

**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) - April 21, 2020

Chubb Limited

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of Incorporation)

1-11778
(Commission
File Number)

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

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

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

Not applicable
(Former name or former address, if changed since last report)

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

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares, par value CHF 24.15 per share	CB	New York Stock Exchange

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 April 21, 2020, Chubb Limited issued a Press Release reporting its first quarter 2020 results and the availability of its first quarter 2020 Financial Supplement. The Press Release and the Financial Supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are hereby incorporated herein by reference.

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

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

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, Dated April 21, 2020, Reporting First Quarter 2020 Results
99.2	First Quarter 2020 Financial Supplement
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

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

Chubb Limited

By: /s/ Philip V. Bancroft

Philip V. Bancroft
Executive Vice President and Chief Financial Officer

DATE: April 21, 2020



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News Release

Chubb Reports First Quarter Net Income Per Share of \$0.55 versus \$2.25 Prior Year, and Core Operating Income Per Share of \$2.68 versus \$2.54 Prior Year; Consolidated Net Premiums Written of \$8.0 Billion, Up 9.1%, or 9.5% in Constant Dollars

- Net income was \$252 million versus \$1,040 million prior year, and core operating income was \$1,220 million versus \$1,170 million prior year. The quarter was marked by financial market volatility in the credit, equity and foreign exchange markets, which impacted net income.
- P&C net premiums written were \$7.3 billion, up 8.9%, or 9.3% in constant dollars.
- P&C underwriting income was \$778 million, up 9.3%, leading to a P&C combined ratio of 89.1% compared with 89.2% prior year, and a P&C current accident year combined ratio excluding catastrophe losses of 87.5% compared with 88.5% prior year.
- Global P&C underwriting income, which excludes Agriculture, was \$764 million, up 19.5%, leading to a Global P&C combined ratio of 89.2% compared with 90.2% prior year, and a current accident year combined ratio excluding catastrophe losses of 87.4% compared with 88.6% prior year.
- Pre-tax net investment income was \$861 million, up 3.1%, and adjusted net investment income was \$893 million, up 1.3%.
- Book and tangible book value per share decreased 5.5% and 7.5%, respectively, for the quarter, due to the mark-to-market impact from financial market volatility in the company's investment and variable annuity reinsurance portfolios and from unfavorable foreign currency movement. The company believes this market price-driven impact will in all likelihood be largely transient. As of Monday, April 20, 2020, the mark had substantially recovered.
- Pre-tax catastrophe losses were \$237 million in the quarter, including \$224 million from global weather-related events and \$13 million related to the COVID-19 global pandemic, which will be tracked as a separate ongoing catastrophe event.
- While there was no significant impact on core operating income in the first quarter relating to the COVID-19 global pandemic, the company anticipates that this global catastrophe event will have a meaningful impact on revenue as well as net and core operating income in the second quarter and potentially future quarters as a result of an increase in insurance claims due to both the pandemic and recessionary economic conditions.

ZURICH – April 21, 2020 – Chubb Limited (NYSE: CB) today reported net income for the quarter ended March 31, 2020 of \$252 million, or \$0.55 per share, compared with \$1,040 million, or \$2.25 per share, for the same quarter last year. Core operating income was \$1,220 million, or \$2.68 per share, compared with \$1,170

million, or \$2.54 per share, for the same quarter last year. The quarter was marked by financial market volatility in the credit, equity and foreign exchange markets, which impacted net income and book value. Book and tangible book value per share decreased 5.5% and 7.5%, respectively, from December 31, 2019 and now stand at \$115.64 and \$72.29, respectively. Book value was unfavorably impacted by total after-tax net realized and unrealized losses of \$3.7 billion, including \$2.2 billion in the investment portfolio. Even with these mark-to-market losses, the investment portfolio remained at an unrealized gain position at March 31, 2020. The company believes this market price-driven impact, based on the last day of the quarter, will in all likelihood be largely transient and will accrete back to book value over time. As of Monday, April 20, 2020, the mark had improved by about \$1.7 billion pre-tax since March 31. Book value was unfavorably impacted by the negative mark in the company's variable annuity reinsurance portfolio of \$560 million. This is purely a mark-to-market adjustment that the company believes, in all likelihood, is also transient, required because the transactions are deemed to be derivatives for accounting purposes. Foreign exchange also unfavorably impacted book value by \$896 million. The foreign exchange impact is also a point-in-time mark-to-market valuation adjustment and does not affect the capital position of the company's foreign operating units.

The property and casualty (P&C) combined ratio was 89.1% and the Global P&C combined ratio, which excludes Agriculture, was 89.2%. Annualized ROE and core operating ROE were 1.9% and 9.4%, respectively. Annualized core operating return on tangible equity was 15.1%.

Chubb Limited

First Quarter Summary

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

(Unaudited)

	2020	2019	Change	(Per Share - Diluted)		
				2020	2019	Change
Net income	\$252	\$1,040	(75.8)%	\$0.55	\$2.25	(75.6)%
Chubb integration expenses, net of tax	—	2	NM	—	0.01	NM
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	22	33	(33.3)%	0.05	0.07	(28.6)%
Adjusted net realized (gains) losses, net of tax	946	95	NM	2.08	0.21	NM
Core operating income, net of tax	\$1,220	\$1,170	4.2%	\$2.68	\$2.54	5.5%

For the three months ended March 31, 2020 and 2019, the tax expenses (benefits) related to the table above were nil and \$(1) million, respectively, for Chubb integration expenses; \$(5) million and \$(8) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$(17) million and \$(5) million, respectively, for adjusted net realized gains and losses; and \$237 million and \$202 million, respectively, for core operating income.

Realized losses of \$946 million after tax principally comprised \$560 million related to the negative mark-to-market impact on the company's variable annuity reinsurance portfolio; \$129 million related to the adoption of new accounting guidance that required the acceleration of certain mark-to-market losses on fixed maturities, previously classified as unrealized losses, as realized losses; \$103 million of impairment related to

certain securities the company intended to sell subsequent to quarter end; \$71 million of foreign exchange losses; and \$83 million of other realized losses.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “Chubb had a very good first quarter that demonstrated the underlying health and strength of our company as we entered this period of the COVID-19 global pandemic. Core operating income per share of \$2.68 was up 5.5% from prior year, and our underwriting results were highlighted by a P&C combined ratio of 89.1%. We grew P&C premiums globally 9.3% in constant dollars as we continued to benefit from improved rate to exposure, particularly in our commercial P&C business – a positive and necessary trend that continued into April.

“The coronavirus is delivering a severe blow to the global economy. How long and how deep is unknown. It will have a major impact on the global insurance industry in terms of both losses and revenue. For Chubb, we expect our premium growth momentum to be impacted for a period as insurance exposures in important areas shrink. This will be an earnings event for our company; our balance sheet and liquidity remain strong.

“Insurance has an important role to play in society and in the economy, and at Chubb we are doing our job to support our customers, employees and business partners, all of whom rely on us. We are operating day to day at a very high level globally and I am confident Chubb will weather this difficult time and emerge stronger.

“As the U.S. gains better control over the virus and we look forward to reopening the economy, the ability to test, digitally trace and isolate is fundamental to suppressing the spread of the virus while returning to more normal economic and social activity. It is also important at this time that we do not add unnecessarily to the great uncertainty we are already experiencing. To that end, we should prevent self-inflicted harm from government attempts to force insurers to retroactively pay uncovered business interruption claims, which is simply unconstitutional.”

Operating highlights for the quarter ended March 31, 2020 were as follows:

Chubb Limited

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

	Q1 2020	Q1 2019	Change
P&C			
Net premiums written (increase of 9.3% in constant dollars)	\$ 7,332	\$ 6,734	8.9%
Underwriting income	\$ 778	\$ 712	9.3%
Combined ratio	89.1%	89.2%	
Current accident year underwriting income excluding catastrophe losses	\$ 897	\$ 758	18.4%
Current accident year combined ratio excluding catastrophe losses	87.5%	88.5%	

Global P&C (excludes Agriculture)

Net premiums written (increase of 9.1% in constant dollars)	\$ 7,175	\$ 6,604	8.6%
Underwriting income	\$ 764	\$ 639	19.5%
Combined ratio	89.2%	90.2%	
Current accident year underwriting income excluding catastrophe losses	\$ 889	\$ 744	19.5%
Current accident year combined ratio excluding catastrophe losses	87.4%	88.6%	

North America Agricultural Insurance

Net premiums written	\$ 157	\$ 130	21.2%
Underwriting income	\$ 14	\$ 73	(80.5)%
Combined ratio	84.8%	NM	
Current accident year underwriting income excluding catastrophe losses	\$ 8	\$ 14	(37.6)%
Current accident year combined ratio excluding catastrophe losses	90.9%	83.9%	

- Consolidated net premiums earned increased 9.2%, or 9.6% in constant dollars, and P&C net premiums earned increased 8.9%, or 9.3% in constant dollars.
- Total pre-tax and after-tax catastrophe losses were \$237 million (3.3 percentage points of the combined ratio) and \$199 million, respectively, compared with \$250 million (3.8 percentage points of the combined ratio) and \$201 million, respectively, last year. The catastrophe losses in the current quarter included \$13 million pre-tax related to the COVID-19 global pandemic, which will be tracked as a separate ongoing catastrophe event.
- Total pre-tax and after-tax favorable prior period development were \$118 million (1.7 percentage points of the combined ratio) and \$94 million, respectively, compared with \$204 million (3.1 percentage points of the combined ratio) and \$161 million, respectively, last year. The current quarter included a \$14 million benefit from crop insurance related to the 2019 crop year, compared with \$61 million in the prior year related to the 2018 crop year.
- Pre-tax net investment income was \$861 million, up 3.1%, and adjusted net investment income was \$893 million, up 1.3%.
- Operating cash flow was \$1.7 billion.
- Share repurchases totaled \$326 million during the quarter at an average purchase price of \$143.67 per share. Given the current economic environment and to preserve capital for both risk and opportunity, the company has suspended further share repurchases indefinitely.

