1,287	1,307	3,953	3,883	5,170
Administrative expenses	640	666	617	664	638	1,923	1,874	2,538
Global P&C Underwriting income (loss)	<u>\$ 590</u>	<u>\$ 781</u>	<u>\$ 540</u>	<u>\$ 433</u>	<u>\$ (870)</u>	<u>\$ 1,911</u>	<u>\$ 605</u>	<u>\$ 1,038</u>
Global P&C CAY Underwriting income ex Cats	\$ 790	\$ 799	\$ 786	\$ 758	\$ 752	\$ 2,375	\$ 2,298	\$ 3,056
% Change versus prior year period								
Net premiums written	3.5%	6.1%	5.1%	0.3%	4.0%	4.9%	4.8%	3.6%
Net premiums written excluding merger-related actions (1)	4.0%	6.8%	5.9%	2.3%	3.3%	5.6%	7.0%	5.8%
Net premiums earned	1.8%	6.0%	3.1%	0.6%	0.4%	3.6%	0.1%	0.2%
Net premiums written constant \$	3.9%	4.6%	2.6%	-0.8%	4.0%	3.7%	5.2%	3.6%
Net premiums written constant \$ excluding merger-related actions (1)	4.4%	5.2%	3.4%	1.2%	3.3%	4.4%	7.4%	5.8%
Net premiums earned constant \$	2.2%	4.1%	1.2%	-0.6%	0.3%	2.5%	0.3%	0.0%
Combined ratio								
Loss and loss expense ratio	60.8%	59.4%	61.3%	62.8%	83.1%	60.5%	66.5%	65.6%
Policy acquisition cost ratio	20.2%	19.2%	20.8%	20.1%	20.5%	20.0%	20.4%	20.3%
Administrative expense ratio	9.9%	9.8%	9.5%	10.4%	10.0%	9.8%	9.9%	10.0%
Combined ratio	<u>90.9%</u>	<u>88.4%</u>	<u>91.6%</u>	<u>93.3%</u>	<u>113.6%</u>	<u>90.3%</u>	<u>96.8%</u>	<u>95.9%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	58.1%	59.0%	57.6%	57.9%	58.0%	58.2%	57.7%	57.8%
CAY policy acquisition costs and administrative expense ratio ex Cats	29.8%	29.2%	30.2%	30.3%	30.2%	29.8%	30.2%	30.2%
CAY combined ratio ex Cats	<u>87.9%</u>	<u>88.2%</u>	<u>87.8%</u>	<u>88.2%</u>	<u>88.2%</u>	<u>88.0%</u>	<u>87.9%</u>	<u>88.0%</u>
Other ratios								
Net premiums written/gross premiums written	81%	80%	81%	79%	82%	81%	81%	80%
Expense ratio	30.1%	29.0%	30.3%	30.5%	30.5%	29.8%	30.3%	30.3%
Expense ratio excluding A&H	28.1%	27.0%	28.2%	28.4%	28.3%	27.7%	28.2%	28.3%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ 4	\$ —	\$ —	\$ (15)	\$ 22	\$ 4	\$ 22	\$ 7
Catastrophe losses—pre-tax	\$ 446	\$ 209	\$ 379	\$ 432	\$ 1,910	\$ 1,034	\$ 2,303	\$ 2,735
Favorable prior period development (PPD)—pre-tax	\$ (242)	\$ (191)	\$ (133)	\$ (122)	\$ (266)	\$ (566)	\$ (588)	\$ (710)

(1) Net premiums written were adversely impacted by merger-related actions of \$32 million in Q3 2018 and \$125 million for YTD 2018.

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

Chubb Limited Catastrophe Loss Charges—Q3 2018

	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—Gross								
Hurricane Florence	\$ 152	\$ 31	\$ 3	\$ 10	\$ 13	\$ 209		
U.S. Flooding, Hail, Tornadoes, and Wind Events (1)	205	44	1	—	—	250		
Colorado Rain and Hail Storm	14	59	—	1	—	74		
Typhoon Jebi	1	—	—	46	14	61		
Typhoon Mangkhut	—	—	—	17	—	17		
Japan Flooding	2	—	—	8	7	17		
California Wildfires	4	4	—	—	—	8		
Other	23	3	4	6	13	49		
Total	\$ 401	\$ 141	\$ 8	\$ 88	\$ 47	\$ 685		
Catastrophe Loss Charges by Event—Net								
Hurricane Florence	\$ 108	\$ 31	\$ 3	\$ 10	\$ 9	\$ 161	\$ 1	\$ 160
U.S. Flooding, Hail, Tornadoes, and Wind Events (1)	54	40	1	—	—	95	—	95
Colorado Rain and Hail Storm	12	58	—	1	—	71	—	71
Typhoon Jebi	1	—	—	39	12	52	2	50
Typhoon Mangkhut	—	—	—	16	—	16	—	16
Japan Flooding	1	—	—	8	4	13	—	13
California Wildfires	4	4	—	—	—	8	—	8
Other	16	3	4	6	9	38	1	37
Total	\$ 196	\$ 136	\$ 8	\$ 80	\$ 34	\$ 454		
Reinstatement premiums collected	—	—	—	—	4		\$ 4	
Total impact before income tax	\$ 196	\$ 136	\$ 8	\$ 80	\$ 30			\$ 450
Income tax benefit								78
Total impact after income tax								\$ 372

(1) This grouping comprised of 10 separate events, principally impacting the southern and northeastern regions of the U.S.

Note: 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 2018 and changes to catastrophe loss estimates that occurred in the first and second quarters of 2018). 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 2018	June 30 2018	March 31 2018	December 31 2017
Assets				
Fixed maturities available for sale, at fair value	\$ 77,853	\$ 77,963	\$ 79,111	\$ 78,939
Fixed maturities held to maturity, at amortized cost	13,563	13,860	14,253	14,335
Equity securities, at fair value	843	933	948	937
Short-term investments, at fair value	3,479	3,171	2,874	3,561
Other investments	5,425	5,259	4,919	4,672
Total investments	101,163	101,186	102,105	102,444
Cash	1,053	1,000	1,988	728
Securities lending collateral	2,143	2,355	2,039	1,737
Insurance and reinsurance balances receivable	10,193	10,341	9,570	9,334
Reinsurance recoverable on losses and loss expenses	15,088	14,792	14,982	15,034
Deferred policy acquisition costs	4,902	4,916	4,843	4,723
Value of business acquired	298	311	321	326
Prepaid reinsurance premiums	2,548	2,686	2,600	2,529
Goodwill and other intangible assets	21,471	21,759	22,123	22,054
Investments in partially-owned insurance companies	656	675	664	662
Other assets	8,169	7,513	7,546	7,451
Total assets	\$ 167,684	\$ 167,534	\$ 168,781	\$ 167,022
Liabilities				
Unpaid losses and loss expenses	\$ 63,029	\$ 62,778	\$ 63,139	\$ 63,179
Unearned premiums	15,725	15,748	15,495	15,216
Future policy benefits	5,463	5,470	5,412	5,321
Insurance and reinsurance balances payable	6,313	6,448	6,148	5,868
Securities lending payable	2,143	2,355	2,039	1,737
Accounts payable, accrued expenses, and other liabilities	10,757	10,346	10,030	10,953
Deferred tax liabilities	363	326	468	699
Short-term debt	500	600	1,669	1,013
Long-term debt	12,149	12,184	12,786	11,556
Trust preferred securities	308	308	308	308
Total liabilities	116,750	116,563	117,494	115,850
Shareholders' equity				
Total shareholders' equity, excl. AOCI	53,093	52,491	51,789	50,629
Accumulated other comprehensive income (loss) (AOCI)	(2,159)	(1,520)	(502)	543
Total shareholders' equity	50,934	50,971	51,287	51,172
Total liabilities and shareholders' equity	\$ 167,684	\$ 167,534	\$ 168,781	\$ 167,022
Book value per common share	\$ 110.46	\$ 109.97	\$ 110.10	\$ 110.32
% change over prior quarter	0.4%	-0.1%	-0.2%	1.5%
Tangible book value per common share	\$ 66.83	\$ 66.00	\$ 65.65	\$ 65.87
% change over prior quarter	1.3%	0.5%	-0.3%	1.2%

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

	3Q-18	3Q-17	% Change 3Q-18 vs. 3Q-17	Constant \$ % Change 3Q-18 vs. 3Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs. YTD-17	Constant \$ % Change YTD-18 vs. YTD-17
Net premiums written								
Commercial multiple peril (1)	\$ 236	\$ 233	1.1%	1.1%	\$ 680	\$ 661	3.0%	2.9%
Commercial casualty (2)	1,356	1,238	9.5%	9.2%	3,863	3,508	10.2%	8.8%
Workers' compensation (2)	491	470	4.3%	4.3%	1,571	1,536	2.2%	2.2%
Professional liability	921	894	3.0%	1.6%	2,583	2,557	1.1%	-1.8%
Surety	159	158	0.1%	2.7%	481	461	4.2%	4.2%
Property and other short-tail lines (2)	911	891	2.3%	4.5%	3,061	2,990	2.3%	2.2%
Total Commercial P&C	4,074	3,884	4.9%	5.0%	12,239	11,713	4.5%	3.4%
Agriculture	884	926	-4.5%	-4.5%	1,380	1,390	-0.7%	-0.7%
Personal automobile—North America	213	204	4.4%	4.4%	626	578	8.0%	8.0%
Personal automobile—International	206	195	5.4%	10.5%	647	569	13.2%	12.2%
Personal homeowners	895	877	1.9%	1.9%	2,615	2,499	4.6%	4.3%
Personal other	362	355	2.2%	3.0%	1,138	1,080	5.6%	3.0%
Total Personal lines	1,676	1,631	2.7%	3.4%	5,026	4,726	6.3%	5.4%
Total Property and Casualty lines	6,634	6,441	3.0%	3.3%	18,645	17,829	4.6%	3.6%
Global A&H lines (3)	1,048	1,014	3.4%	4.5%	3,236	3,033	6.7%	4.9%
Reinsurance lines (4)	164	191	-14.3%	-14.7%	554	580	-4.5%	-5.9%
Life	264	256	3.6%	4.0%	794	751	6.1%	4.6%
Total consolidated	\$8,110	\$7,902	2.6%	3.0%	\$23,229	\$22,193	4.7%	3.6%

- (1) Commercial multiple peril represents retail package business (property and general liability).
- (2) YTD 2018 includes a reclassification of \$84 million from Commercial casualty net premiums written to Property and other short-tail lines (\$78 million) and Workers' Compensation (\$6 million) to better align the reporting with prior year. There is no impact on a consolidated basis.
- (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 within the Global A&H lines above.
- (4) The year-over-year decrease in net premiums written is primarily due to higher reinstatement premiums collected in the prior year relating to the 2017 natural catastrophes (year-over-year decrease of \$33 million for both QTD and YTD).

Chubb Limited
Consolidated Results—Three months ended September 30, 2018
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q3 2018	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	\$ 3,199	\$ 1,218	\$ 884	\$ 2,081	\$ 164	\$ —	\$ 7,546	\$ 564	\$ 8,110
Net premiums earned	3,019	1,167	857	2,157	157	—	7,357	551	7,908
Adjusted losses and loss expenses	1,881	860	727	1,114	86	13	4,681	195	4,876
Policy benefits	—	—	—	—	—	—	—	127	127
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	14	14
Policy acquisition costs	458	236	49	582	40	—	1,365	139	1,504
Administrative expenses	251	69	2	252	10	58	642	77	719
Underwriting income (loss)	429	2	79	209	21	(71)	669	(1)	668
Adjusted net investment income	503	59	7	155	63	11	798	85	883
Other income (expense)—operating (1)	1	—	—	7	13	(8)	13	(6)	7
Amortization expense of purchased intangibles	—	(4)	(7)	(8)	—	(64)	(83)	—	(83)
Segment income (loss)	\$ 933	\$ 57	\$ 79	\$ 363	\$ 97	\$ (132)	\$ 1,397	\$ 78	\$ 1,475
Adjusted interest expense							(170)		(170)
Income tax expense							(183)		(183)
Core operating income (loss)							(485)		1,122
Chubb integration expenses, net of \$2 million tax benefit							(14)		(14)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$12 million tax benefit (2)							(42)		(42)
Adjusted net realized gains (losses), net of \$14 million tax (3)							165		165
Net income (loss)							\$ (376)		\$ 1,231
Combined ratio	85.8%	99.8%	90.7%	90.3%	86.7%		90.9%		
CAY combined ratio ex Cats	86.7%	83.2%	89.9%	90.0%	82.8%		88.2%		

(1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).