Details of financial results by business segment are available in the Chubb Limited Financial Supplement. Key segment items for the quarter ended March 31, 2020 are presented below:

Chubb Limited

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

	Q1 2020	Q1 2019	Change
<u>Total North America P&C Insurance</u>			
Net premiums written	\$ 4,516	\$ 4,137	9.2%
Combined ratio	85.8%	86.4%	
Current accident year combined ratio excluding catastrophe losses	85.2%	86.0%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written	\$ 3,252	\$ 2,951	10.2%
Major accounts retail and excess and surplus (E&S) wholesale	\$ 1,874	\$ 1,712	9.4%
Middle market and small commercial	\$ 1,378	\$ 1,239	11.2%
Combined ratio	86.8%	86.6%	
Current accident year combined ratio excluding catastrophe losses	86.5%	87.8%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 1,107	\$ 1,056	4.8%
Combined ratio	83.0%	91.5%	
Current accident year combined ratio excluding catastrophe losses	81.2%	81.1%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 157	\$ 130	21.2%
Combined ratio	84.8%	NM	
Current accident year combined ratio excluding catastrophe losses	90.9%	83.9%	
<u>Overseas General Insurance</u>			
Net premiums written	\$ 2,598	\$ 2,395	8.5%
Net premiums written in constant dollars			9.7%
Combined ratio	93.5%	92.3%	
Current accident year combined ratio excluding catastrophe losses	89.8%	91.3%	

- North America Commercial P&C Insurance: The current accident year combined ratio excluding catastrophe losses decreased 1.3 percentage points due to a 0.8 percentage point decrease in the loss ratio and a 0.5 percentage point decrease in the expense ratio.
- North America Agricultural Insurance: Net premiums written increased \$27 million, up 21.2%, principally from higher year-over-year crop premiums, reflecting less premiums returned to the U.S. government based on premium-sharing formulas. The current accident year combined ratio excluding catastrophe losses increased 7.0 percentage points, reflecting an increase in the loss ratio of 5.1 percentage points and an increase in the expense ratio of 1.9 percentage points. The increase in the loss ratio was principally due to higher underlying losses of \$3 million in the commercial agriculture P&C business, or 2.8 percentage points, and a \$2 million loss from crop derivatives, or 1.7 percentage points. The net premiums earned in the commercial agriculture P&C business was \$56 million in the first quarter of 2020, and was \$207 million for full-year 2019. The increase in the expense ratio reflected a

reduction in the current year administrative and operating reimbursements on the crop insurance business.

- Global Reinsurance: Net premiums written were \$218 million, up 8.4%, reflecting unfavorable premium adjustments in the prior year. The combined ratio was 76.1% compared with 76.8% prior year. The current accident year combined ratio excluding catastrophe losses was 80.0%, compared with 81.5% prior year.
- Life Insurance: Net premiums written were \$645 million, up 11.4%, principally reflecting the company's expanded presence in Chile and growth in the Asian international life operations. International life insurance net premiums written and deposits collected increased 34.6%. Segment income was \$94 million, up 10.6%, or \$9 million, including \$4 million from the operations in Chile. International life insurance segment income was \$45 million, up 30.7%.

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

Please refer to the Chubb Limited Financial Supplement, dated March 31, 2020, which is posted on the company's investor relations website, investors.chubb.com, in the Financials section for more detailed information on individual segment performance, together with additional disclosure on reinsurance recoverable, loss reserves, investment portfolio, and debt and capital.

Chubb Limited will hold its first quarter earnings conference call on Wednesday, April 22, 2020 beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 888-254-3590 (within the United States) or 323-794-2551 (international), passcode 2196291. Please refer to the Chubb website under Events and Presentations for details. A replay of the call will be available until Wednesday, May 6, 2020 and the archived webcast will be available on our website for approximately one month. To listen to the replay, please [click here](#) to register and receive dial-in numbers.

About Chubb

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

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Regulation G - Non-GAAP Financial Measures

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets from the acquisition of The Chubb Corporation (Chubb Corp) of \$32 million in Q1 2020. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

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

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

Current accident year underwriting income (loss) excluding catastrophe losses is underwriting income (loss) 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 includes underwriting income (loss), adjusted net investment income, other income (expense) – operating, and amortization expense of purchased intangibles.

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

These integration expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration expenses facilitates the comparison of our financial results to our historical operating results. References to core operating income measures mean net of tax, whether or not noted.

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

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

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

Global P&C performance metrics comprise consolidated operating results (including corporate) and exclude the operating results of the company's Life Insurance and North America Agricultural Insurance segments. 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 insurance net premiums written and deposits collected includes deposits collected on universal life and investment contracts (life deposits). Life deposits are not reflected as revenues in our consolidated statements of operations in accordance with GAAP. However, we include life deposits in presenting growth in our life insurance business because new life deposits are an important component of production and key to our efforts to grow our business.

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

See the reconciliation of Non-GAAP Financial Measures on pages 26-30 in the Financial Supplement. These measures should not be viewed as a substitute for measures determined in accordance with GAAP, including premium, net income, return on equity, and net investment income.

NM - not meaningful comparison

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Cautionary Statement Regarding Forward-Looking Statements:

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

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

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

	March 31 2020	December 31 2019
Assets		
Investments	\$ 105,284	\$ 109,234
Cash	1,512	1,537
Insurance and reinsurance balances receivable	10,058	10,357
Reinsurance recoverable on losses and loss expenses	14,898	15,181
Goodwill and other intangible assets	20,873	21,359
Other assets	20,502	19,275
Total assets	<u>\$ 173,127</u>	<u>\$ 176,943</u>
Liabilities		
Unpaid losses and loss expenses	\$ 62,214	\$ 62,690
Unearned premiums	16,459	16,771
Other liabilities	42,257	42,151
Total liabilities	<u>\$ 120,930</u>	<u>\$ 121,612</u>
Shareholders' equity		
Total shareholders' equity	52,197	55,331
Total liabilities and shareholders' equity	<u>\$ 173,127</u>	<u>\$ 176,943</u>
Book value per common share	\$ 115.64	\$ 122.42
Tangible book value per common share	\$ 72.29	\$ 78.14
Book value per common share excluding cumulative translation losses (1)	\$ 121.76	\$ 126.71
Tangible book value per common share excluding cumulative translation losses (1)	\$ 76.13	\$ 81.16

(1) Cumulative translation losses were \$2.8 billion in 2020 (\$1.8 billion on tangible and \$1.0 billion on intangible net assets) and \$1.9 billion in 2019 (\$1.3 billion on tangible and \$0.6 billion on intangible net assets).

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

	Three Months Ended March 31	
	2020	2019
Gross premiums written	\$ 9,752	\$ 9,111
Net premiums written	7,977	7,313
Net premiums earned	7,794	7,137
Losses and loss expenses	4,485	4,098
Policy benefits	129	196
Policy acquisition costs	1,615	1,464
Administrative expenses	741	710
Net investment income	861	836
Net realized gains (losses)	(958)	(97)
Interest expense	132	140
Other income (expense):		
Gains (losses) from separate account assets	(56)	30
Other	1	9
Amortization of purchased intangibles	73	76
Chubb integration expenses	—	3
Income tax expense	215	188
Net income	<u>\$ 252</u>	<u>\$ 1,040</u>
Diluted earnings per share:		
Net income	\$ 0.55	\$ 2.25
Core operating income	\$ 2.68	\$ 2.54
Weighted average diluted shares outstanding	454.5	461.5

P&C combined ratio

Loss and loss expense ratio	59.8%	59.3%
Policy acquisition cost ratio	20.0%	20.3%
Administrative expense ratio	9.3%	9.6%
P&C combined ratio	<u>89.1%</u>	<u>89.2%</u>
P&C underwriting income	\$ 778	\$ 712



**Chubb Limited
Financial Supplement
for the Quarter Ended March 31, 2020**

Investor Contact

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

Cautionary Statement Regarding Forward-Looking Statements

Any forward-looking statements made in this financial supplement reflect Chubb Limited's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to differ materially from 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 and credit developments among reinsurers.

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

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

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

	Three months ended March 31			Constant \$ 2019	Constant \$ % Change
	2020	2019	% Change		
Gross premiums written	\$ 9,752	\$ 9,111	7.0%	\$ 9,082	7.4%
Net premiums written	\$ 7,977	\$ 7,313	9.1%	\$ 7,288	9.5%
P&C net premiums written	\$ 7,332	\$ 6,734	8.9%	\$ 6,708	9.3%
Net premiums earned	\$ 7,794	\$ 7,137	9.2%	\$ 7,114	9.6%
Net investment income	\$ 861	\$ 836	3.1%	\$ 835	3.2%
Adjusted net investment income	\$ 893	\$ 882	1.3%	\$ 881	1.4%
P&C underwriting income	\$ 778	\$ 712	9.3%	\$ 710	9.6%
Agriculture underwriting income	\$ 14	\$ 73	-80.5%	\$ 73	-80.5%
Global P&C (excludes Agriculture) underwriting income	\$ 764	\$ 639	19.5%	\$ 637	20.0%
Core operating income	\$ 1,220	\$ 1,170	4.2%	\$ 1,168	4.4%
Net income	\$ 252	\$ 1,040	-75.8%		
Operating cash flow	\$ 1,712	\$ 1,322			
P&C combined ratio					
Loss and loss expense ratio	59.8%	59.3%			
Policy acquisition cost and administrative expense ratio	29.3%	29.9%			
Combined ratio	89.1%	89.2%			
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)					
CAY loss and loss expense ratio ex Cats	58.2%	58.6%			
CAY policy acquisition cost and administrative expense ratio ex Cats	29.3%	29.9%			
CAY combined ratio ex Cats	87.5%	88.5%			
Global P&C CAY combined ratio ex Cats					
CAY loss and loss expense ratio ex Cats	57.9%	58.5%			
CAY policy acquisition cost and administrative expense ratio ex Cats	29.5%	30.1%			
CAY combined ratio ex Cats	87.4%	88.6%			
ROE	1.9%	8.1%			
Core operating return on equity (ROE)	9.4%	9.2%			
Core operating return on tangible equity (ROTE)	15.1%	15.1%			
Effective tax rate	46.0%	15.3%			
Core operating effective tax rate	16.3%	14.7%			
Diluted earnings per share					
Net income	\$ 0.55	\$ 2.25	-75.6%		
Core operating income	\$ 2.68	\$ 2.54	5.5%		
Weighted average basic common shares outstanding	451.9	458.8			
Weighted average diluted common shares outstanding	454.5	461.5			
	March 31	December 31	% Change		
	2020	2019	1Q-20 vs.		
			4Q-19		
Book value per common share	\$ 115.64	\$ 122.42	-5.5%		
Tangible book value per common share	\$ 72.29	\$ 78.14	-7.5%		

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

Consolidated Statements of Operations

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$9,752	\$9,934	\$10,724	\$10,355	\$9,111	\$ 40,124
Net premiums written	7,977	7,997	8,622	8,343	7,313	32,275
Net premiums earned	7,794	7,935	8,327	7,891	7,137	31,290
Adjusted losses and loss expenses (1)	4,487	4,865	5,066	4,708	4,099	18,738
Realized (gains) losses on crop derivatives	2	—	14	(7)	1	8
Losses and loss expenses	4,485	4,865	5,052	4,715	4,098	18,730
Adjusted policy benefits (2)	185	201	165	164	166	696
Gains (losses) from fair value changes in separate account liabilities	56	(24)	7	3	(30)	(44)
Policy benefits	129	225	158	161	196	740
Policy acquisition costs	1,615	1,542	1,603	1,544	1,464	6,153
Administrative expenses	741	810	752	758	710	3,030
Adjusted net investment income (3)	893	893	910	902	882	3,587
Amortization expense of fair value adjustment on acquired invested assets	(32)	(35)	(37)	(43)	(46)	(161)
Net investment income	861	858	873	859	836	3,426
Adjusted realized gains (losses) (4)	(956)	(55)	(141)	(230)	(96)	(522)
Realized gains (losses) on crop derivatives	(2)	—	(14)	7	(1)	(8)
Net realized gains (losses)	(958)	(55)	(155)	(223)	(97)	(530)
Adjusted interest expense (5)	137	140	143	145	145	573
Amortization benefit of fair value adjustment on acquired long term debt	(5)	(6)	(5)	(5)	(5)	(21)
Interest expense	132	134	138	140	140	552
Gains (losses) from fair value changes in separate account assets	(56)	24	(7)	(3)	30	44
Net realized gains (losses) related to unconsolidated entities	(7)	227	41	219	(4)	483
Other income (expense) - operating	8	19	23	14	13	69
Other income (expense)	(55)	270	57	230	39	596
Amortization expense of purchased intangibles	73	76	76	77	76	305
Chubb integration expenses	—	14	2	4	3	23
Income tax expense	215	169	230	208	188	795
Net income	<u>\$ 252</u>	<u>\$ 1,173</u>	<u>\$ 1,091</u>	<u>\$ 1,150</u>	<u>\$ 1,040</u>	<u>\$ 4,454</u>

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

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

Chubb Limited P&C Underwriting Results

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
P&C underwriting income (Including Corporate and excluding Life Insurance)						
Gross premiums written	\$9,069	\$9,282	\$10,082	\$9,743	\$8,500	\$ 37,607
Net premiums written	7,332	7,375	8,010	7,764	6,734	29,883
Net premiums earned	7,163	7,322	7,729	7,320	6,576	28,947
Adjusted losses and loss expenses	4,285	4,689	4,876	4,519	3,897	17,981
Policy acquisition costs	1,435	1,376	1,427	1,394	1,336	5,533
Administrative expenses	665	724	672	680	631	2,707
P&C underwriting income	<u>\$ 778</u>	<u>\$ 533</u>	<u>\$ 754</u>	<u>\$ 727</u>	<u>\$ 712</u>	<u>\$ 2,726</u>
P&C CAY underwriting income ex Cats	\$ 897	\$ 730	\$ 819	\$ 814	\$ 758	\$ 3,121
% Change versus prior year period						
Net premiums written	8.9%	9.0%	6.2%	4.2%	2.9%	5.6%
Net premiums earned	8.9%	6.3%	5.0%	2.9%	1.4%	4.0%
Net premiums written constant \$	9.3%	9.8%	7.2%	6.0%	5.1%	7.0%
Net premiums earned constant \$	9.3%	7.1%	6.1%	4.9%	3.5%	5.4%
P&C combined ratio						
Loss and loss expense ratio	59.8%	64.0%	63.1%	61.7%	59.3%	62.1%
Policy acquisition cost ratio	20.0%	18.8%	18.4%	19.1%	20.3%	19.1%
Administrative expense ratio	9.3%	9.9%	8.7%	9.3%	9.6%	9.4%
Combined ratio	<u>89.1%</u>	<u>92.7%</u>	<u>90.2%</u>	<u>90.1%</u>	<u>89.2%</u>	<u>90.6%</u>
CAY P&C combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	58.2%	61.3%	62.4%	60.5%	58.6%	60.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	29.3%	28.7%	27.1%	28.4%	29.9%	28.4%
CAY combined ratio ex Cats	<u>87.5%</u>	<u>90.0%</u>	<u>89.5%</u>	<u>88.9%</u>	<u>88.5%</u>	<u>89.2%</u>
Other ratios						
Net premiums written/gross premiums written	81%	79%	79%	80%	79%	79%
Expense ratio	29.3%	28.7%	27.1%	28.4%	29.9%	28.5%
Expense ratio excluding A&H	27.5%	26.6%	25.1%	26.3%	28.0%	26.4%
Catastrophe reinstatement premiums (expensed) collected—pre-tax	\$ —	\$ (14)	\$ 2	\$ —	\$ —	\$ (12)
Catastrophe losses—pre-tax	\$ 237	\$ 416	\$ 234	\$ 275	\$ 250	\$ 1,175
Favorable prior period development (PPD)—pre-tax	\$ (118)	\$ (233)	\$ (167)	\$ (188)	\$ (204)	\$ (792)
Impact of catastrophe losses on P&C combined ratio—Unfavorable	3.3%	5.9%	3.0%	3.8%	3.8%	4.1%
Impact of PPD on P&C combined ratio—Favorable	-1.7%	-3.2%	-2.3%	-2.6%	-3.1%	-2.7%
Impact of Cats and PPD on P&C combined ratio—Unfavorable	1.6%	2.7%	0.7%	1.2%	0.7%	1.4%

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 9), North America Personal P&C Insurance segment (refer to page 10), Overseas General Insurance segment (refer to page 12), Global Reinsurance segment (refer to page 13), and Corporate (refer to page 15). Global P&C excludes the North America Agricultural Insurance and Life Insurance segments.

Global P&C (Including Corporate and excluding Agriculture)

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Global P&C underwriting income						
Gross premiums written	\$8,849	\$9,000	\$8,810	\$9,101	\$8,281	\$35,192
Net premiums written	7,175	7,099	7,072	7,298	6,604	28,073
Net premiums earned	7,069	6,901	6,788	6,942	6,521	27,152
Adjusted losses and loss expenses	4,220	4,236	3,996	4,210	3,923	16,365
Policy acquisition costs	1,424	1,382	1,371	1,367	1,329	5,449
Administrative expenses	661	727	668	676	630	2,701
Global P&C underwriting income	<u>\$ 764</u>	<u>\$ 556</u>	<u>\$ 753</u>	<u>\$ 689</u>	<u>\$ 639</u>	<u>\$ 2,637</u>
Global P&C CAY underwriting income ex Cats	\$ 889	\$ 789	\$ 797	\$ 774	\$ 744	\$ 3,104
% Change versus prior year period						
Net premiums written	8.6%	8.0%	6.2%	3.3%	2.6%	5.0%
Net premiums earned	8.4%	5.0%	4.4%	2.7%	1.2%	3.3%
Net premiums written constant \$	9.1%	8.9%	7.3%	5.3%	4.8%	6.6%
Net premiums earned constant \$	8.8%	5.8%	5.6%	4.7%	3.3%	4.9%
Combined ratio						
Loss and loss expense ratio	59.7%	61.4%	58.9%	60.6%	60.2%	60.3%
Policy acquisition cost ratio	20.2%	20.0%	20.2%	19.7%	20.4%	20.1%
Administrative expense ratio	9.3%	10.5%	9.8%	9.8%	9.6%	9.9%
Combined ratio	<u>89.2%</u>	<u>91.9%</u>	<u>88.9%</u>	<u>90.1%</u>	<u>90.2%</u>	<u>90.3%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	57.9%	58.1%	58.5%	59.4%	58.5%	58.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	29.5%	30.5%	29.8%	29.4%	30.1%	30.0%
CAY combined ratio ex Cats	<u>87.4%</u>	<u>88.6%</u>	<u>88.3%</u>	<u>88.8%</u>	<u>88.6%</u>	<u>88.6%</u>
Other ratios						
Net premiums written/gross premiums written	81%	79%	80%	80%	80%	80%
Expense ratio	29.5%	30.5%	30.0%	29.5%	30.0%	30.0%
Expense ratio excluding A&H	27.7%	28.6%	28.0%	27.4%	28.1%	28.0%
Catastrophe reinstatement premiums (expensed) collected—pre-tax	\$ —	\$ (14)	\$ 2	\$ —	\$ —	\$ (12)
Catastrophe losses—pre-tax	\$ 229	\$ 415	\$ 231	\$ 273	\$ 248	\$ 1,167
Favorable prior period development (PPD)—pre-tax	\$ (104)	\$ (196)	\$ (185)	\$ (188)	\$ (143)	\$ (712)