(2) Related to the acquisition of The Chubb Corporation.

(3) Includes net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Nine months ended September 30, 2018
(in millions of U.S. dollars, except ratios)
(Unaudited)

YTD 2018	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	\$ 9,342	\$ 3,601	\$ 1,380	\$ 6,664	\$ 554	\$ —	\$ 21,541	\$ 1,688	\$ 23,229
Net premiums earned	9,325	3,463	1,251	6,425	492	—	20,956	1,643	22,599
Adjusted losses and loss expenses	5,873	2,474	953	3,263	236	72	12,871	584	13,455
Policy benefits	—	—	—	—	—	—	—	428	428
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	18	18
Policy acquisition costs	1,378	701	74	1,754	120	—	4,027	405	4,432
Administrative expenses	735	202	—	757	29	200	1,923	235	2,158
Underwriting income (loss)	1,339	86	224	651	107	(272)	2,135	(27)	2,108
Adjusted net investment income	1,516	177	20	461	192	31	2,397	253	2,650
Other income (expense)—operating (1)	20	(1)	(1)	12	26	(17)	39	(6)	33
Amortization expense of purchased intangibles	—	(10)	(21)	(29)	—	(192)	(252)	(1)	(253)
Segment income (loss)	\$ 2,875	\$ 252	\$ 222	\$ 1,095	\$ 325	\$ (450)	\$ 4,319	\$ 219	\$ 4,538
Adjusted interest expense						(516)			(516)
Income tax expense						(550)			(550)
Core operating income (loss)						(1,516)			3,472
Chubb integration expenses, net of \$7 million tax benefit						(32)			(32)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$32 million tax benefit (2)						(133)			(133)
Adjusted net realized gains (losses), net of \$25 million tax (3)						300			300
Net income (loss)						<u>\$ (1,381)</u>			<u>\$ 3,607</u>
Combined ratio	85.6%	97.5%	82.1%	89.9%	78.3%		89.8%		
CAY combined ratio ex Cats	87.0%	80.8%	87.8%	90.6%	81.1%		88.0%		

(1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).

(2) Related to the acquisition of The Chubb Corporation.

(3) Includes net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Three months ended September 30, 2017
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q3 2017	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	\$ 3,086	\$ 1,194	\$ 926	\$ 1,966	\$ 191	\$ —	\$ 7,363	\$ 539	\$ 7,902
Net premiums earned	3,016	1,117	898	2,064	185	—	7,280	527	7,807
Adjusted losses and loss expenses	2,580	1,062	764	1,281	295	89	6,071	181	6,252
Policy benefits	—	—	—	—	—	—	—	169	169
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(24)	(24)
Policy acquisition costs	469	226	49	569	43	—	1,356	132	1,488
Administrative expenses	256	61	(1)	246	11	64	637	77	714
Underwriting income (loss)	(289)	(232)	86	(32)	(164)	(153)	(784)	(8)	(792)
Adjusted net investment income	497	57	6	164	80	11	815	78	893
Other income (expense)—operating (1)	4	(1)	—	10	3	(6)	10	(5)	5
Amortization expense of purchased intangibles	—	(4)	(8)	(11)	—	(41)	(64)	(1)	(65)
Segment income (loss)	\$ 212	\$ (180)	\$ 84	\$ 131	\$ (81)	\$ (189)	\$ (23)	\$ 64	\$ 41
Adjusted interest expense							(162)		(162)
Income tax benefit							61		61
Core operating loss							(290)		(60)
Chubb integration expenses, net of \$14 million tax benefit							(36)		(36)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$18 million tax benefit (2)							(50)		(50)
Adjusted net realized gains (losses), net of \$8 million tax (3)							76		76
Net loss							\$ (300)		\$ (70)
Combined ratio	109.6%	120.8%	90.4%	101.6%	187.4%		110.8%		
CAY combined ratio ex Cats	88.7%	77.5%	90.3%	90.6%	82.2%		88.5%		

- (1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).
- (2) Related to the acquisition of The Chubb Corporation.
- (3) Includes net realized gains (losses) related to unconsolidated entities.

Chubb Limited
Consolidated Results—Nine months ended September 30, 2017
(in millions of U.S. dollars, except ratios)
(Unaudited)

YTD 2017	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	\$ 9,019	\$ 3,433	\$ 1,390	\$ 6,185	\$ 580	\$ —	\$ 20,607	\$ 1,586	\$ 22,193
Net premiums earned	9,156	3,296	1,256	6,018	542	—	20,268	1,548	21,816
Adjusted losses and loss expenses	6,376	2,378	983	3,316	435	145	13,633	556	14,189
Policy benefits	—	—	—	—	—	—	—	500	500
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(70)	(70)
Policy acquisition costs	1,420	673	75	1,653	137	—	3,958	376	4,334
Administrative expenses	728	192	(4)	734	33	187	1,870	226	2,096
Underwriting income (loss)	632	53	202	315	(63)	(332)	807	(40)	767
Adjusted net investment income	1,465	168	18	460	207	36	2,354	230	2,584
Other income (expense)—operating (1)	4	(3)	(1)	14	2	(27)	(11)	(10)	(21)
Amortization expense of purchased intangibles	—	(12)	(22)	(33)	—	(125)	(192)	(2)	(194)
Segment income (loss)	\$ 2,101	\$ 206	\$ 197	\$ 756	\$ 146	\$ (448)	\$ 2,958	\$ 178	\$ 3,136
Adjusted interest expense						(488)			(488)
Income tax expense						(353)			(353)
Core operating income (loss)						(1,289)			2,295
Chubb integration expenses, net of \$73 million tax benefit						(160)			(160)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$62 million tax benefit (2)						(157)			(157)
Adjusted net realized gains (losses), net of \$25 million tax (3)						350			350
Net income (loss)						\$ (1,256)			\$ 2,328
Combined ratio	93.1%	98.4%	83.9%	94.8%	111.5%		96.0%		
CAY combined ratio ex Cats	87.6%	78.3%	89.6%	91.3%	78.6%		88.0%		

(1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).

(2) Related to the acquisition of The Chubb Corporation.

(3) 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-18	2Q-18	1Q-18	4Q-17	3Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written (1)	\$4,108	\$4,322	\$3,678	\$4,102	\$3,919	\$12,108	\$11,649	\$ 15,751
Net premiums written (1)	3,199	3,331	2,812	3,000	3,086	9,342	9,019	12,019
Net premiums earned	3,019	3,277	3,029	3,035	3,016	9,325	9,156	12,191
Losses and loss expenses	1,881	2,084	1,908	1,911	2,580	5,873	6,376	8,287
Policy acquisition costs	458	448	472	453	469	1,378	1,420	1,873
Administrative expenses	251	253	231	253	256	735	728	981
Underwriting income (loss)	429	492	418	418	(289)	1,339	632	1,050
Net investment income	503	510	503	496	497	1,516	1,465	1,961
Other income (expense)—operating	1	13	6	(5)	4	20	4	(1)
Segment income	\$ 933	\$ 1,015	\$ 927	\$ 909	\$ 212	\$ 2,875	\$ 2,101	\$ 3,010
CAY Underwriting income ex Cats	\$ 409	\$ 410	\$ 395	\$ 386	\$ 346	\$ 1,214	\$ 1,142	\$ 1,528
Combined ratio								
Loss and loss expense ratio	62.3%	63.6%	63.0%	63.0%	85.5%	63.0%	69.6%	68.0%
Policy acquisition cost ratio	15.2%	13.7%	15.6%	14.9%	15.5%	14.7%	15.5%	15.4%
Administrative expense ratio	8.3%	7.7%	7.6%	8.3%	8.6%	7.9%	8.0%	8.0%
Combined ratio	85.8%	85.0%	86.2%	86.2%	109.6%	85.6%	93.1%	91.4%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	63.5%	66.0%	64.0%	64.1%	65.2%	64.5%	64.3%	64.3%
CAY policy acquisition costs and administrative expense ratio ex Cats	23.2%	21.4%	23.0%	23.2%	23.5%	22.5%	23.3%	23.2%
CAY combined ratio ex Cats	86.7%	87.4%	87.0%	87.3%	88.7%	87.0%	87.6%	87.5%
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ —	\$ —	\$ (1)	\$ (3)	\$ —	\$ (3)	\$ (4)
Catastrophe losses—pre-tax	\$ 196	\$ 73	\$ 78	\$ 167	\$ 868	\$ 347	\$ 1,053	\$ 1,220
Favorable prior period development (PPD)—pre-tax (2)	\$ (216)	\$ (155)	\$ (101)	\$ (200)	\$ (236)	\$ (472)	\$ (546)	\$ (746)
% Change versus prior year period								
Net premiums written	3.6%	4.0%	3.0%	-2.7%	-0.7%	3.6%	4.2%	2.4%
Net premiums written excluding merger-related actions (3)	4.6%	5.4%	4.4%	-1.0%	1.1%	4.8%	6.8%	4.7%
Net premiums earned	0.1%	5.8%	-0.4%	-1.7%	-2.3%	1.8%	0.3%	-0.2%
Other ratios								
Net premiums written/gross premiums written	78%	77%	76%	73%	79%	77%	77%	76%
Production by Size								
Net Premiums Written (1)								
Major Accounts & Specialty (4)	\$1,852	\$2,040	\$1,630	\$1,753	\$1,786	\$ 5,522	\$ 5,323	\$ 7,076
Commercial (4)	1,347	1,291	1,182	1,247	1,300	3,820	3,696	4,943
Total	\$3,199	\$3,331	\$2,812	\$3,000	\$3,086	\$ 9,342	\$ 9,019	\$12,019

- (1) 2017 amounts (Q1: \$12 million; Q2: \$1 million; Q3: \$3 million; Q4: \$(7) million) have been revised to reflect the North America Commercial P&C Insurance segment transfer of certain multinational accounts to (from) the Overseas General Insurance segment to better align the reporting with the management of these businesses in 2018. There is no impact on a consolidated basis.
- (2) For Q3 2018, favorable prior period development is net of \$40 million of unfavorable net premiums earned adjustments, \$1 million of unfavorable expense adjustments and \$1 million of unfavorable reinstatement premium adjustments. For YTD 2018, favorable prior period development is net of \$29 million of unfavorable net premiums earned adjustments, \$7 million of unfavorable expense adjustments and \$5 million of unfavorable reinstatement premium adjustments. For Q3 2017, favorable prior period development is net of \$39 million of unfavorable net premiums earned adjustments and \$6 million of unfavorable expense adjustments. For YTD 2017, favorable prior period development is net of \$42 million of unfavorable net premiums earned adjustments, \$6 million of unfavorable expense adjustments and \$9 million of unfavorable reinstatement premium adjustments.
- (3) Q3 2018 and YTD 2018 include the adverse impact of merger-related actions, respectively, as follows: Major Accounts & Specialty \$31 million and \$110 million; Commercial \$nil and \$4 million.
- (4) Major Accounts & Specialty: principally large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts.