Global P&C

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

	March 31 2020	December 31 2019
Assets		
Fixed maturities available for sale, at fair value	\$ 81,530	\$ 85,488
Fixed maturities held to maturity, at amortized cost	12,025	12,581
Equity securities, at fair value	2,068	812
Short-term investments, at fair value	3,586	4,291
Other investments	6,075	6,062
Total investments	105,284	109,234
Cash	1,512	1,537
Securities lending collateral	1,342	994
Insurance and reinsurance balances receivable	10,058	10,357
Reinsurance recoverable on losses and loss expenses	14,898	15,181
Deferred policy acquisition costs	5,162	5,242
Value of business acquired	289	306
Prepaid reinsurance premiums	2,570	2,647
Goodwill and other intangible assets	20,873	21,359
Investments in partially-owned insurance companies	1,346	1,332
Other assets	9,793	8,754
Total assets	<u>\$ 173,127</u>	<u>\$ 176,943</u>
Liabilities		
Unpaid losses and loss expenses	\$ 62,214	\$ 62,690
Unearned premiums	16,459	16,771
Future policy benefits	5,776	5,814
Insurance and reinsurance balances payable	6,084	6,184
Securities lending payable	1,342	994
Accounts payable, accrued expenses, and other liabilities	13,463	13,189
Deferred tax liabilities	474	804
Short-term and long-term debt	14,810	14,858
Trust preferred securities	308	308
Total liabilities	120,930	121,612
Shareholders' equity		
Total shareholders' equity, excl. AOCI	54,290	54,712
Accumulated other comprehensive income (loss) (AOCI)	(2,093)	619
Total shareholders' equity	52,197	55,331
Total liabilities and shareholders' equity	<u>\$ 173,127</u>	<u>\$ 176,943</u>
Book value per common share	<u>\$ 115.64</u>	<u>\$ 122.42</u>
% change over prior quarter	-5.5%	1.7%
Tangible book value per common share	<u>\$ 72.29</u>	<u>\$ 78.14</u>
% change over prior quarter	-7.5%	2.5%

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

	<u>1Q-20</u>	<u>1Q-19</u>	<u>% Change</u>	<u>Constant \$ % Change</u>
Net premiums written				
Commercial multiple peril (1)	\$ 241	\$ 219	10.1%	10.1%
Commercial casualty	1,341	1,200	11.8%	11.9%
Workers' compensation	586	593	-1.3%	-1.3%
Professional liability	912	786	15.9%	16.5%
Surety	150	152	-1.5%	-0.8%
Property and other short-tail lines	<u>1,334</u>	<u>1,157</u>	15.3%	16.6%
Total Commercial P&C	4,564	4,107	11.1%	11.6%
Agriculture	157	130	21.2%	21.2%
Personal automobile	441	421	4.8%	3.1%
Personal homeowners	773	743	4.0%	4.0%
Personal other	<u>418</u>	<u>368</u>	13.7%	15.2%
Total Personal lines	1,632	1,532	6.5%	6.4%
Total Property and Casualty lines	6,353	5,769	10.1%	10.4%
Global A&H lines (2)	1,067	1,073	-0.6%	0.3%
Reinsurance lines	218	202	8.4%	7.9%
Life	<u>339</u>	<u>269</u>	26.1%	26.1%
Total consolidated	<u>\$7,977</u>	<u>\$7,313</u>	9.1%	9.5%

(1) Commercial multiple peril represents retail package business (property and general liability).

(2) 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.

Chubb Limited
Consolidated Results
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q1 2020	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,252	\$ 1,107	\$ 157	\$ 2,598	\$ 218	\$ —	\$ 7,332	\$ 645	\$ 7,977
Net premiums earned	3,376	1,200	94	2,307	186	—	7,163	631	7,794
Adjusted losses and loss expenses	2,181	683	65	1,258	87	11	4,285	202	4,487
Adjusted policy benefits	—	—	—	—	—	—	—	185	185
Policy acquisition costs	492	245	11	642	45	—	1,435	180	1,615
Administrative expenses	259	68	4	258	10	66	665	76	741
Underwriting income (loss)	444	204	14	149	44	(77)	778	(12)	766
Adjusted net investment income	516	66	9	145	54	8	798	95	893
Other income (expense)—operating	3	(2)	—	(4)	15	(16)	(4)	12	8
Amortization expense of purchased intangibles	—	(3)	(7)	(12)	—	(50)	(72)	(1)	(73)
Segment income (loss)	\$ 963	\$ 265	\$ 16	\$ 278	\$ 113	\$ (135)	\$ 1,500	\$ 94	\$ 1,594
Adjusted interest expense						(137)			(137)
Income tax expense						(237)			(237)
Core operating income (loss)						(509)			1,220
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$5 million tax benefit						(22)			(22)
Adjusted net realized gains (losses), net of \$17 million tax benefit (1)						(946)			(946)
Net income (loss)						\$ (1,477)			\$ 252
Combined ratio	86.8%	83.0%	84.8%	93.5%	76.1%		89.1%		
CAY combined ratio ex Cats	86.5%	81.2%	90.9%	89.8%	80.0%		87.5%		

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

Chubb Limited
Consolidated Results
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q1 2019	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 2,951	\$ 1,056	\$ 130	\$ 2,395	\$ 202	\$ —	\$ 6,734	\$ 579	\$ 7,313
Net premiums earned	3,085	1,154	55	2,114	168	—	6,576	561	7,137
Adjusted losses and loss expenses	1,973	757	(26)	1,106	76	11	3,897	202	4,099
Adjusted policy benefits	—	—	—	—	—	—	—	166	166
Policy acquisition costs	459	231	7	596	43	—	1,336	128	1,464
Administrative expenses	240	68	1	249	10	63	631	79	710
Underwriting income (loss)	413	98	73	163	39	(74)	712	(14)	698
Adjusted net investment income	510	64	10	144	56	9	793	89	882
Other income (expense)—operating	5	—	—	(4)	9	(7)	3	10	13
Amortization expense of purchased intangibles	—	(3)	(7)	(11)	—	(55)	(76)	—	(76)
Segment income (loss)	\$ 928	\$ 159	\$ 76	\$ 292	\$ 104	\$ (127)	\$ 1,432	\$ 85	\$ 1,517
Adjusted interest expense						(145)			(145)
Income tax expense						(202)			(202)
Core operating income (loss)						(474)			1,170
Chubb integration expenses, net of \$1 million tax benefit						(2)			(2)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$8 million tax benefit						(33)			(33)
Adjusted net realized gains (losses), net of \$5 million tax benefit (1)						(95)			(95)
Net income (loss)						\$ (604)			\$ 1,040
Combined ratio	86.6%	91.5%	NM	92.3%	76.8%		89.2%		
CAY combined ratio ex Cats	87.8%	81.1%	83.9%	91.3%	81.5%		88.5%		

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

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

North America Commercial P&C Insurance

	1Q-20	4Q-19	3Q-19	2Q-19	1Q-19	Full Year 2019
Gross premiums written	\$4,211	\$4,576	\$4,533	\$4,518	\$3,977	\$ 17,604
Net premiums written	3,252	3,438	3,452	3,534	2,951	13,375
Net premiums earned	3,376	3,262	3,185	3,390	3,085	12,922
Losses and loss expenses	2,181	1,968	2,051	2,214	1,973	8,206
Policy acquisition costs	492	454	459	459	459	1,831
Administrative expenses	259	273	256	259	240	1,028
Underwriting income	444	567	419	458	413	1,857
Net investment income	516	519	532	521	510	2,082
Other income (expense)—operating	3	(1)	1	(2)	5	3
Segment income	<u>\$ 963</u>	<u>\$ 1,085</u>	<u>\$ 952</u>	<u>\$ 977</u>	<u>\$ 928</u>	<u>\$ 3,942</u>
CAY underwriting income ex Cats	\$ 457	\$ 445	\$ 398	\$ 410	\$ 376	\$ 1,629
Combined ratio						
Loss and loss expense ratio	64.6%	60.3%	64.4%	65.3%	63.9%	63.5%
Policy acquisition cost ratio	14.6%	13.9%	14.4%	13.6%	14.9%	14.2%
Administrative expense ratio	7.6%	8.4%	8.1%	7.6%	7.8%	7.9%
Combined ratio	<u>86.8%</u>	<u>82.6%</u>	<u>86.9%</u>	<u>86.5%</u>	<u>86.6%</u>	<u>85.6%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	64.2%	64.0%	65.5%	66.7%	65.0%	65.3%
CAY policy acquisition cost and administrative expense ratio ex Cats	22.3%	22.4%	22.1%	21.2%	22.8%	22.1%
CAY combined ratio ex Cats	<u>86.5%</u>	<u>86.4%</u>	<u>87.6%</u>	<u>87.9%</u>	<u>87.8%</u>	<u>87.4%</u>
Catastrophe losses—pre-tax	\$ 118	\$ 102	\$ 88	\$ 137	\$ 94	\$ 421
Favorable prior period development (PPD)—pre-tax	\$ (105)	\$ (224)	\$ (109)	\$ (185)	\$ (131)	\$ (649)
% Change versus prior year period						
Net premiums written	10.2%	9.4%	7.9%	6.0%	5.0%	7.1%
Net premiums earned	9.4%	6.0%	5.5%	3.4%	1.9%	4.2%
Other ratios						
Net premiums written/gross premiums written	77%	75%	76%	78%	74%	76%
Production by Size—Net premiums written (1)						
Major Accounts & Specialty	\$ 1,874	\$ 2,049	\$ 2,043	\$ 2,187	\$ 1,712	\$ 7,991
Commercial	1,378	1,389	1,409	1,347	1,239	5,384
Total	<u>\$ 3,252</u>	<u>\$ 3,438</u>	<u>\$ 3,452</u>	<u>\$ 3,534</u>	<u>\$ 2,951</u>	<u>\$ 13,375</u>

(1) Major Accounts & Specialty: large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts. Certain 2019 businesses, previously reported within Commercial, are now reported within Major Accounts & Specialty to align with 2020 reporting. The reclassifications are immaterial and have no impact to total reported North America Commercial P&C Insurance segment net premiums written.

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

North America Personal P&C Insurance

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 1,265	\$ 1,349	\$ 1,422	\$ 1,483	\$ 1,207	\$ 5,461
Net premiums written	1,107	1,171	1,251	1,309	1,056	4,787
Net premiums earned	1,200	1,185	1,187	1,168	1,154	4,694
Losses and loss expenses	683	865	674	747	757	3,043
Policy acquisition costs	245	240	240	237	231	948
Administrative expenses	68	75	72	71	68	286
Underwriting income	204	5	201	113	98	417
Net investment income	66	64	66	64	64	258
Other income (expense)—operating	(2)	(1)	(1)	(1)	—	(3)
Amortization expense of purchased intangibles	(3)	(3)	(3)	(3)	(3)	(12)
Segment income	<u>\$ 265</u>	<u>\$ 65</u>	<u>\$ 263</u>	<u>\$ 173</u>	<u>\$ 159</u>	<u>\$ 660</u>
CAY underwriting income ex Cats	\$ 226	\$ 223	\$ 222	\$ 214	\$ 217	\$ 876
Combined ratio						
Loss and loss expense ratio	57.0%	73.0%	56.9%	64.0%	65.5%	64.8%
Policy acquisition cost ratio	20.4%	20.3%	20.2%	20.2%	20.1%	20.2%
Administrative expense ratio	5.6%	6.3%	6.0%	6.1%	5.9%	6.1%
Combined ratio	<u>83.0%</u>	<u>99.6%</u>	<u>83.1%</u>	<u>90.3%</u>	<u>91.5%</u>	<u>91.1%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	55.1%	55.1%	55.1%	55.3%	55.1%	55.1%
CAY policy acquisition cost and administrative expense ratio ex Cats	26.1%	26.3%	26.2%	26.4%	26.0%	26.3%
CAY combined ratio ex Cats	<u>81.2%</u>	<u>81.4%</u>	<u>81.3%</u>	<u>81.7%</u>	<u>81.1%</u>	<u>81.4%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ (11)	\$ —	\$ —	\$ —	\$ (11)
Catastrophe losses—pre-tax	\$ 21	\$ 214	\$ 83	\$ 117	\$ 129	\$ 543
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 1	\$ (7)	\$ (62)	\$ (16)	\$ (10)	\$ (95)
% Change versus prior year period						
Net premiums written	4.8%	9.2%	2.7%	-2.0%	0.8%	2.4%
Net premiums written adjusted primarily for additional reinsurance	5.1%	4.6%	3.9%	2.4%	2.6%	3.3%
Net premiums earned	3.9%	4.8%	1.7%	1.1%	1.2%	2.2%
Other ratios						
Net premiums written/gross premiums written	88%	87%	88%	88%	88%	88%

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

North America Agricultural Insurance

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 220	\$ 282	\$ 1,272	\$ 642	\$ 219	\$ 2,415
Net premiums written	157	276	938	466	130	1,810
Net premiums earned	94	421	941	378	55	1,795
Adjusted losses and loss expenses (1)	65	453	880	309	(26)	1,616
Policy acquisition costs	11	(6)	56	27	7	84
Administrative expenses	4	(3)	4	4	1	6
Underwriting income (loss)	14	(23)	1	38	73	89
Net investment income	9	8	8	4	10	30
Other income (expense)—operating	—	—	—	(1)	—	(1)
Amortization expense of purchased intangibles	(7)	(7)	(7)	(7)	(7)	(28)
Segment income (loss)	<u>\$ 16</u>	<u>\$ (22)</u>	<u>\$ 2</u>	<u>\$ 34</u>	<u>\$ 76</u>	<u>\$ 90</u>
CAY underwriting income (loss) ex Cats	\$ 8	\$ (59)	\$ 22	\$ 40	\$ 14	\$ 17
Combined ratio						
Loss and loss expense ratio	69.6%	107.6%	93.5%	81.9%	NM	90.1%
Policy acquisition cost ratio	11.1%	-1.5%	6.0%	7.3%	NM	4.7%
Administrative expense ratio	4.1%	-0.7%	0.4%	0.9%	NM	0.3%
Combined ratio	<u>84.8%</u>	<u>105.4%</u>	<u>99.9%</u>	<u>90.1%</u>	<u>NM</u>	<u>95.1%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	76.2%	113.6%	91.3%	81.4%	71.1%	93.5%
CAY policy acquisition cost and administrative expense ratio ex Cats	14.7%	0.3%	6.4%	8.2%	12.8%	5.6%
CAY combined ratio ex Cats	<u>90.9%</u>	<u>113.9%</u>	<u>97.7%</u>	<u>89.6%</u>	<u>83.9%</u>	<u>99.1%</u>
Catastrophe losses—pre-tax	\$ 8	\$ 1	\$ 3	\$ 2	\$ 2	\$ 8
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (14)	\$ (37)	\$ 18	\$ —	\$ (61)	\$ (80)
% Change versus prior year period						
Net premiums written	21.2%	40.4%	6.2%	20.1%	19.9%	14.8%
Net premiums earned	71.8%	32.4%	9.8%	7.7%	27.4%	14.4%
Other ratios						
Net premiums written/gross premiums written	71%	98%	74%	73%	59%	75%

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

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

Overseas General Insurance

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$3,131	\$2,964	\$ 2,705	\$ 2,863	\$2,876	\$ 11,408
Net premiums written	2,598	2,381	2,228	2,258	2,395	9,262
Net premiums earned	2,307	2,287	2,256	2,225	2,114	8,882
Losses and loss expenses	1,258	1,221	1,154	1,125	1,106	4,606
Policy acquisition costs	642	646	630	629	596	2,501
Administrative expenses	258	262	257	265	249	1,033
Underwriting income	149	158	215	206	163	742
Net investment income	145	145	148	151	144	588
Other income (expense)—operating	(4)	(2)	(3)	(3)	(4)	(12)
Amortization expense of purchased intangibles	(12)	(11)	(11)	(12)	(11)	(45)
Segment income	<u>\$ 278</u>	<u>\$ 290</u>	<u>\$ 349</u>	<u>\$ 342</u>	<u>\$ 292</u>	<u>\$ 1,273</u>
CAY underwriting income ex Cats	\$ 235	\$ 202	\$ 225	\$ 195	\$ 184	\$ 806
Combined ratio						
Loss and loss expense ratio	54.5%	53.3%	51.1%	50.6%	52.3%	51.9%
Policy acquisition cost ratio	27.8%	28.3%	28.0%	28.3%	28.2%	28.1%
Administrative expense ratio	11.2%	11.5%	11.4%	11.9%	11.8%	11.6%
Combined ratio	<u>93.5%</u>	<u>93.1%</u>	<u>90.5%</u>	<u>90.8%</u>	<u>92.3%</u>	<u>91.6%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	50.8%	51.5%	50.7%	51.1%	51.3%	51.2%
CAY policy acquisition cost and administrative expense ratio ex Cats	39.0%	39.7%	39.3%	40.1%	40.0%	39.7%
CAY combined ratio ex Cats	<u>89.8%</u>	<u>91.2%</u>	<u>90.0%</u>	<u>91.2%</u>	<u>91.3%</u>	<u>90.9%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ (4)	\$ —	\$ —	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 90	\$ 83	\$ 35	\$ 9	\$ 25	\$ 152
Favorable prior period development (PPD)—pre-tax	\$ (4)	\$ (43)	\$ (25)	\$ (20)	\$ (4)	\$ (92)
% Change versus prior year period						
Net premiums written	8.5%	6.3%	7.1%	2.7%	0.4%	4.0%
Net premiums earned	9.2%	4.6%	4.6%	3.0%	0.3%	3.1%
Net premiums written constant \$	9.7%	8.8%	10.7%	8.5%	6.0%	8.4%
Net premiums earned constant \$	10.5%	6.9%	8.0%	9.2%	6.3%	7.6%
Other ratios						
Net premiums written/gross premiums written	83%	80%	82%	79%	83%	81%
Production by Region—Net premiums written				Constant \$		
	<u>1Q-20</u>	<u>1Q-19</u>	<u>% Change</u>	<u>% Change</u>		
Europe	\$1,228	\$1,106	11.1%	12.2%		
Latin America	583	533	9.4%	11.7%		
Asia	688	669	2.9%	3.7%		
Other (1)	99	87	12.6%	13.4%		
Total	<u>\$2,598</u>	<u>\$2,395</u>	8.5%	9.7%		