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

North America Personal P&C Insurance

	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 1,369	\$ 1,489	\$ 1,181	\$ 1,260	\$ 1,338	\$ 4,039	\$ 3,892	\$ 5,152
Net premiums written	1,218	1,335	1,048	1,100	1,194	3,601	3,433	4,533
Net premiums earned	1,167	1,156	1,140	1,103	1,117	3,463	3,296	4,399
Losses and loss expenses	860	728	886	887	1,062	2,474	2,378	3,265
Policy acquisition costs	236	228	237	226	226	701	673	899
Administrative expenses	69	68	65	72	61	202	192	264
Underwriting income (loss)	2	132	(48)	(82)	(232)	86	53	(29)
Net investment income	59	59	59	58	57	177	168	226
Other expense—operating	—	(1)	—	(1)	(1)	(1)	(3)	(4)
Amortization expense of purchased intangibles	(4)	(3)	(3)	(4)	(4)	(10)	(12)	(16)
Segment income (loss)	<u>\$ 57</u>	<u>\$ 187</u>	<u>\$ 8</u>	<u>\$ (29)</u>	<u>\$ (180)</u>	<u>\$ 252</u>	<u>\$ 206</u>	<u>\$ 177</u>
CAY Underwriting income ex Cats	<u>\$ 196</u>	<u>\$ 240</u>	<u>\$ 230</u>	<u>\$ 218</u>	<u>\$ 251</u>	<u>\$ 666</u>	<u>\$ 715</u>	<u>\$ 933</u>
Combined ratio								
Loss and loss expense ratio	73.7%	63.0%	77.7%	80.4%	95.1%	71.5%	72.2%	74.2%
Policy acquisition cost ratio	20.2%	19.7%	20.8%	20.5%	20.2%	20.2%	20.4%	20.4%
Administrative expense ratio	5.9%	5.9%	5.7%	6.6%	5.5%	5.8%	5.8%	6.1%
Combined ratio	<u>99.8%</u>	<u>88.6%</u>	<u>104.2%</u>	<u>107.5%</u>	<u>120.8%</u>	<u>97.5%</u>	<u>98.4%</u>	<u>100.7%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	57.1%	53.7%	53.3%	54.0%	51.9%	54.7%	52.1%	52.6%
CAY policy acquisition costs and administrative expense ratio ex Cats	26.1%	25.6%	26.4%	26.5%	25.6%	26.1%	26.2%	26.3%
CAY combined ratio ex Cats	<u>83.2%</u>	<u>79.3%</u>	<u>79.7%</u>	<u>80.5%</u>	<u>77.5%</u>	<u>80.8%</u>	<u>78.3%</u>	<u>78.9%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ —	\$ —	\$ (19)	\$ (3)	\$ —	\$ (3)	\$ (22)
Catastrophe losses—pre-tax	\$ 136	\$ 101	\$ 284	\$ 278	\$ 448	\$ 521	\$ 593	\$ 871
Unfavorable (favorable) prior period development (PPD)—pre-tax ⁽¹⁾	\$ 58	\$ 7	\$ (6)	\$ 3	\$ 32	\$ 59	\$ 66	\$ 69
% Change versus prior year period								
Net premiums written	2.0%	6.4%	6.5%	5.8%	18.0%	4.9%	10.3%	9.1%
Net premiums written excluding merger-related actions, one-time accounting actions, Fireman's Fund non-renewal and Reinstatement premiums	2.7%	3.2%	2.7%			2.9%		
Net premiums earned	4.5%	5.6%	5.1%	2.6%	3.4%	5.1%	1.6%	1.9%
Other ratios								
Net premiums written/gross premiums written	89%	90%	89%	87%	89%	89%	88%	88%

(1) For Q3 2018 and YTD 2018, unfavorable prior period development is net of \$1 million of unfavorable reinstatement premium adjustments.

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

North America Agricultural Insurance

	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 1,270	\$ 543	\$ 205	\$ 276	\$ 1,303	\$ 2,018	\$ 2,039	\$ 2,315
Net premiums written	884	388	108	126	926	1,380	1,390	1,516
Net premiums earned	857	351	43	252	898	1,251	1,256	1,508
Adjusted losses and loss expenses (1)	727	281	(55)	60	764	953	983	1,043
Policy acquisition costs	49	26	(1)	6	49	74	75	81
Administrative expenses	2	1	(3)	(4)	(1)	—	(4)	(8)
Underwriting income	79	43	102	190	86	224	202	392
Net investment income	7	6	7	7	6	20	18	25
Other expense—operating	—	(1)	—	(1)	—	(1)	(1)	(2)
Amortization expense of purchased intangibles	(7)	(7)	(7)	(7)	(8)	(21)	(22)	(29)
Segment income	<u>\$ 79</u>	<u>\$ 41</u>	<u>\$ 102</u>	<u>\$ 189</u>	<u>\$ 84</u>	<u>\$ 222</u>	<u>\$ 197</u>	<u>\$ 386</u>
CAY Underwriting income ex Cats	\$ 86	\$ 45	\$ 27	\$ 154	\$ 87	\$ 158	\$ 137	\$ 291
Combined ratio								
Loss and loss expense ratio	84.9%	80.0%	NM	23.7%	85.1%	76.2%	78.3%	69.2%
Policy acquisition cost ratio	5.7%	7.4%	NM	2.4%	5.4%	5.9%	6.0%	5.4%
Administrative expense ratio	0.1%	0.5%	NM	-1.7%	-0.1%	0.0%	-0.4%	-0.6%
Combined ratio	<u>90.7%</u>	<u>87.9%</u>	<u>NM</u>	<u>24.4%</u>	<u>90.4%</u>	<u>82.1%</u>	<u>83.9%</u>	<u>74.0%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	84.1%	79.3%	68.9%	36.9%	84.9%	81.8%	83.9%	76.2%
CAY policy acquisition costs and administrative expense ratio ex Cats	5.8%	7.9%	-1.2%	3.1%	5.4%	6.0%	5.7%	5.3%
CAY combined ratio ex Cats	<u>89.9%</u>	<u>87.2%</u>	<u>67.7%</u>	<u>40.0%</u>	<u>90.3%</u>	<u>87.8%</u>	<u>89.6%</u>	<u>81.5%</u>
Catastrophe losses—pre-tax	\$ 8	\$ 2	\$ 1	\$ —	\$ 5	\$ 11	\$ 18	\$ 18
Favorable prior period development (PPD)—pre-tax (2)	\$ (1)	\$ —	\$ (76)	\$ (36)	\$ (4)	\$ (77)	\$ (83)	\$ (119)
% Change versus prior year period								
Net premiums written	-4.5%	-3.7%	76.2%	214.3%	9.0%	-0.7%	7.9%	14.2%
Net premiums earned	-4.6%	2.2%	214.2%	72.3%	9.6%	-0.3%	7.4%	14.6%
Other ratios								
Net premiums written/gross premiums written	70%	71%	53%	46%	71%	68%	68%	66%

(1) Includes realized gains/losses on crop derivatives.

(2) For YTD 2018, favorable prior period development is net of \$40 million of unfavorable net premiums earned adjustments and \$4 million of favorable profit-sharing commissions. For YTD 2017, favorable prior period development is net of \$61 million of unfavorable net premiums earned adjustments and \$4 million of favorable profit-sharing commissions.

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

Overseas General Insurance

	3Q-18	2Q-18	1Q-18	4Q-17	3Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written (1)	\$2,541	\$2,743	\$2,872	\$2,632	\$2,380	\$8,156	\$7,519	\$10,151
Net premiums written (1)	2,081	2,199	2,384	2,165	1,966	6,664	6,185	8,350
Net premiums earned	2,157	2,161	2,107	2,113	2,064	6,425	6,018	8,131
Losses and loss expenses	1,114	1,071	1,078	965	1,281	3,263	3,316	4,281
Policy acquisition costs	582	584	588	568	569	1,754	1,653	2,221
Administrative expenses	252	266	239	248	246	757	734	982
Underwriting income (loss)	209	240	202	332	(32)	651	315	647
Net investment income	155	155	151	150	164	461	460	610
Other income (expense)—operating	7	12	(7)	(10)	10	12	14	4
Amortization expense of purchased intangibles	(8)	(11)	(10)	(12)	(11)	(29)	(33)	(45)
Segment income	\$ 363	\$ 396	\$ 336	\$ 460	\$ 131	\$1,095	\$ 756	\$ 1,216
CAY Underwriting income ex Cats	\$ 217	\$ 194	\$ 195	\$ 204	\$ 195	\$ 606	\$ 526	\$ 730
Combined ratio								
Loss and loss expense ratio	51.7%	49.6%	51.1%	45.7%	62.1%	50.8%	55.1%	52.6%
Policy acquisition cost ratio	26.9%	27.0%	27.9%	26.9%	27.6%	27.3%	27.5%	27.3%
Administrative expense ratio	11.7%	12.3%	11.4%	11.7%	11.9%	11.8%	12.2%	12.1%
Combined ratio	90.3%	88.9%	90.4%	84.3%	101.6%	89.9%	94.8%	92.0%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	51.3%	51.7%	51.4%	51.6%	51.3%	51.5%	51.7%	51.7%
CAY policy acquisition costs and administrative expense ratio ex Cats	38.7%	39.3%	39.3%	38.7%	39.3%	39.1%	39.6%	39.3%
CAY combined ratio ex Cats	90.0%	91.0%	90.7%	90.3%	90.6%	90.6%	91.3%	91.0%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ —	\$ —	\$ —	\$ 5	\$ (9)	\$ —	\$ (9)	\$ (4)
Catastrophe losses—pre-tax	\$ 80	\$ 26	\$ 15	\$ (55)	\$ 326	\$ 121	\$ 386	\$ 331
Favorable prior period development (PPD)—pre-tax (2)	\$ (72)	\$ (72)	\$ (22)	\$ (68)	\$ (108)	\$ (166)	\$ (184)	\$ (252)
% Change versus prior year period								
Net premiums written	5.9%	9.6%	7.8%	2.5%	1.3%	7.7%	2.9%	2.8%
Net premiums earned	4.5%	7.1%	8.8%	3.1%	1.4%	6.8%	-1.1%	0.0%
Net premiums written constant \$	7.5%	5.1%	1.4%	-0.2%	1.3%	4.5%	3.9%	2.8%
Net premiums earned constant \$	5.9%	2.0%	3.0%	0.2%	0.9%	3.6%	-0.6%	-0.4%
Other ratios								
Net premiums written/gross premiums written	82%	80%	83%	82%	83%	82%	82%	82%

(1) 2017 amounts (Q1: \$12 million; Q2: \$1 million; Q3: \$3 million; Q4: \$(7) million) have been revised to reflect the North America Commercial P&C Insurance segment transfer of certain multinational accounts to (from) the Overseas General Insurance segment to better align the reporting with the management of these businesses in 2018. There is no impact on a consolidated basis.

(2) For Q3 2018 and YTD 2018, favorable prior period development is net of \$2 million of unfavorable reinstatement premium adjustments.

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

Overseas General Insurance—Production by Region

	3Q-18	3Q-17	% Change 3Q-18 vs. 3Q-17	Constant \$ 3Q-17	Constant \$ % Change 3Q-18 vs. 3Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs. YTD-17	Constant \$ YTD 2017	Constant \$ % Change YTD-18 vs. YTD-17
Net premiums written										
Europe	\$ 727	\$ 691	5.2%	\$ 703	3.4%	\$2,641	\$2,447	7.9%	\$ 2,624	0.6%
Latin America	519	514	1.0%	473	9.7%	1,597	1,519	5.1%	1,474	8.3%
Asia	755	681	10.9%	683	10.5%	2,176	1,931	12.7%	1,988	9.5%
Other (1) (2)	80	80	0.0%	78	2.6%	250	288	-13.2%	294	-15.0%
Total	<u>\$2,081</u>	<u>\$1,966</u>	5.9%	<u>\$ 1,937</u>	7.5%	<u>\$6,664</u>	<u>\$6,185</u>	7.7%	<u>\$ 6,380</u>	4.5%

- (1) Q3 2017 and YTD 2017 was revised to include \$3 million and \$16 million, respectively, representing the transfer of certain multinational accounts from the North America Commercial P&C Insurance segment to better align the reporting with the management of these businesses in 2018. There is no impact on a consolidated basis.
- (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-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 167	\$ 233	\$ 205	\$ 104	\$ 202	\$ 605	\$ 642	\$ 746
Net premiums written	164	197	193	105	191	554	580	685
Net premiums earned	157	167	168	162	185	492	542	704
Losses and loss expenses	86	83	67	126	295	236	435	561
Policy acquisition costs	40	40	40	40	43	120	137	177
Administrative expenses	10	9	10	11	11	29	33	44
Underwriting income (loss)	21	35	51	(15)	(164)	107	(63)	(78)
Net investment income	63	65	64	66	80	192	207	273
Other income (expense)—operating	13	6	7	(1)	3	26	2	1
Segment income (loss)	<u>\$ 97</u>	<u>\$ 106</u>	<u>\$ 122</u>	<u>\$ 50</u>	<u>\$ (81)</u>	<u>\$ 325</u>	<u>\$ 146</u>	<u>\$ 196</u>
CAY Underwriting income ex Cats	\$ 27	\$ 28	\$ 39	\$ 32	\$ 26	\$ 94	\$ 107	\$ 139
Combined ratio								
Loss and loss expense ratio	55.0%	49.4%	40.1%	78.9%	158.2%	48.0%	80.1%	79.8%
Policy acquisition cost ratio	25.2%	24.2%	23.6%	24.4%	23.4%	24.3%	25.3%	25.1%
Administrative expense ratio	6.5%	5.7%	5.8%	6.9%	5.8%	6.0%	6.1%	6.3%
Combined ratio	<u>86.7%</u>	<u>79.3%</u>	<u>69.5%</u>	<u>110.2%</u>	<u>187.4%</u>	<u>78.3%</u>	<u>111.5%</u>	<u>111.2%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	51.2%	53.0%	47.7%	50.1%	46.5%	50.6%	44.6%	46.0%
CAY policy acquisition costs and administrative expense ratio ex Cats	31.6%	30.5%	29.3%	31.3%	35.7%	30.5%	34.0%	33.2%
CAY combined ratio ex Cats	<u>82.8%</u>	<u>83.5%</u>	<u>77.0%</u>	<u>81.4%</u>	<u>82.2%</u>	<u>81.1%</u>	<u>78.6%</u>	<u>79.2%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ 4	\$ —	\$ —	\$ —	\$ 37	\$ 4	\$ 37	\$ 37
Catastrophe losses—pre-tax	\$ 34	\$ 9	\$ 2	\$ 42	\$ 268	\$ 45	\$ 271	\$ 313
Unfavorable (favorable) prior period development (PPD)—pre-tax ⁽¹⁾	\$ (24)	\$ (16)	\$ (14)	\$ 5	\$ (41)	\$ (54)	\$ (64)	\$ (59)
% Change versus prior year period								
Net premiums written as reported	-	14.3%	3.8%	-3.0%	-8.2%	47.1%	-4.5%	3.3%
Net premiums earned as reported	-	15.7%	-0.6%	11.0%	-3.4%	20.4%	-9.4%	0.0%
Net premiums written constant \$	-	14.7%	1.5%	-4.8%	-9.3%	47.9%	-5.9%	4.5%
Net premiums earned constant \$	-	16.0%	-3.1%	12.8%	-5.1%	20.0%	10.8%	1.0%
Other ratios								
Net premiums written/gross premiums written	98%	85%	94%	100%	95%	92%	91%	92%

(1) For Q3 2018, favorable prior period development is net of \$4 million of unfavorable net premiums earned adjustments. For YTD 2018, favorable prior period development is net of \$7 million of unfavorable net premiums earned adjustments and \$1 million of favorable acquisition expense adjustments. For Q3 2017, favorable prior period development is net of \$3 million of unfavorable net premiums earned adjustments. For YTD 2017, favorable prior period development is net of \$4 million of favorable net premiums earned adjustments.

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

Life Insurance

	3Q-18	2Q-18	1Q-18	4Q-17	3Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written	\$ 599	\$ 599	\$ 592	\$ 586	\$ 568	\$ 1,790	\$ 1,675	\$ 2,261
Net premiums written	564	565	559	555	539	1,688	1,586	2,141
Net premiums earned	551	552	540	553	527	1,643	1,548	2,101
Losses and loss expenses	195	184	205	183	181	584	556	739
Policy benefits (1)	127	150	151	176	169	428	500	676
(Gains) losses from fair value changes in separate account assets (1)	14	10	(6)	(27)	(24)	18	(70)	(97)
Policy acquisition costs	139	138	128	154	132	405	376	530
Administrative expenses	77	80	78	77	77	235	226	303
Net investment income	85	85	83	83	78	253	230	313
Life Insurance underwriting income (2)	84	75	67	73	70	226	190	263
Other income (expense)—operating	(6)	2	(2)	(3)	(5)	(6)	(10)	(13)
Amortization expense of purchased intangibles	—	—	(1)	—	(1)	(1)	(2)	(2)
Segment income	\$ 78	\$ 77	\$ 64	\$ 70	\$ 64	\$ 219	\$ 178	\$ 248

**% Change versus prior year
period**

Net premiums written	4.8%	8.0%	6.7%	1.2%	1.1%	6.5%	0.6%	0.8%
Net premiums earned	4.6%	7.2%	6.8%	3.5%	2.8%	6.2%	1.8%	2.2%
Net premiums written constant \$	5.1%	6.5%	5.0%	0.3%	1.1%	5.5%	0.3%	0.3%
Net premiums earned constant \$	4.9%	5.7%	5.0%	2.3%	2.8%	5.2%	1.3%	1.6%

- (1) (Gains) 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) for purposes of presenting Life Insurance underwriting income. The offsetting movement in the separate account liabilities is included in Policy benefits.
- (2) 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):

	3Q-18	3Q-17	% Change 3Q-18 vs. 3Q-17	Constant \$ % Change 3Q-18 vs. 3Q-17	YTD-18	YTD-17	% Change YTD-18 vs. YTD-17	Constant \$ % Change YTD-18 vs. YTD-17
International life insurance net premiums written	\$ 217	\$ 203	6.9%	7.4%	\$ 654	\$ 600	9.0%	7.2%
International life insurance deposits (3)	392	422	-7.1%	-7.1%	1,163	1,048	10.9%	8.7%
Total international life insurance net premiums written and deposits	\$ 609	\$ 625	-2.5%	-2.4%	\$ 1,817	\$ 1,648	10.2%	8.1%
International life insurance segment income	\$ 29	\$ 13	122.1%	128.7%	\$ 71	\$ 35	101.7%	107.8%

- (3) 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-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—	—
Losses and loss expenses	13	48	11	140	89	72	145	285
Policy acquisition costs	—	—	—	—	—	—	—	—
Administrative expenses	58	70	72	80	64	200	187	267
Underwriting loss	(71)	(118)	(83)	(220)	(153)	(272)	(332)	(552)
Adjusted net investment income	11	10	10	13	11	31	36	49
Other expense—operating	(8)	(2)	(7)	(61)	(6)	(17)	(27)	(88)
Adjusted interest expense (1)	(170)	(177)	(169)	(168)	(162)	(516)	(488)	(656)
Amortization expense of purchased intangibles	(64)	(64)	(64)	(43)	(41)	(192)	(125)	(168)
2017 tax reform transition benefit	—	—	—	450	—	—	—	450
Income tax (expense) benefit ex 2017 tax reform transition benefit	(183)	(218)	(149)	(131)	61	(550)	(353)	(484)
Core operating loss	(485)	(569)	(462)	(160)	(290)	(1,516)	(1,289)	(1,449)
Chubb integration expenses, net of tax	(14)	(10)	(8)	(57)	(36)	(32)	(160)	(217)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(42)	(41)	(50)	(41)	(50)	(133)	(157)	(198)
Adjusted net realized gains (losses), net of tax (2)	165	92	43	142	76	300	350	492
Net loss	<u>\$ (376)</u>	<u>\$ (528)</u>	<u>\$ (477)</u>	<u>\$ (116)</u>	<u>\$ (300)</u>	<u>\$ (1,381)</u>	<u>\$ (1,256)</u>	<u>\$ (1,372)</u>
Unfavorable prior period development (PPD)—pre-tax	\$ 12	\$ 45	\$ 10	\$ 138	\$ 87	\$ 67	\$ 140	\$ 278

(1) See Non-GAAP financial measures.

(2) 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, 2016	\$60,540	\$12,708	\$ 47,832	
Losses and loss expenses incurred	4,752	963	3,789	
Losses and loss expenses paid	(4,830)	(923)	(3,907)	103%
Other (incl. foreign exch. revaluation)	117	63	54	
Balance at March 31, 2017	\$60,579	\$12,811	\$ 47,768	
Losses and loss expenses incurred	5,016	870	4,146	
Losses and loss expenses paid	(5,356)	(1,234)	(4,122)	99%
Other (incl. foreign exch. revaluation)	155	38	117	
Balance at June 30, 2017	\$60,394	\$12,485	\$ 47,909	
Losses and loss expenses incurred	8,410	2,163	6,247	
Losses and loss expenses paid	(5,207)	(909)	(4,298)	69%
Other (incl. foreign exch. revaluation)	556	131	425	
Balance at September 30, 2017	\$64,153	\$13,870	\$ 50,283	
Losses and loss expenses incurred	5,755	1,483	4,272	
Losses and loss expenses paid	(6,419)	(1,298)	(5,121)	120%
Other (incl. foreign exch. revaluation)	(310)	(41)	(269)	
Balance at December 31, 2017	\$63,179	\$14,014	\$ 49,165	
Losses and loss expenses incurred	5,028	926	4,102	
Losses and loss expenses paid	(5,448)	(1,206)	(4,242)	103%
Other (incl. foreign exch. revaluation)	380	88	292	
Balance at March 31, 2018	\$63,139	\$13,822	\$ 49,317	
Losses and loss expenses incurred	5,458	971	4,487	
Losses and loss expenses paid	(5,304)	(931)	(4,373)	97%
Other (incl. foreign exch. revaluation)	(515)	(127)	(388)	
Balance at June 30, 2018	\$62,778	\$13,735	\$ 49,043	
Losses and loss expenses incurred	6,472	1,604	4,868	
Losses and loss expenses paid	(5,771)	(1,268)	(4,503)	93%
Other (incl. foreign exch. revaluation)	(450)	(106)	(344)	
Balance at September 30, 2018	\$63,029	\$13,965	\$ 49,064	
Add net recoverable on paid losses	—	1,123	(1,123)	
Balance including net recoverable on paid losses	\$63,029	\$15,088	\$ 47,941	

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

Net Reinsurance Recoverable by Division

	<u>September 30</u> <u>2018</u>	<u>June 30</u> <u>2018</u>	<u>March 31</u> <u>2018</u>	<u>December 31</u> <u>2017</u>
Reinsurance recoverable on paid losses and loss expenses				
Active operations	\$ 911	\$ 901	\$ 972	\$ 808
Brandywine and Other Run-off	290	238	271	286
Total	<u>\$ 1,201</u>	<u>\$ 1,139</u>	<u>\$ 1,243</u>	<u>\$ 1,094</u>
Reinsurance recoverable on unpaid losses and loss expenses				
Active operations	\$ 12,989	\$12,763	\$ 12,842	\$ 12,992
Brandywine and Other Run-off	1,214	1,209	1,217	1,269
Total	<u>\$ 14,203</u>	<u>\$13,972</u>	<u>\$ 14,059</u>	<u>\$ 14,261</u>
Gross reinsurance recoverable				
Active operations	\$ 13,900	\$13,664	\$ 13,814	\$ 13,800
Brandywine and Other Run-off	1,504	1,447	1,488	1,555
Total	<u>\$ 15,404</u>	<u>\$15,111</u>	<u>\$ 15,302</u>	<u>\$ 15,355</u>
Provision for uncollectible reinsurance (1)				
Active operations	\$ (189)	\$ (189)	\$ (188)	\$ (183)
Brandywine and Other Run-off	(127)	(130)	(132)	(138)
Total	<u>\$ (316)</u>	<u>\$ (319)</u>	<u>\$ (320)</u>	<u>\$ (321)</u>
Net reinsurance recoverable				
Active operations	\$ 13,711	\$13,475	\$ 13,626	\$ 13,617
Brandywine and Other Run-off	1,377	1,317	1,356	1,417
Total	<u>\$ 15,088</u>	<u>\$14,792</u>	<u>\$ 14,982</u>	<u>\$ 15,034</u>

(1) The provision for uncollectible reinsurance is based on a default analysis applied to gross reinsurance, net of usable collateral of approximately \$3.7 billion.