(1) 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

	1Q-20	4Q-19	3Q-19	2Q-19	1Q-19	Full Year 2019
Gross premiums written	\$ 242	\$ 111	\$ 150	\$ 237	\$ 221	\$ 719
Net premiums written	218	109	141	197	202	649
Net premiums earned	186	167	160	159	168	654
Losses and loss expenses	87	107	79	90	76	352
Policy acquisition costs	45	42	42	42	43	169
Administrative expenses	10	9	9	7	10	35
Underwriting income	44	9	30	20	39	98
Net investment income	54	54	55	55	56	220
Other income (expense)—operating	15	18	16	15	9	58
Segment income	<u>\$ 113</u>	<u>\$ 81</u>	<u>\$ 101</u>	<u>\$ 90</u>	<u>\$ 104</u>	<u>\$ 376</u>
CAY underwriting income ex Cats	\$ 37	\$ 28	\$ 28	\$ 30	\$ 31	\$ 117
Combined ratio						
Loss and loss expense ratio	46.5%	64.2%	49.6%	55.9%	45.7%	53.9%
Policy acquisition cost ratio	24.5%	24.7%	26.2%	26.9%	25.4%	25.7%
Administrative expense ratio	5.1%	5.7%	5.3%	4.9%	5.7%	5.4%
Combined ratio	<u>76.1%</u>	<u>94.6%</u>	<u>81.1%</u>	<u>87.7%</u>	<u>76.8%</u>	<u>85.0%</u>
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	50.4%	52.5%	49.9%	49.7%	50.5%	50.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	29.6%	30.8%	32.2%	32.0%	31.0%	31.5%
CAY combined ratio ex Cats	<u>80.0%</u>	<u>83.3%</u>	<u>82.1%</u>	<u>81.7%</u>	<u>81.5%</u>	<u>82.1%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ —	\$ 1	\$ 2	\$ —	\$ —	\$ 3
Catastrophe losses—pre-tax	\$ —	\$ 16	\$ 25	\$ 10	\$ —	\$ 51
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (7)	\$ 4	\$ (25)	\$ —	\$ (8)	\$ (29)
% Change versus prior year period						
Net premiums written as reported	8.4%	-6.0%	14.0%	0.2%	4.4%	-3.2%
Net premiums earned as reported	10.4%	-5.8%	1.9%	-5.0%	0.1%	-2.3%
Net premiums written constant \$	7.9%	-4.8%	12.8%	1.3%	6.4%	-1.7%
Net premiums earned constant \$	10.2%	-5.0%	3.1%	-3.5%	2.6%	-0.8%
Other ratios						
Net premiums written/gross premiums written	90%	99%	94%	83%	91%	90%

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

Life Insurance

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 683	\$ 652	\$ 642	\$ 612	\$ 611	\$ 2,517
Net premiums written	645	622	612	579	579	2,392
Net premiums earned	631	613	598	571	561	2,343
Losses and loss expenses	202	176	190	189	202	757
Adjusted policy benefits	185	201	165	164	166	696
Policy acquisition costs	180	166	176	150	128	620
Administrative expenses	76	86	80	78	79	323
Net investment income	95	95	92	97	89	373
Life Insurance underwriting income (1)	83	79	79	87	75	320
Other income (expense)—operating	12	11	17	10	10	48
Amortization expense of purchased intangibles	(1)	—	(1)	(1)	—	(2)
Segment income	<u>\$ 94</u>	<u>\$ 90</u>	<u>\$ 95</u>	<u>\$ 96</u>	<u>\$ 85</u>	<u>\$ 366</u>
% Change versus prior year period						
Net premiums written	11.4%	6.9%	8.5%	2.5%	3.5%	5.3%
Net premiums earned	12.6%	6.6%	8.7%	3.4%	3.9%	5.6%
Net premiums written constant \$	11.3%	6.8%	9.1%	4.3%	5.2%	6.4%
Net premiums earned constant \$	12.5%	6.5%	9.3%	5.2%	5.5%	6.6%

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

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

	<u>1Q-20</u>	<u>1Q-19</u>	<u>% Change</u>	<u>Constant \$ % Change</u>
International life insurance net premiums written	\$ 295	\$ 227	29.9%	29.8%
International life insurance deposits (2)	443	321	37.9%	36.7%
Total international life insurance net premiums written and deposits	<u>\$ 738</u>	<u>\$ 548</u>	34.6%	33.8%
International life insurance segment income	<u>\$ 45</u>	<u>\$ 34</u>	30.7%	30.7%

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

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

Corporate

	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>1Q-19</u>	<u>Full Year 2019</u>
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—
Losses and loss expenses	11	75	38	34	11	158
Policy acquisition costs	—	—	—	—	—	—
Administrative expenses	66	108	74	74	63	319
Underwriting loss	(77)	(183)	(112)	(108)	(74)	(477)
Adjusted net investment income	8	8	9	10	9	36
Other income (expense)—operating	(16)	(6)	(7)	(4)	(7)	(24)
Adjusted interest expense	(137)	(140)	(143)	(145)	(145)	(573)
Amortization expense of purchased intangibles	(50)	(55)	(54)	(54)	(55)	(218)
Income tax expense	(237)	(173)	(219)	(216)	(202)	(810)
Core operating loss	(509)	(549)	(526)	(517)	(474)	(2,066)
Chubb integration expenses, net of tax	—	(12)	(2)	(3)	(2)	(19)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(22)	(25)	(24)	(32)	(33)	(114)
Adjusted net realized gains (losses), net of tax ⁽¹⁾	(946)	170	(119)	(10)	(95)	(54)
Net loss	<u>\$(1,477)</u>	<u>\$(416)</u>	<u>\$(671)</u>	<u>\$(562)</u>	<u>\$(604)</u>	<u>\$ (2,253)</u>
Unfavorable prior period development (PPD)—pre-tax	\$ 11	\$ 74	\$ 36	\$ 33	\$ 10	\$ 153

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

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

	Unpaid Losses			Net Paid to Incurred Ratio
	Gross	Ceded	Net	
Balance at December 31, 2018	\$62,960	\$14,689	\$48,271	
Losses and loss expenses incurred	5,261	1,163	4,098	
Losses and loss expenses paid	(5,197)	(1,178)	(4,019)	98%
Other (incl. foreign exch. revaluation)	119	33	86	
Balance at March 31, 2019	\$63,143	\$14,707	\$48,436	
Losses and loss expenses incurred	5,758	1,043	4,715	
Losses and loss expenses paid	(5,581)	(1,489)	(4,092)	87%
Other (incl. foreign exch. revaluation)	(115)	(28)	(87)	
Balance at June 30, 2019	\$63,205	\$14,233	\$48,972	
Losses and loss expenses incurred	6,783	1,731	5,052	
Losses and loss expenses paid	(6,751)	(1,568)	(5,183)	103%
Other (incl. foreign exch. revaluation)	(225)	(64)	(161)	
Balance at September 30, 2019	\$63,012	\$14,332	\$48,680	
Losses and loss expenses incurred	5,855	990	4,865	
Losses and loss expenses paid	(6,382)	(1,203)	(5,179)	106%
Other (incl. foreign exch. revaluation)	205	62	143	
Balance at December 31, 2019	\$62,690	\$14,181	\$48,509	
Losses and loss expenses incurred	5,569	1,084	4,485	
Losses and loss expenses paid	(5,345)	(1,090)	(4,255)	95%
Other (incl. foreign exch. revaluation)	(700)	(135)	(565)	
Balance at March 31, 2020	\$62,214	\$14,040	\$48,174	
Add net recoverable on paid losses	—	858	(858)	
Balance including net recoverable on paid losses	\$62,214	\$14,898	\$47,316	

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

Net Reinsurance Recoverable by Division

	March 31 2020	December 31 2019
Reinsurance recoverable on paid losses and loss expenses		
Active operations	\$ 748	\$ 887
Brandywine and Other Run-off	177	189
Total	<u>\$ 925</u>	<u>\$ 1,076</u>
Reinsurance recoverable on unpaid losses and loss expenses		
Active operations	\$ 13,088	\$ 13,223
Brandywine and Other Run-off	1,190	1,198
Total	<u>\$ 14,278</u>	<u>\$ 14,421</u>
Gross reinsurance recoverable		
Active operations	\$ 13,836	\$ 14,110
Brandywine and Other Run-off	1,367	1,387
Total	<u>\$ 15,203</u>	<u>\$ 15,497</u>
Provision for uncollectible reinsurance (1)		
Active operations	\$ (176)	\$ (180)
Brandywine and Other Run-off	(129)	(136)
Total	<u>\$ (305)</u>	<u>\$ (316)</u>
Net reinsurance recoverable		
Active operations	\$ 13,660	\$ 13,930
Brandywine and Other Run-off	1,238	1,251
Total	<u>\$ 14,898</u>	<u>\$ 15,181</u>

(1) The provision for uncollectible reinsurance is based on a default analysis applied to gross reinsurance, net of usable collateral of approximately \$3.8 billion.