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

	September 30 2018		June 30 2018		March 31 2018		December 31 2017		
Market Value									
Fixed maturities available for sale	\$	77,853	\$	77,963	\$	79,111	\$	78,939	
Fixed maturities held to maturity		13,284		13,665		14,122		14,474	
Short-term investments		3,479		3,171		2,874		3,561	
Total fixed maturities	\$	<u>94,616</u>	\$	<u>94,799</u>	\$	<u>96,107</u>	\$	<u>96,974</u>	
Asset Allocation by Market Value									
Treasury	\$	4,572	5%	\$	4,246	4%	\$	4,277	4%
Agency		570	1%		651	1%		593	1%
Corporate and asset-backed		27,373	29%		27,150	29%		26,564	28%
Mortgage-backed		18,401	19%		18,068	19%		18,467	19%
Municipal		17,280	18%		17,827	19%		19,550	20%
Non-U.S.		22,941	24%		23,686	25%		23,782	25%
Short-term investments		3,479	4%		3,171	3%		2,874	3%
Total fixed maturities	\$	<u>94,616</u>	<u>100%</u>	\$	<u>94,799</u>	<u>100%</u>	\$	<u>96,107</u>	<u>100%</u>
Credit Quality by Market Value									
AAA	\$	15,131	16%	\$	14,952	16%	\$	14,723	15%
AA		36,705	39%		36,292	38%		37,322	39%
A		17,350	18%		17,735	19%		18,306	19%
BBB		12,050	13%		12,473	13%		12,616	13%
BB		7,737	8%		7,788	8%		7,710	8%
B		5,421	6%		5,356	6%		5,235	6%
Other		222	0%		203	0%		195	0%
Total fixed maturities	\$	<u>94,616</u>	<u>100%</u>	\$	<u>94,799</u>	<u>100%</u>	\$	<u>96,107</u>	<u>100%</u>
Cost/Amortized Cost									
Fixed maturities available for sale	\$	78,637		\$	78,546		\$	79,208	
Fixed maturities held to maturity		13,563			13,860			14,253	
Short-term investments		3,479			3,171			2,874	
Subtotal fixed maturities		<u>95,679</u>			<u>95,577</u>			<u>96,335</u>	
Equity securities		843			933			948	
Other investments		5,425			5,259			4,919	
Total investment portfolio	\$	<u>101,947</u>		\$	<u>101,769</u>		\$	<u>102,202</u>	
Avg. duration of fixed maturities		3.9 years			4.2 years			4.3 years	
Avg. market yield of fixed maturities		3.5%			3.4%			3.3%	
Avg. credit quality		A/Aa			A/Aa			A/Aa	
Avg. yield on invested assets (1)		3.5%			3.5%			3.4%	

(1) Calculated using adjusted net investment income.

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

Mortgage-backed Fixed Income Portfolio

	S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Mortgage-backed securities						
Market Value at September 30, 2018						
Agency residential mortgage-backed (RMBS)	\$ —	\$15,065	\$—	\$—	\$ —	\$15,065
Non-agency RMBS	26	47	73	26	22	194
Commercial mortgage-backed	2,804	240	98	—	—	3,142
Total mortgage-backed securities at market value	<u>\$2,830</u>	<u>\$15,352</u>	<u>\$171</u>	<u>\$ 26</u>	<u>\$ 22</u>	<u>\$18,401</u>

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

	S&P Credit Rating					Total
	Investment Grade					
	AAA	AA	A	BBB		
Market Value at September 30, 2018						
Asset-backed	\$1,612	\$ 136	\$ 46	\$ 29		\$ 1,823
Banks	1	31	1,726	1,346		3,104
Basic Materials	—	—	53	219		272
Communications	—	162	220	1,135		1,517
Consumer, Cyclical	—	275	482	583		1,340
Consumer, Non-Cyclical	98	446	1,611	1,422		3,577
Diversified Financial Services	7	41	545	202		795
Energy	—	48	90	506		644
Industrial	—	44	690	533		1,267
Utilities	—	18	712	391		1,121
All Others	159	310	940	778		2,187
Total	<u>\$1,877</u>	<u>\$1,511</u>	<u>\$7,115</u>	<u>\$7,144</u>		<u>\$17,647</u>

	S&P Credit Rating			Total
	Below Investment Grade			
	BB	B	CCC	
Market Value at September 30, 2018				
Asset-backed	\$ 6	\$ 3	\$ 8	\$ 17
Banks	—	—	—	—
Basic Materials	328	189	—	517
Communications	738	692	21	1,451
Consumer, Cyclical	1,064	588	35	1,687
Consumer, Non-Cyclical	904	1,076	53	2,033
Diversified Financial Services	181	162	5	348
Energy	642	316	7	965
Industrial	584	508	25	1,117
Utilities	224	21	—	245
All Others	790	543	13	1,346
Total	<u>\$5,461</u>	<u>\$4,098</u>	<u>\$167</u>	<u>\$9,726</u>

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

Non-U.S. Fixed Income Portfolio
September 30, 2018

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Government Securities						
United Kingdom	\$ —	\$ 1,166	\$ —	\$ —	\$ —	\$ 1,166
Republic of Korea	—	1,069	—	—	—	1,069
Canada	960	—	—	—	—	960
Federative Republic of Brazil	—	—	—	—	656	656
Province of Ontario	—	8	609	—	—	617
United Mexican States	—	—	423	123	—	546
Province of Quebec	—	504	—	—	—	504
Federal Republic of Germany	462	—	—	—	—	462
Kingdom of Thailand	—	—	432	—	—	432
French Republic	—	303	—	—	—	303
Other Non-U.S. Government Securities	905	1,014	845	555	857	4,176
Total	<u>\$ 2,327</u>	<u>\$ 4,064</u>	<u>\$ 2,309</u>	<u>\$ 678</u>	<u>\$ 1,513</u>	<u>\$ 10,891</u>

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Corporate Securities						
United Kingdom	\$ 113	\$ 94	\$ 665	\$ 882	\$ 301	\$ 2,055
Canada	107	288	276	466	343	1,480
United States (1)	3	26	172	346	499	1,046
France	7	46	518	328	42	941
Australia	113	207	357	134	10	821
Netherlands	60	9	316	157	83	625
Germany	113	38	139	256	23	569
Switzerland	49	17	191	186	23	466
Japan	—	38	396	7	—	441
China	—	—	264	44	19	327
Other Non-U.S. Corporate Securities	400	479	958	877	565	3,279
Total	<u>\$ 965</u>	<u>\$ 1,242</u>	<u>\$ 4,252</u>	<u>\$ 3,683</u>	<u>\$ 1,908</u>	<u>\$ 12,050</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, 2018</u>		<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 533	A-
2	JP Morgan Chase & Co	429	A-
3	AT&T Inc	419	BBB
4	Bank of America Corp	406	A-
5	Goldman Sachs Group Inc	358	BBB+
6	Anheuser-Busch InBev NV	357	A-
7	Verizon Communications Inc	333	BBB+
8	HSBC Holdings Plc	308	A
9	Morgan Stanley	302	BBB+
10	Citigroup Inc	291	BBB+

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

	Three months ended September 30, 2018								
	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	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (1) (2)	\$ (1)	\$ (2)	\$ (3)	\$ (213)	\$ 54	\$ (159)	\$ (214)	\$ 52	\$ (162)
Public equity	48	(9)	39	—	—	—	48	(9)	39
Private equity	152	(8)	144	—	—	—	152	(8)	144
Mark-to-market on public and private equity (3)	(8)	6	(2)	—	—	—	(8)	6	(2)
Total investment portfolio	191	(13)	178	(213)	54	(159)	(22)	41	19
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (4)	(46)	—	(46)	—	—	—	(46)	—	(46)
Foreign exchange	39	(2)	37	(482)	20	(462)	(443)	18	(425)
Partially-owned entities (5)	1	—	1	—	—	—	1	—	1
Other (6)	(6)	1	(5)	(21)	3	(18)	(27)	4	(23)
Net gains (losses)	<u>\$ 179</u>	<u>\$ (14)</u>	<u>\$ 165</u>	<u>\$ (716)</u>	<u>\$ 77</u>	<u>\$ (639)</u>	<u>\$ (537)</u>	<u>\$ 63</u>	<u>\$ (474)</u>

- (1) The net impact of rising interest rates on the Company's investment portfolio was \$135 million, after-tax, comprising of unrealized losses of \$159 million, partially offset by a realized gain on interest rate swaps of \$24 million. Total investment portfolio gains of \$178 million includes \$24 million realized gains on interest rate swaps. Excluding the interest rate swaps, total investment portfolio realized gains was \$154 million.
- (2) Realized gains (losses) in the quarter include \$31 million after-tax gains on fixed income derivatives. Other-than-temporary impairments for the quarter in realized gains (losses) were \$11 million pre-tax for fixed maturities.
- (3) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (4) The quarter includes \$100 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (5) 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.
- (6) Other unrealized losses are primarily related to the company's post-retirement programs.

	Three months ended September 30, 2017								
	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	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (7)	\$ (8)	\$ 5	\$ (3)	\$ 134	\$ (39)	\$ 95	\$ 126	\$ (34)	\$ 92
Public equity	4	—	4	36	(11)	25	40	(11)	29
Private equity	84	(15)	69	(27)	(1)	(28)	57	(16)	41
Total investment portfolio (8)	80	(10)	70	143	(51)	92	223	(61)	162
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (9)	(3)	—	(3)	—	—	—	(3)	—	(3)
Foreign exchange	15	2	17	665	(7)	658	680	(5)	675
Partially-owned entities (10)	2	—	2	—	—	—	2	—	2
Other (11)	(10)	—	(10)	(63)	12	(51)	(73)	12	(61)
Net gains (losses)	<u>\$ 84</u>	<u>\$ (8)</u>	<u>\$ 76</u>	<u>\$ 745</u>	<u>\$ (46)</u>	<u>\$ 699</u>	<u>\$ 829</u>	<u>\$ (54)</u>	<u>\$ 775</u>

- (7) The quarter includes \$9 million after-tax realized losses on fixed income derivatives.
- (8) Other-than-temporary impairments for the quarter in realized gains (losses) include \$5 million for fixed maturities, \$1 million for public equity and \$2 million for private equity.
- (9) The quarter includes \$57 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (10) 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.
- (11) Other unrealized losses are primarily related to the company's post-retirement programs.

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

	Nine months ended September 30, 2018								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Fixed income investments (1)	\$ (64)	\$ 9	\$ (55)	\$ (1,921)	\$ 339	\$ (1,582)	\$ (1,985)	\$ 348	\$ (1,637)
Public equity	63	(12)	51	—	—	—	63	(12)	51
Private equity	292	(23)	269	—	—	—	292	(23)	269
Mark-to-market on public and private equity (2)	(18)	9	(9)	—	—	—	(18)	9	(9)
Total investment portfolio	273	(17)	256	(1,921)	339	(1,582)	(1,648)	322	(1,326)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (3)	11	—	11	—	—	—	11	—	11
Foreign exchange	102	(20)	82	(659)	5	(654)	(557)	(15)	(572)
Partially-owned entities (4)	—	—	—	—	—	—	—	—	—
Other (5)	(61)	12	(49)	(61)	12	(49)	(122)	24	(98)
Net gains (losses)	<u>\$ 325</u>	<u>\$ (25)</u>	<u>\$ 300</u>	<u>\$ (2,641)</u>	<u>\$ 356</u>	<u>\$ (2,285)</u>	<u>\$ (2,316)</u>	<u>\$ 331</u>	<u>\$ (1,985)</u>

- (1) Year to date includes \$68 pre-tax million after-tax realized gains on fixed income derivatives. Year to date other-than-temporary impairments in realized gains (losses) were \$16 pre-tax million for fixed maturities.
- (2) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (3) Year to date includes \$122 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (4) 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.
- (5) Other realized losses primarily include \$36 million related to the early redemption of the \$1.0 billion junior subordinated capital securities in April 2018 and \$22 million related to lease impairments. Other unrealized losses are primarily related to the company's post-retirement programs.