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

	March 31 2020		December 31 2019	
Market Value				
Fixed maturities available for sale	\$ 81,530		\$ 85,488	
Fixed maturities held to maturity	12,471		13,005	
Short-term investments	3,586		4,291	
Total fixed maturities	<u>\$ 97,587</u>		<u>\$ 102,784</u>	
Asset Allocation by Market Value				
Treasury / Agency	\$ 4,296	4%	\$ 4,630	5%
Corporate and asset-backed	32,990	33%	34,259	33%
Mortgage-backed	20,252	21%	21,588	21%
Municipal	12,276	13%	12,824	12%
Non-U.S.	24,187	25%	25,192	25%
Short-term investments	3,586	4%	4,291	4%
Total fixed maturities	<u>\$ 97,587</u>	<u>100%</u>	<u>\$ 102,784</u>	<u>100%</u>
Credit Quality by Market Value				
AAA	\$ 14,578	15%	\$ 15,714	15%
AA	35,442	36%	37,504	37%
A	18,378	19%	19,236	19%
BBB	13,618	14%	13,650	13%
BB	8,661	9%	9,474	9%
B	6,487	7%	6,897	7%
Other	423	0%	309	0%
Total fixed maturities	<u>\$ 97,587</u>	<u>100%</u>	<u>\$ 102,784</u>	<u>100%</u>
Cost/Amortized Cost				
Fixed maturities available for sale	\$ 80,783		\$ 82,580	
Fixed maturities held to maturity	12,025		12,581	
Short-term investments	3,582		4,291	
Subtotal fixed maturities	<u>96,390</u>		<u>99,452</u>	
Equity securities	2,068		812	
Other investments	6,075		6,062	
Total investment portfolio	<u>\$ 104,533</u>		<u>\$ 106,326</u>	
Avg. duration of fixed maturities	3.9		3.8	
	years		years	
Avg. market yield of fixed maturities	3.0%		2.7%	
Avg. credit quality	A/Aa		A/Aa	
Avg. yield on invested assets (1)	3.4%		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

Mortgage-backed securities

	S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Market Value at March 31, 2020						
Agency residential mortgage-backed (RMBS)	\$ 130	\$16,541	\$ —	\$ —	\$ —	\$16,671
Non-agency RMBS	167	38	72	11	9	297
Commercial mortgage-backed	2,887	263	128	6	—	3,284
Total mortgage-backed securities at market value	\$3,184	\$16,842	\$ 200	\$ 17	\$ 9	\$20,252

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

Market Value at March 31, 2020

	S&P Credit Rating					Total
	Investment Grade					
	AAA	AA	A	BBB		
Asset-backed	\$ 3,061	\$ 418	\$ 49	\$ 73		\$ 3,601
Banks	—	33	2,268	1,370		3,671
Basic Materials	—	—	25	250		275
Communications	—	112	479	1,097		1,688
Consumer, Cyclical	—	379	447	699		1,525
Consumer, Non-Cyclical	61	610	1,690	1,190		3,551
Diversified Financial Services	7	158	362	366		893
Energy	—	73	196	581		850
Industrial	—	14	666	777		1,457
Utilities	—	3	913	441		1,357
All Others	201	320	1,472	1,019		3,012
Total	\$ 3,330	\$2,120	\$8,567	\$ 7,863		\$21,880

Market Value at March 31, 2020

	S&P Credit Rating					Total
	Below Investment Grade					
	BB	B	CCC			
Asset-backed	\$ 2	\$ 17	\$ 5			\$ 24
Banks	—	—	—			—
Basic Materials	357	214	4			575
Communications	833	690	37			1,560
Consumer, Cyclical	957	804	44			1,805
Consumer, Non-Cyclical	1,255	1,252	93			2,600
Diversified Financial Services	174	180	7			361
Energy	575	253	10			838
Industrial	692	681	17			1,390
Utilities	305	26	9			340
All Others	847	724	46			1,617
Total	\$5,997	\$4,841	\$ 272			\$11,110

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

Non-U.S. Fixed Income Portfolio
March 31, 2020

Non-U.S. Government Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Republic of Korea	\$ —	\$ 1,040	\$ —	\$ —	\$ —	\$ 1,040
United Kingdom	—	854	—	—	—	854
Canada	808	—	—	—	—	808
Province of Ontario	—	9	621	—	—	630
Kingdom of Thailand	—	—	575	—	—	575
Federative Republic of Brazil	—	—	—	—	515	515
Province of Quebec	—	496	—	—	—	496
United Mexican States	—	—	—	427	—	427
Socialist Republic of Vietnam	—	—	—	—	371	371
Commonwealth of Australia	354	—	3	—	—	357
Other Non-U.S. Government Securities	860	1,443	974	746	773	4,796
Total	<u>\$2,022</u>	<u>\$3,842</u>	<u>\$2,173</u>	<u>\$1,173</u>	<u>\$ 1,659</u>	<u>\$10,869</u>

Non-U.S. Corporate Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
United Kingdom	\$ 74	\$ 113	\$ 711	\$ 880	\$ 391	\$ 2,169
Canada	103	258	394	517	393	1,665
France	8	38	712	308	44	1,110
United States (1)	—	2	191	251	579	1,023
Australia	102	178	297	143	18	738
Netherlands	45	76	259	138	104	622
Japan	—	46	472	83	—	601
Germany	62	35	108	275	37	517
Switzerland	50	4	219	207	30	510
China	—	—	270	82	59	411
Other Non-U.S. Corporate Securities	350	418	984	1,356	844	3,952
Total	<u>\$ 794</u>	<u>\$1,168</u>	<u>\$4,617</u>	<u>\$4,240</u>	<u>\$ 2,499</u>	<u>\$13,318</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>March 31, 2020</u>	<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 670	A-
2	Bank of America Corp	614	A-
3	JP Morgan Chase & Co	560	A-
4	Comcast Corp	452	A-
5	Morgan Stanley	417	BBB+
6	AT&T Inc	388	BBB
7	Verizon Communications Inc	387	BBB+
8	HSBC Holdings Plc	381	A
9	Citigroup Inc	378	BBB+
10	Goldman Sachs Group Inc	360	BBB+

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

	Three months ended March 31, 2020								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (1)	\$ (346)	\$ 40	\$ (306)	\$ (2,160)	\$ 284	\$ (1,876)	\$ (2,506)	\$ 324	\$ (2,182)
Public equity (1):									
Realized gains (losses) on sales	18	(3)	15	—	—	—	18	(3)	15
Mark-to-market	(5)	(8)	(13)	—	—	—	(5)	(8)	(13)
Private equity:									
Realized gains (losses) on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	(7)	(9)	(16)	—	—	—	(7)	(9)	(16)
Total investment portfolio	(340)	20	(320)	(2,160)	284	(1,876)	(2,500)	304	(2,196)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	(560)	—	(560)	—	—	—	(560)	—	(560)
Foreign exchange	(68)	(3)	(71)	(859)	34	(825)	(927)	31	(896)
Partially-owned entities (3)	5	—	5	—	—	—	5	—	5
Other (4)	—	—	—	(14)	3	(11)	(14)	3	(11)
Net gains (losses)	\$ (963)	\$ 17	\$ (946)	\$ (3,033)	\$ 321	\$ (2,712)	\$ (3,996)	\$ 338	\$ (3,658)

- (1) The quarter includes pre-tax realized gains on equity derivatives of \$42 million, realized losses on fixed income derivatives of \$27 million, realized losses related to the adoption of new accounting guidance that required the acceleration of certain mark-to-market losses on fixed maturities, previously classified as unrealized losses, as realized losses of \$150 million (\$129 million after-tax) and impairment related to certain securities the company intended to sell subsequent to quarter end of \$121 million (\$103 million after-tax).
- (2) The quarter includes \$125 million of gains on applicable hedges. These gains are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (4) Other unrealized gains (losses) are primarily related to the company's postretirement programs.

	Three months ended March 31, 2019								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (5)	\$ (151)	\$ 8	\$ (143)	\$ 1,889	\$ (330)	\$ 1,559	\$ 1,738	\$ (322)	\$ 1,416
Public equity:									
Realized gains (losses) on sales	(22)	5	(17)	—	—	—	(22)	5	(17)
Mark-to-market	57	(10)	47	—	—	—	57	(10)	47
Private equity:									
Realized gains (losses) on sales	(2)	—	(2)	—	—	—	(2)	—	(2)
Mark-to-market	(47)	5	(42)	—	—	—	(47)	5	(42)
Total investment portfolio	(165)	8	(157)	1,889	(330)	1,559	1,724	(322)	1,402
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (6)	51	—	51	—	—	—	51	—	51
Foreign exchange	13	(3)	10	147	(7)	140	160	(10)	150
Partially-owned entities (7)	1	—	1	—	—	—	1	—	1
Other (8)	—	—	—	(27)	6	(21)	(27)	6	(21)
Net gains (losses)	\$ (100)	\$ 5	\$ (95)	\$ 2,009	\$ (331)	\$ 1,678	\$ 1,909	\$ (326)	\$ 1,583

- (5) The quarter includes pre-tax realized losses on derivatives of: \$107 million in fixed income and \$23 million in public equity. Other-than-temporary impairments for the quarter in realized losses were \$13 million pre-tax for fixed maturities.
- (6) The quarter includes \$63 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (7) 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.
- (8) Other unrealized gains (losses) are primarily related to the company's postretirement programs.

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

	<u>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>	<u>December 31</u> <u>2018</u>
Financial Debt:			
Total short-term debt	\$ 1,300	\$ 1,299	\$ 509
Total long-term debt	<u>13,510</u>	<u>13,559</u>	<u>12,087</u>
Total financial debt	\$ 14,810	\$ 14,858	\$ 12,596
Hybrid debt:			
Total trust preferred securities	308	308	308
Total	<u>\$ 15,118</u>	<u>\$ 15,166</u>	<u>\$ 12,904</u>
Capitalization:			
Shareholders' equity	\$ 52,197	\$ 55,331	\$ 50,312
Hybrid debt	308	308	308
Financial debt	<u>14,810</u>	<u>14,858</u>	<u>12,596</u>
Total capitalization	<u>\$ 67,315</u>	<u>\$ 70,497</u>	<u>\$ 63,216</u>
Leverage ratios (based on total capital):			
Hybrid debt	0.5%	0.4%	0.5%
Financial debt	<u>22.0%</u>	<u>21.1%</u>	<u>19.9%</u>
Total hybrid & financial debt	22.5%	21.5%	20.4%

Note: As of March 31, 2020, there was \$0.7 billion usage of credit facilities on total capacity of \$3.1 billion. Subsequently in April 2020, our usage increased to \$1.8 billion.