	Nine months ended September 30, 2017								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax	Pre-Tax	After-Tax	Pre-Tax	After-Tax
Fixed income investments (6)	\$ (7)	\$ 11	\$ 4	\$ 813	\$ (275)	\$ 538	\$ 806	\$ (264)	\$ 542
Public equity	10	(1)	9	79	(25)	54	89	(26)	63
Private equity	279	(42)	237	—	(7)	(7)	279	(49)	230
Total investment portfolio (7)	282	(32)	250	892	(307)	585	1,174	(339)	835
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (8)	96	—	96	—	—	—	96	—	96
Foreign exchange	10	5	15	901	(14)	887	911	(9)	902
Partially-owned entities (9)	(6)	2	(4)	—	—	—	(6)	2	(4)
Other (10)	(7)	—	(7)	(118)	29	(89)	(125)	29	(96)
Net gains (losses)	<u>\$ 375</u>	<u>\$ (25)</u>	<u>\$ 350</u>	<u>\$ 1,675</u>	<u>\$ (292)</u>	<u>\$ 1,383</u>	<u>\$ 2,050</u>	<u>\$ (317)</u>	<u>\$ 1,733</u>

- (6) Year to date includes \$11 million after-tax realized losses on fixed income derivatives.
- (7) Year to date other-than-temporary impairments in realized gains (losses) include \$15 million for fixed maturities, \$9 million for public equity and \$11 million for private equity.
- (8) Year to date includes \$169 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (9) 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.
- (10) Other unrealized losses are primarily related to the company's post-retirement programs.

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

	September 30 2018	June 30 2018	March 31 2018	December 31 2017	December 31 2016
Financial Debt:					
Total short-term debt (1)	\$ 500	\$ 600	\$ 1,669	\$ 1,013	\$ 500
Total long-term debt	12,149	12,184	12,786	11,556	12,610
Total financial debt	\$ 12,649	\$12,784	\$ 14,455	\$ 12,569	\$ 13,110
Hybrid debt:					
Total trust preferred securities	308	308	308	308	308
Total	\$ 12,957	\$13,092	\$ 14,763	\$ 12,877	\$ 13,418
Capitalization:					
Shareholders' equity	\$ 50,934	\$50,971	\$ 51,287	\$ 51,172	\$ 48,275
Hybrid debt	308	308	308	308	308
Financial debt	12,649	12,784	14,455	12,569	13,110
Total capitalization	\$ 63,891	\$64,063	\$ 66,050	\$ 64,049	\$ 61,693
Leverage ratios (based on total capital):					
Hybrid debt	0.5%	0.5%	0.5%	0.5%	0.5%
Financial debt	19.8%	20.0%	21.9%	19.6%	21.3%
Total hybrid & financial debt	20.3%	20.5%	22.4%	20.1%	21.8%

Note: As of September 30, 2018, there was \$0.4 billion usage of credit facilities on a total commitment of \$1.0 billion.

(1) During August 2018, the \$100 million 6.6% senior notes matured and were fully paid.

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	
	2018	2017	2018	2017
Numerator				
Core operating income (loss) to common shares	\$ 1,122	\$ (60)	\$ 3,472	\$ 2,295
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(54)	(68)	(165)	(219)
Tax benefit on amortization adjustment	12	18	32	62
Chubb integration expenses, pre-tax	(16)	(50)	(39)	(233)
Tax benefit on Chubb integration expenses	2	14	7	73
Adjusted net realized gains (losses), pre-tax	179	84	325	375
Tax expense on adjusted net realized gains (losses)	(14)	(8)	(25)	(25)
Net income (loss)	<u>\$ 1,231</u>	<u>\$ (70)</u>	<u>\$ 3,607</u>	<u>\$ 2,328</u>
Rollforward of Common Shares Outstanding				
Shares—beginning of period	463,502,164	465,375,141	463,833,179	465,968,716
Repurchase of shares	(2,781,307)	(1,615,383)	(5,225,162)	(5,033,013)
Shares issued, excluding option exercises	(13,598)	148,087	1,582,169	1,939,627
Issued for option exercises	393,531	250,674	910,604	1,283,189
Shares—end of period	<u>461,100,790</u>	<u>464,158,519</u>	<u>461,100,790</u>	<u>464,158,519</u>
Denominator				
Weighted average shares outstanding (2)	462,981,973	466,370,784	464,644,013	467,658,334
Effect of other dilutive securities (3)	3,034,525	—	3,360,511	3,961,572
Adj. wtd. avg. shares outstanding and assumed conversions	<u>466,016,498</u>	<u>466,370,784</u>	<u>468,004,524</u>	<u>471,619,906</u>
Basic earnings per share				
Core operating income (loss)	\$ 2.42	\$ (0.13)	\$ 7.47	\$ 4.91
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.11)	(0.29)	(0.34)
Chubb integration expenses, net of tax	(0.03)	(0.08)	(0.07)	(0.34)
Adjusted net realized gains (losses), net of tax	0.36	0.17	0.65	0.75
Net income (loss)	<u>\$ 2.66</u>	<u>\$ (0.15)</u>	<u>\$ 7.76</u>	<u>\$ 4.98</u>
Diluted earnings per share				
Core operating income (loss) (3)	\$ 2.41	\$ (0.13)	\$ 7.42	\$ 4.87
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.11)	(0.29)	(0.33)
Chubb integration expenses, net of tax	(0.03)	(0.08)	(0.07)	(0.34)
Adjusted net realized gains (losses), net of tax	0.35	0.17	0.65	0.74
Net income (loss) (3)	<u>\$ 2.64</u>	<u>\$ (0.15)</u>	<u>\$ 7.71</u>	<u>\$ 4.94</u>

(1) Related to the acquisition of The Chubb Corporation.

(2) 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).

(3) For the three months ended September 30, 2017, weighted-average shares outstanding used to calculate core operating loss and net loss per share excludes the effect of dilutive securities of 3,820,673 shares. In periods where core operating loss and net loss is recognized, inclusion of incremental dilution is anti-dilutive.

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 2018	June 30 2018	March 31 2018	December 31 2017	September 30 2017
Shareholders' equity	\$ 50,934	\$ 50,971	\$ 51,287	\$ 51,172	\$ 50,471
Less: goodwill and other intangible assets, net of tax	20,121	20,380	20,706	20,621	20,274
Numerator for tangible book value per share	<u>\$ 30,813</u>	<u>\$ 30,591</u>	<u>\$ 30,581</u>	<u>\$ 30,551</u>	<u>\$ 30,197</u>
Book value—% change over prior quarter	-0.1%	-0.6%	0.2%	1.4%	0.2%
Tangible book value—% change over prior quarter	0.7%	0.0%	0.1%	1.2%	-0.5%
Denominator	<u>461,100,790</u>	<u>463,502,164</u>	<u>465,831,486</u>	<u>463,833,179</u>	<u>464,158,519</u>
Book value per common share	\$ 110.46	\$ 109.97	\$ 110.10	\$ 110.32	\$ 108.74
Tangible book value per common share	\$ 66.83	\$ 66.00	\$ 65.65	\$ 65.87	\$ 65.06
Reconciliation of Book Value					
Shareholders' equity, beginning of quarter	\$ 50,971	\$ 51,287	\$ 51,172	\$ 50,471	\$ 50,349
Core operating income (loss)	1,122	1,253	1,097	1,489	(60)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(42)	(41)	(50)	(41)	(50)
Chubb integration expenses, net of tax	(14)	(10)	(8)	(57)	(36)
Adjusted net realized gains (losses), net of tax (2)	165	92	43	142	76
Net unrealized gains (losses) on the investment portfolio	(159)	(435)	(988)	(193)	92
Repurchase of shares	(379)	(324)	—	(123)	(232)
Dividend declared on common shares	(337)	(339)	(332)	(330)	(331)
Cumulative translation	(462)	(570)	378	(411)	658
Postretirement benefit liability	(18)	(13)	(18)	78	(51)
Other (3)	87	71	(7)	147	56
	<u>\$ 50,934</u>	<u>\$ 50,971</u>	<u>\$ 51,287</u>	<u>\$ 51,172</u>	<u>\$ 50,471</u>

(1) Related to the acquisition of The Chubb Corporation.

(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).

We provide financial measures such as gross premiums written, net premiums written, net premiums earned, and core operating income (loss) on a constant-dollar basis. We believe it is useful to evaluate the trends in these measures 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 losses and loss expenses includes realized gains and losses on crop derivatives. The crop derivatives are 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 and therefore realized gains and losses from these derivatives are reclassified from adjusted net realized gains (losses), also a non-GAAP financial measure.

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. The P&C combined ratio includes adjusted losses and loss expenses in the ratio numerator.

In presenting our segment income (loss) results, we have shown our performance with reference to underwriting results. Underwriting results are calculated by subtracting adjusted losses and loss expenses, policy benefits, policy acquisition costs, and administrative expenses from net premiums earned. We use underwriting results and adjusted operating ratios to monitor the results of our operations without the impact of certain factors, including investment income, other income and expenses, interest and income tax expense, and adjusted net realized gains (losses). P&C underwriting income is a non-GAAP financial measure which excludes the Life Insurance segment. P&C loss and loss expense ratio and P&C combined ratio (both non-GAAP financial measures) include adjusted losses and loss expenses in the ratio numerator. P&C expense ratio (a non-GAAP financial measure) 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 35-38.

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. 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.

CAY P&C combined ratio excluding the impact of catastrophe losses is a non-GAAP financial measure. The combined ratio numerator includes adjusted losses and loss expenses, policy acquisition costs, and administrative expenses. The denominator includes net premiums earned adjusted to exclude the amount of reinstatement premiums (expensed) collected. 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 that excluding the impact of catastrophe losses and PPD provides a better evaluation of our underwriting performance and enhances the understanding of the trends in our property & casualty business that may be obscured by these items. P&C combined ratio with expected level of catastrophe losses excludes the impact of catastrophe losses above or below management's view of typical catastrophe losses for that period. The adjustment for normalized catastrophe activity reduces the unusually large impact of catastrophe activity which is not indicative of our underlying performance.

Expense ratio excluding accident and health (A&H) is a non-GAAP financial measure and 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 are non-GAAP financial measures and comprise consolidated adjusted operating results (including corporate) and exclude the adjusted operating results of the company's Life Insurance and North America Agricultural Insurance segments. 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.

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets. 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.

Other income (expense) – operating is a non-GAAP financial measure and excludes the portion of net realized gains and losses related to unconsolidated entities from other income (expense). These gains and losses are reported as net realized gains (losses) and represent the non-operating activities of entities where we hold more than an insignificant percentage of the investee's shares. We exclude these gains and losses from other income (expense) to enhance the understanding of our segments' operations as they are heavily influenced by, and fluctuate in part according to market conditions. Other income (expense) – operating and net realized gains and losses related to unconsolidated entities are recorded to Other income (expense) in our income statement on a GAAP basis.

Core operating income (loss) is a non-GAAP financial measure that excludes the after-tax impact of adjusted net realized gains (losses), net realized gains (losses) included in other income (expense) related to partially owned entities, Chubb integration expenses, and the amortization of the fair value adjustments related to purchased invested assets and long-term debt from the Chubb Corp acquisition. We exclude adjusted realized gains and 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 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. Chubb integration expenses are incurred by the overall company and are therefore included in Corporate. The costs are not related to the on-going activities of the individual segments and are therefore excluded from our definition of segment income (loss), as well.

Core operating income excluding catastrophe losses excludes the impact of catastrophe losses due to the significant size and number of these events which could obscure the underlying operating results. We believe this measure provides a better evaluation of our operating performance and enhances the understanding of the trends in our property and casualty business. Core operating income with expected level of catastrophe losses is a non-GAAP financial measure which excludes catastrophe losses above or below management's view of typical catastrophe losses for that period. The adjustment for normalized catastrophe activity reduces the unusually large impact of catastrophe activity which is not indicative of our underlying performance. Current accident year core operating income excluding catastrophe losses is core operating 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 year underwriting performance. Core operating income, Core operating income excluding catastrophe losses, Core operating income with expected level of catastrophe losses, and Current accident year core operating income excluding catastrophe losses should not be viewed as a substitute for net income determined in accordance with GAAP. References to core operating income measures mean net of tax, whether or not noted.

Core operating effective tax rate is a non-GAAP financial measure. The numerator excludes tax on adjusted net realized gains (losses), tax on Chubb integration expenses, and tax on the amortization of the fair value adjustments related to purchased invested assets and long-term debt from the Chubb Corp acquisition. The denominator is core operating income (loss), before tax. Core operating effective tax rate should not be viewed as a substitute for effective tax rate determined in accordance with GAAP.

Book value per common share, net of tax is shareholders' equity divided by the shares outstanding. Tangible book value per common share, net of tax 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. In addition, we disclose per share measures for book value and tangible book value that exclude the impact of foreign currency fluctuations in order to adjust for the distortive effects of fluctuations in exchange rates. Adjusted book value per common share, net of tax, excludes unrealized investment gains (losses). Adjusted tangible book value per common share, net of tax, excludes goodwill and other intangible assets, net of tax, as well as unrealized investment gains (losses). 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. We believe these measures are meaningful to understanding growth in book and tangible book value by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments.

International life insurance net premiums written and deposits collected, is a non-GAAP financial measure. Deposits collected on universal life and investment contracts (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.

Net premiums written excluding merger-related actions is a non-GAAP performance measure. Since the acquisition of The Chubb Corporation, we have entered into new reinsurance agreements with third-party reinsurers for the Chubb Corp businesses and have taken other merger-related actions, including exiting certain types of business that do not meet our underwriting standards or adhere to our risk diversification strategy. We believe that these measures are meaningful to evaluate trends in our underlying business on a comparable basis.

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

Core operating return on equity (ROE) or ROE calculated using core operating income (loss): The ROE numerator includes income adjusted to exclude after-tax adjusted net realized gains (losses), Chubb integration expenses, and the amortization of the fair value adjustment of acquired invested assets and long-term debt. The ROE denominator includes the average shareholders' equity for the period adjusted to exclude unrealized gains (losses) on investments, net of tax. Core operating ROE is a useful measure as it enhances the understanding of the return on shareholders' equity by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments.

	<u>3Q-18</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Net income (loss)	\$ 1,231	\$ (70)	\$ 3,607	\$ 2,328	\$ 3,861
Core operating income (loss)	\$ 1,122	\$ (60)	\$ 3,472	\$ 2,295	\$ 3,784
Equity—beginning of period, as reported	\$50,971	\$50,349	\$51,172	\$48,275	\$48,275
Less: unrealized gains (losses) on investments, net of deferred tax (1)	(390)	1,551	1,033	1,058	1,058
Equity—beginning of period, as adjusted	\$51,361	\$48,798	\$50,139	\$47,217	\$47,217
Equity—end of period, as reported	\$50,934	\$50,471	\$50,934	\$50,471	\$51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(549)	1,643	(549)	1,643	1,450
Equity—end of period, as adjusted	\$51,483	\$48,828	\$51,483	\$48,828	\$49,722
Weighted average equity, as reported	\$50,953	\$50,410	\$51,053	\$49,373	\$49,724
Weighted average equity, as adjusted	\$51,422	\$48,813	\$50,811	\$48,023	\$48,470
ROE	9.7%	-0.6%	9.4%	6.3%	7.8%
Core operating ROE	8.7%	-0.5%	9.1%	6.4%	7.8%

- (1) During Q1 2018, the company adopted new guidance that requires the reclassification of \$417 million of unrealized appreciation to beginning retained earnings related to public equities and cost-method private equities.

Core operating effective tax rate

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

	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Tax expense (benefit), as reported	\$ 183	\$ 218	\$ 135	\$ (382)	\$ (85)	\$ 536	\$ 243	\$ (139)
Less: tax benefit on amortization of fair value of acquired invested assets and debt (1)	(12)	(11)	(9)	(23)	(18)	(32)	(62)	(85)
Less: tax benefit on Chubb integration expenses	(2)	(3)	(2)	(20)	(14)	(7)	(73)	(93)
Less: tax expense (benefit) on adjusted net realized gains (losses)	14	14	(3)	(20)	8	25	25	5
Tax expense (benefit), adjusted	\$ 183	\$ 218	\$ 149	\$ (319)	\$ (61)	\$ 550	\$ 353	\$ 34
Income (loss) before tax, as reported	\$1,414	\$1,512	\$1,217	\$1,151	\$ (155)	\$4,143	\$2,571	\$ 3,722
Less: amortization of fair value of acquired invested assets and debt (1)	(54)	(52)	(59)	(64)	(68)	(165)	(219)	(283)
Less: Chubb integration expenses	(16)	(13)	(10)	(77)	(50)	(39)	(233)	(310)
Less: adjusted realized gains (losses)	27	10	(4)	—	(5)	33	91	91
Less: realized gains (losses) related to unconsolidated entities	152	96	44	122	89	292	284	406
Core operating income (loss) before tax	\$1,305	\$1,471	\$1,246	\$1,170	\$ (121)	\$4,022	\$2,648	\$ 3,818
Effective tax rate	12.9%	14.4%	11.1%	-33.1%	54.7%	12.9%	9.4%	-3.7%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt (1)	0.4%	0.2%	0.2%	3.7%	8.6%	0.2%	1.4%	2.3%
Adjustment for tax impact of Chubb integration expenses	0.0%	0.1%	0.1%	3.8%	6.6%	0.0%	1.7%	2.6%
Adjustment for tax impact of adjusted net realized gains (losses)	0.8%	0.1%	0.6%	-1.6%	19.0%	0.6%	0.8%	-0.3%
Core operating effective tax rate	14.1%	14.8%	12.0%	-27.2%	50.9%	13.7%	13.3%	0.9%

- (1) Related to the acquisition of The Chubb Corporation.

Core operating income (loss)

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

	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
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Net income (loss), as reported	\$1,231	\$1,294	\$1,082	\$1,533	\$ (70)	\$3,607	\$2,328	\$ 3,861
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(54)	(52)	(59)	(64)	(68)	(165)	(219)	(283)
Tax benefit on amortization of fair value of acquired invested assets and debt	12	11	9	23	18	32	62	85
Chubb integration expenses, pre-tax	(16)	(13)	(10)	(77)	(50)	(39)	(233)	(310)
Tax benefit on Chubb integration expenses	2	3	2	20	14	7	73	93
Adjusted net realized gains (losses)	27	10	(4)	—	(5)	33	91	91
Net realized gains (losses) related to unconsolidated entities (2)	152	96	44	122	89	292	284	406
Tax benefit (expense) on adjusted net realized gains (losses)	(14)	(14)	3	20	(8)	(25)	(25)	(5)
Core operating income (loss)	<u>\$1,122</u>	<u>\$1,253</u>	<u>\$1,097</u>	<u>\$1,489</u>	<u>\$ (60)</u>	<u>\$3,472</u>	<u>\$2,295</u>	<u>\$ 3,784</u>

(1) Related to the acquisition of The Chubb Corporation.

(2) 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 income measures

	3Q-18	3Q-17	% Change 3Q-18 vs. 3Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs YTD-17	Full Year 2017
Core operating income (loss)	\$1,122	\$ (60)		\$3,472	\$ 2,295		\$ 3,784
Less: Catastrophe losses, after-tax	(372)	(1,525)		(848)	(1,841)		(2,171)
Core operating income ex Cats	\$1,494	\$ 1,465	1.9%	\$4,320	\$ 4,136	4.4%	\$ 5,955
Less: Prior period development, after-tax	180	206		504	505		634
Core operating income ex Cats and PPD	\$1,314	\$ 1,259		\$3,816	\$ 3,631		\$ 5,321
Core operating income (loss)	\$1,122	\$ (60)		\$3,472	\$ 2,295		\$ 3,784
Add: Actual Cats above expected levels, after-tax	90	1,263		215	1,258		1,455
Core operating income w/ expected level of Cats	\$1,212	\$ 1,203	0.7%	\$3,687	\$ 3,553	3.8%	\$ 5,239

Diluted earnings per share

	3Q-18	3Q-17	% Change	YTD 2018	YTD 2017	% Change	Full Year 2017
Core operating income ex Cats	\$ 3.21	\$ 3.12	2.9%	\$ 9.23	\$ 8.77	5.2%	\$ 12.64
Core operating income ex Cats and PPD	\$ 2.82	\$ 2.68	5.2%	\$ 8.15	\$ 7.70	5.8%	\$ 11.29
Core operating income w/ expected level of Cats	\$ 2.60	\$ 2.56	1.6%	\$ 7.88	\$ 7.53	4.6%	\$ 11.12

Core operating ROE with expected level of Cats

	3Q-18	3Q-17	YTD 2018	YTD 2017	Full Year 2017
Equity - beginning of period, as reported	\$50,971	\$50,349	\$51,172	\$48,275	\$48,275
Less: unrealized gains (losses) on investments, net of deferred tax	(390)	1,551	1,033	1,058	1,058
Equity - beginning of period, as adjusted	\$51,361	\$48,798	\$50,139	\$47,217	\$47,217
Equity - end of period, as reported	\$50,934	\$50,471	\$50,934	\$50,471	\$51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(549)	1,643	(549)	1,643	1,450
Equity - end of period, as adjusted	\$51,483	\$48,828	\$51,483	\$48,828	\$49,722
Add: Actual Cats above expected levels, after-tax	90	1,263	215	1,258	1,455
Equity - end of period, as adjusted, w/ expected level of Cats	\$51,573	\$50,091	\$51,698	\$50,086	\$51,177
Weighted average equity, as reported	\$50,953	\$50,410	\$51,053	\$49,373	\$49,724
Weighted average equity, as adjusted	\$51,422	\$48,813	\$50,811	\$48,023	\$48,470
Weighted average equity, as adjusted, w/ expected level of Cats	\$51,467	\$49,445	\$50,919	\$48,652	\$49,197
ROE	9.7%	-0.6%	9.4%	6.3%	7.8%
Core operating ROE	8.7%	-0.5%	9.1%	6.4%	7.8%
Core operating ROE, w/ expected level of Cats	9.4%	9.7%	9.7%	9.7%	10.6%

Reconciliation of Book Value and Tangible Book Value per Share, excluding Unrealized Gains (Losses) on Investments

	September 30 2018	June 30 2018	March 31 2018	January 1 2018	% Change QTD 2018	% Change YTD 2018
Adjusted book value	\$ 51,483	\$ 51,361	\$ 51,242	\$ 50,139		
Less: goodwill and other intangible assets, net of tax	20,121	20,380	20,706	20,621		
Adjusted tangible book value	\$ 31,362	\$ 30,981	\$ 30,536	\$ 29,518		
Denominator	461,100,790	463,502,164	465,831,486	463,833,179		
Adjusted book value per share	\$ 111.65	\$ 110.81	\$ 110.00	\$ 108.10	0.8%	3.3%
Adjusted tangible book value per share	\$ 68.02	\$ 66.84	\$ 65.55	\$ 63.64	1.8%	6.9%

P&C combined ratio with expected level of Cats

	3Q-18	3Q-17	YTD 2018	YTD 2017	Full Year 2017
P&C combined ratio	90.9%	110.8%	89.8%	96.0%	94.7%
Less: Catastrophe losses	6.1%	26.0%	5.0%	11.3%	10.2%
Less: Prior period development	-3.4%	-3.7%	-3.2%	-3.3%	-3.1%
P&C CAY combined ratio excluding Cats	88.2%	88.5%	88.0%	88.0%	87.6%
Add: Expected level of Cats	4.6%	4.5%	3.6%	3.7%	3.4%
P&C CAY combined ratio w/ expected level of Cats	92.8%	93.0%	91.6%	91.7%	91.0%

Add: Prior period development	-3.4%	-3.7%	-3.2%	-3.3%	-3.1%
P&C combined ratio w/ expected level of Cats	<u>89.4%</u>	<u>89.3%</u>	<u>88.4%</u>	<u>88.4%</u>	<u>87.9%</u>

Reconciliation Non-GAAP 3

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 PPD.

Q3 2018	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	\$ 1,881	\$ 860	\$ 719	\$ 1,114	\$ 86	\$ 13	\$4,673
Realized (gains) losses on crop derivatives	—	—	8	—	—	—	8
Adjusted losses and loss expenses	A \$ 1,881	\$ 860	\$ 727	\$ 1,114	\$ 86	\$ 13	\$4,681
Catastrophe losses	(196)	(136)	(8)	(80)	(34)	—	(454)
PPD and related adjustments							
PPD, net of related adjustments—favorable (unfavorable)	216	(58)	1	72	24	(12)	243
Net premiums earned adjustments on PPD—unfavorable (favorable)	40	—	—	—	4	—	44
Expense adjustments—unfavorable (favorable)	1	—	—	—	—	—	1
PPD reinstatement premiums—unfavorable (favorable)	1	1	—	2	—	—	4
PPD—gross of related adjustments—favorable (unfavorable)	258	(57)	1	74	28	(12)	292
CAY loss and loss expense ex Cats	B \$ 1,943	\$ 667	\$ 720	\$ 1,108	\$ 80	\$ 1	\$4,519
Policy acquisition costs and administrative expenses							
Policy acquisition costs and administrative expenses	C \$ 709	\$ 305	\$ 51	\$ 834	\$ 50	\$ 58	\$2,007
Expense adjustments—favorable (unfavorable)	(1)	—	—	—	—	—	(1)
Policy acquisition costs and administrative expenses, adjusted	D \$ 708	\$ 305	\$ 51	\$ 834	\$ 50	\$ 58	\$2,006
Denominator							
Net premiums earned	E \$ 3,019	\$ 1,167	\$ 857	\$ 2,157	\$ 157	\$	\$7,357
Reinstatement premiums (collected) expensed on catastrophe losses	—	—	—	—	(4)	—	(4)
Net premiums earned adjustments on PPD— unfavorable (favorable)	40	—	—	—	4	—	44
PPD reinstatement premiums—unfavorable (favorable)	1	1	—	2	—	—	4
Net premiums earned excluding adjustments	F \$ 3,060	\$ 1,168	\$ 857	\$ 2,159	\$ 157	\$	\$7,401
P&C combined ratio							
Losses and loss expense ratio	A/E 62.3%	73.7%	84.9%	51.7%	55.0%	\$	63.6%
Policy acquisition costs and administrative expense ratio	C/E 23.5%	26.1%	5.8%	38.6%	31.7%	\$	27.3%
P&C combined ratio	<u>85.8%</u>	<u>99.8%</u>	<u>90.7%</u>	<u>90.3%</u>	<u>86.7%</u>	\$	<u>90.9%</u>
CAY P&C combined ratio ex Cats							
Loss and loss expense ratio, adjusted	B/F 63.5%	57.1%	84.1%	51.3%	51.2%	\$	61.1%
Policy acquisition costs and administrative expense ratio, adjusted	D/F 23.2%	26.1%	5.8%	38.7%	31.6%	\$	27.1%
CAY P&C combined ratio ex Cats	<u>86.7%</u>	<u>83.2%</u>	<u>89.9%</u>	<u>90.0%</u>	<u>82.8%</u>	\$	<u>88.2%</u>
Combined ratio							
Combined ratio	\$	\$	\$	\$	\$	\$	90.8%
Add: impact of gains and losses on crop derivatives	\$	\$	\$	\$	\$	\$	0.1%
P&C combined ratio	\$	\$	\$	\$	\$	\$	<u>90.9%</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
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 2018		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		\$ 5,873	\$ 2,474	\$ 955	\$ 3,263	\$ 236	\$ 72	\$12,873
Realized (gains) losses on crop derivatives		—	—	(2)	—	—	—	(2)
Adjusted losses and loss expenses	A	<u>\$ 5,873</u>	<u>\$ 2,474</u>	<u>\$ 953</u>	<u>\$ 3,263</u>	<u>\$ 236</u>	<u>\$ 72</u>	<u>\$12,871</u>
Catastrophe losses		(347)	(521)	(11)	(121)	(45)	—	(1,045)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		472	(59)	77	166	54	(67)	643
Net premiums earned adjustments on PPD—unfavorable (favorable)		29	—	40	—	7	—	76
Expense adjustments—unfavorable (favorable)		7	—	(4)	—	(1)	—	2
PPD reinstatement premiums—unfavorable (favorable)		5	1	—	2	—	—	8
PPD—gross of related adjustments—favorable (unfavorable)		513	(58)	113	168	60	(67)	729
CAY loss and loss expense ex Cats	B	<u>\$ 6,039</u>	<u>\$ 1,895</u>	<u>\$ 1,055</u>	<u>\$ 3,310</u>	<u>\$ 251</u>	<u>\$ 5</u>	<u>\$12,555</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,113	\$ 903	\$ 74	\$ 2,511	\$ 149	\$ 200	\$ 5,950
Expense adjustments—favorable (unfavorable)		(7)	—	4	—	1	—	(2)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,106</u>	<u>\$ 903</u>	<u>\$ 78</u>	<u>\$ 2,511</u>	<u>\$ 150</u>	<u>\$ 200</u>	<u>\$ 5,948</u>
Denominator								
Net premiums earned	E	\$ 9,325	\$ 3,463	\$ 1,251	\$ 6,425	\$ 492		\$20,956
Reinstatement premiums (collected) expensed on catastrophe losses		—	—	—	—	(4)		(4)
Net premiums earned adjustments on PPD—unfavorable (favorable)		29	—	40	—	7		76
PPD reinstatement premiums—unfavorable (favorable)		5	1	—	2	—		8
Net premiums earned excluding adjustments	F	<u>\$ 9,359</u>	<u>\$ 3,464</u>	<u>\$ 1,291</u>	<u>\$ 6,427</u>	<u>\$ 495</u>		<u>\$21,036</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	63.0%	71.5%	76.2%	50.8%	48.0%		61.4%
Policy acquisition costs and administrative expense ratio	C/E	22.6%	26.0%	5.9%	39.1%	30.3%		28.4%
P&C combined ratio		<u>85.6%</u>	<u>97.5%</u>	<u>82.1%</u>	<u>89.9%</u>	<u>78.3%</u>		<u>89.8%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.5%	54.7%	81.8%	51.5%	50.6%		59.7%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	22.5%	26.1%	6.0%	39.1%	30.5%		28.3%
CAY P&C combined ratio ex Cats		<u>87.0%</u>	<u>80.8%</u>	<u>87.8%</u>	<u>90.6%</u>	<u>81.1%</u>		<u>88.0%</u>
Combined ratio								
Combined ratio								89.8%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>89.8%</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—6
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

Q3 2017		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		\$ 2,580	\$ 1,062	\$ 759	\$ 1,281	\$ 295	\$ 89	\$ 6,066
Realized (gains) losses on crop derivatives		—	—	5	—	—	—	5
Adjusted losses and loss expenses	A	<u>\$ 2,580</u>	<u>\$ 1,062</u>	<u>\$ 764</u>	<u>\$ 1,281</u>	<u>\$ 295</u>	<u>\$ 89</u>	<u>\$ 6,071</u>
Catastrophe losses		(868)	(448)	(5)	(326)	(268)	—	(1,915)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		236	(32)	4	108	41	(87)	270
Net premiums earned adjustments on PPD—unfavorable (favorable)		39	—	—	—	3	—	42
Expense adjustments—unfavorable (favorable)		6	—	—	—	—	—	6
PPD—gross of related adjustments—favorable (unfavorable)		281	(32)	4	108	44	(87)	318
CAY loss and loss expense ex Cats	B	<u>\$ 1,993</u>	<u>\$ 582</u>	<u>\$ 763</u>	<u>\$ 1,063</u>	<u>\$ 71</u>	<u>\$ 2</u>	<u>\$ 4,474</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 725	\$ 287	\$ 48	\$ 815	\$ 54	\$ 64	\$ 1,993
Expense adjustments—favorable (unfavorable)		(6)	—	—	—	—	—	(6)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 719</u>	<u>\$ 287</u>	<u>\$ 48</u>	<u>\$ 815</u>	<u>\$ 54</u>	<u>\$ 64</u>	<u>\$ 1,987</u>
Denominator								
Net premiums earned	E	\$ 3,016	\$ 1,117	\$ 898	\$ 2,064	\$ 185		\$ 7,280
Reinstatement premiums (collected) expensed on catastrophe losses		3	3	—	9	(37)		(22)
Net premiums earned adjustments on PPD—unfavorable (favorable)		39	—	—	—	3		42
Net premiums earned excluding adjustments	F	<u>\$ 3,058</u>	<u>\$ 1,120</u>	<u>\$ 898</u>	<u>\$ 2,073</u>	<u>\$ 151</u>		<u>\$ 7,300</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	85.5%	95.1%	85.1%	62.1%	158.2%		83.4%
Policy acquisition costs and administrative expense ratio	C/E	24.1%	25.7%	5.3%	39.5%	29.2%		27.4%
P&C combined ratio		<u>109.6%</u>	<u>120.8%</u>	<u>90.4%</u>	<u>101.6%</u>	<u>187.4%</u>		<u>110.8%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.2%	51.9%	84.9%	51.3%	46.5%		61.3%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	23.5%	25.6%	5.4%	39.3%	35.7%		27.2%
CAY P&C combined ratio ex Cats		<u>88.7%</u>	<u>77.5%</u>	<u>90.3%</u>	<u>90.6%</u>	<u>82.2%</u>		<u>88.5%</u>
Combined ratio								
Combined ratio								110.7%
Add: impact of gains and losses on crop derivatives								0.1%
P&C combined ratio								<u>110.8%</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 2017		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		\$ 6,376	\$ 2,378	\$ 976	\$ 3,316	\$ 435	\$ 145	\$13,626
Realized (gains) losses on crop derivatives		—	—	7	—	—	—	7
Adjusted losses and loss expenses	A	<u>\$ 6,376</u>	<u>\$ 2,378</u>	<u>\$ 983</u>	<u>\$ 3,316</u>	<u>\$ 435</u>	<u>\$ 145</u>	<u>\$13,633</u>
Catastrophe losses		(1,053)	(593)	(18)	(386)	(271)	—	(2,321)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		546	(66)	83	184	64	(140)	671
Net premiums earned adjustments on PPD—unfavorable (favorable)		42	—	61	—	(4)	—	99
Expense adjustments—unfavorable (favorable)		6	—	(4)	—	—	—	2
PPD reinstatement premiums—unfavorable (favorable)		9	—	—	—	—	—	9
PPD—gross of related adjustments—favorable (unfavorable)		603	(66)	140	184	60	(140)	781
CAY loss and loss expense ex Cats	B	<u>\$ 5,926</u>	<u>\$ 1,719</u>	<u>\$ 1,105</u>	<u>\$ 3,114</u>	<u>\$ 224</u>	<u>\$ 5</u>	<u>\$12,093</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,148	\$ 865	\$ 71	\$ 2,387	\$ 170	\$ 187	\$ 5,828
Expense adjustments—favorable (unfavorable)		(6)	—	4	—	—	—	(2)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,142</u>	<u>\$ 865</u>	<u>\$ 75</u>	<u>\$ 2,387</u>	<u>\$ 170</u>	<u>\$ 187</u>	<u>\$ 5,826</u>
Denominator								
Net premiums earned	E	\$ 9,156	\$ 3,296	\$ 1,256	\$ 6,018	\$ 542		\$20,268
Reinstatement premiums (collected) expensed on catastrophe losses		3	3	—	9	(37)		(22)
Net premiums earned adjustments on PPD—unfavorable (favorable)		42	—	61	—	(4)		99
PPD reinstatement premiums—unfavorable (favorable)		9	—	—	—	—		9
Net premiums earned excluding adjustments	F	<u>\$ 9,210</u>	<u>\$ 3,299</u>	<u>\$ 1,317</u>	<u>\$ 6,027</u>	<u>\$ 501</u>		<u>\$20,354</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	69.6%	72.2%	78.3%	55.1%	80.1%		67.3%
Policy acquisition costs and administrative expense ratio	C/E	23.5%	26.2%	5.6%	39.7%	31.4%		28.7%
P&C combined ratio		<u>93.1%</u>	<u>98.4%</u>	<u>83.9%</u>	<u>94.8%</u>	<u>111.5%</u>		<u>96.0%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.3%	52.1%	83.9%	51.7%	44.6%		59.4%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	23.3%	26.2%	5.7%	39.6%	34.0%		28.6%
CAY P&C combined ratio ex Cats		<u>87.6%</u>	<u>78.3%</u>	<u>89.6%</u>	<u>91.3%</u>	<u>78.6%</u>		<u>88.0%</u>
Combined ratio								
Combined ratio								96.0%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>96.0%</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.

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

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

Core operating effective tax rate: Income tax expense 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.

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: Net investment income divided by average cost of fixed maturities and other investments, and average market value of equity securities.

Tangible capital: Total capitalization less goodwill and other intangible assets.

Total capitalization: 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 property losses and affects a significant number of insureds. 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.

NM: Not meaningful.