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 March 31 2020	2019
Numerator		
Core operating income to common shares	\$ 1,220	\$ 1,170
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(27)	(41)
Tax benefit on amortization adjustment	5	8
Chubb integration expenses, pre-tax	—	(3)
Tax benefit on Chubb integration expenses	—	1
Adjusted net realized gains (losses), pre-tax	(963)	(100)
Tax (expense) benefit on adjusted net realized gains (losses)	17	5
Net income	<u>\$ 252</u>	<u>\$ 1,040</u>
Rollforward of Common Shares Outstanding		
Shares—beginning of period	451,971,567	459,203,378
Repurchase of shares	(2,266,150)	(2,753,754)
Shares issued, excluding option exercises	1,092,220	1,167,876
Issued for option exercises	570,145	561,705
Shares—end of period	<u>451,367,782</u>	<u>458,179,205</u>
Denominator		
Weighted average shares outstanding (1)	451,868,658	458,805,185
Effect of other dilutive securities	2,651,610	2,731,755
Adj. wtd. avg. shares outstanding and assumed conversions	<u>454,520,268</u>	<u>461,536,940</u>
Basic earnings per share		
Core operating income	\$ 2.70	\$ 2.55
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.05)	(0.07)
Chubb integration expenses, net of tax	—	(0.01)
Adjusted net realized gains (losses), net of tax	(2.09)	(0.20)
Net income	<u>\$ 0.56</u>	<u>\$ 2.27</u>
Diluted earnings per share		
Core operating income	\$ 2.68	\$ 2.54
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.05)	(0.07)
Chubb integration expenses, net of tax	—	(0.01)
Adjusted net realized gains (losses), net of tax	(2.08)	(0.21)
Net income	<u>\$ 0.55</u>	<u>\$ 2.25</u>

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

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

Reconciliation of Book Value per Common Share

	March 31 2020	December 31 2019	March 31 2019
Shareholders' equity	\$ 52,197	\$ 55,331	\$ 52,355
Less: goodwill and other intangible assets, net of tax	19,569	20,012	20,070
Numerator for tangible book value per share	<u>\$ 32,628</u>	<u>\$ 35,319</u>	<u>\$ 32,285</u>
Book value—% change over prior quarter	-5.7%	1.4%	4.1%
Tangible book value—% change over prior quarter	-7.6%	2.2%	6.7%
Denominator	451,367,782	451,971,567	458,179,205
Book value per common share	<u>\$ 115.64</u>	<u>\$ 122.42</u>	<u>\$ 114.27</u>
Tangible book value per common share	<u>\$ 72.29</u>	<u>\$ 78.14</u>	<u>\$ 70.46</u>

Reconciliation of Book Value

Shareholders' equity, beginning of quarter (1)	\$ 55,268	\$ 54,572	\$ 50,300
Core operating income	1,220	1,040	1,170
Amortization of fair value adjustment of acquired invested assets and long-term debt	(22)	(25)	(33)
Chubb integration expenses	—	(12)	(2)
Adjusted net realized gains (losses) (2)	(946)	170	(95)
Net unrealized gains (losses) on investments	(1,876)	(70)	1,559
Repurchase of shares	(326)	(310)	(367)
Dividend declared on common shares	(340)	(340)	(335)
Cumulative translation gains (losses)	(825)	177	140
Postretirement benefit liability	(11)	(9)	(21)
Other (3)	55	138	39
	<u>\$ 52,197</u>	<u>\$ 55,331</u>	<u>\$ 52,355</u>

- (1) January 1, 2020 included a \$63 million after-tax reduction to beginning equity related to the adoption of the current expected credit loss accounting guidance.
- (2) Includes net realized gains (losses) related to unconsolidated entities.
- (3) Other primarily includes proceeds from exercise of stock options and stock compensation, offset by the value of any share cancellations for restricted stock vesting taxes.

Chubb Limited
Non-GAAP Financial Measures
(Unaudited)

Regulation G—Non-GAAP Financial Measures

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

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

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

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

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

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets from the acquisition of The Chubb Corporation (Chubb Corp). 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 interest expense is interest expense excluding the amortization of the fair value adjustment on acquired long-term debt, related to the Chubb Corp acquisition due to the size and complexity of this acquisition.

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

P&C underwriting income and P&C combined ratio exclude the Life Insurance segment. P&C loss and loss expense ratio and P&C combined ratio include adjusted losses and loss expenses in the ratio numerator. P&C expense ratio and P&C combined ratio include policy acquisition costs and administrative expenses in the ratio numerator. A reconciliation of combined ratio to P&C combined ratio is provided on pages 29-30.

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

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

Global P&C performance metrics comprise consolidated operating results (including corporate) and exclude the operating results of the company's Life Insurance and North America Agricultural Insurance segments. We believe that these measures are useful and meaningful to investors as they are used by management to assess the company's global P&C operations which are the most economically similar. We exclude the North America Agricultural Insurance and Life Insurance segments because the results of these businesses do not always correlate with the results of our global P&C operations.

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

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

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

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

Net premiums written adjusted primarily for additional reinsurance is net premiums written in the company's North America Personal P&C Insurance segment, adjusted to exclude the favorable impact of \$3 million of additional reinsurance, reinstatement premiums, and accounting actions in Q1 2019. In addition to excluding additional reinsurance and the accounting actions, we exclude the impact of unearned premium reserve (UPR) transfer. We believe this measure is meaningful to evaluate trends in the underlying business on a comparable basis.

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating effective tax rate

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

	1Q-20	4Q-19	3Q-19	2Q-19	1Q-19	Full Year 2019
Tax expense, as reported	\$ 215	\$ 169	\$ 230	\$ 208	\$ 188	\$ 795
Less: tax benefit on amortization of fair value of acquired invested assets and debt	(5)	(4)	(8)	(6)	(8)	(26)
Less: tax benefit on Chubb integration expenses	—	(2)	—	(1)	(1)	(4)
Less: tax expense (benefit) on adjusted net realized gains (losses)	(17)	2	19	(1)	(5)	15
Tax expense, adjusted	<u>\$ 237</u>	<u>\$ 173</u>	<u>\$ 219</u>	<u>\$ 216</u>	<u>\$ 202</u>	<u>\$ 810</u>
Income before tax, as reported	\$ 467	\$ 1,342	\$ 1,321	\$ 1,358	\$ 1,228	\$ 5,249
Less: amortization of fair value of acquired invested assets and debt	(27)	(29)	(32)	(38)	(41)	(140)
Less: Chubb integration expenses	—	(14)	(2)	(4)	(3)	(23)
Less: adjusted realized gains (losses)	(956)	(55)	(141)	(230)	(96)	(522)
Less: realized gains (losses) related to unconsolidated entities	(7)	227	41	219	(4)	483
Core operating income before tax	<u>\$ 1,457</u>	<u>\$ 1,213</u>	<u>\$ 1,455</u>	<u>\$ 1,411</u>	<u>\$ 1,372</u>	<u>\$ 5,451</u>
Effective tax rate	46.0%	12.6%	17.4%	15.3%	15.3%	15.1%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
Adjustment for tax impact of Chubb integration expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjustment for tax impact of adjusted net realized gains (losses)	-29.7%	1.6%	-2.5%	-0.1%	-0.7%	-0.3%
Core operating effective tax rate	<u>16.3%</u>	<u>14.2%</u>	<u>15.1%</u>	<u>15.3%</u>	<u>14.7%</u>	<u>14.9%</u>

Core operating income

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

	1Q-20	4Q-19	3Q-19	2Q-19	1Q-19	Full Year 2019
Net income, as reported	\$ 252	\$ 1,173	\$ 1,091	\$ 1,150	\$ 1,040	\$ 4,454
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(27)	(29)	(32)	(38)	(41)	(140)
Tax benefit on amortization adjustment	5	4	8	6	8	26
Chubb integration expenses, pre-tax	—	(14)	(2)	(4)	(3)	(23)
Tax benefit on Chubb integration expenses	—	2	—	1	1	4
Adjusted realized gains (losses), pre-tax	(956)	(55)	(141)	(230)	(96)	(522)
Net realized gains (losses) related to unconsolidated entities, pre-tax ⁽¹⁾	(7)	227	41	219	(4)	483
Tax (expense) benefit on adjusted net realized gains (losses)	17	(2)	(19)	1	5	(15)
Core operating income	<u>\$ 1,220</u>	<u>\$ 1,040</u>	<u>\$ 1,236</u>	<u>\$ 1,195</u>	<u>\$ 1,170</u>	<u>\$ 4,641</u>
Catastrophe losses—after-tax	\$ 199	\$ 353	\$ 191	\$ 221	\$ 201	\$ 966
Favorable prior period development (PPD)—after-tax	\$ (94)	\$ (199)	\$ (112)	\$ (152)	\$ (161)	\$ (624)
Core operating income per share	\$ 2.68	\$ 2.28	\$ 2.70	\$ 2.60	\$ 2.54	\$ 10.11
Impact of Cats on Core operating income per share—Unfavorable	\$ (0.44)	\$ (0.77)	\$ (0.41)	\$ (0.48)	\$ (0.43)	\$ (2.11)
Impact of PPD on Core operating income per share—Favorable	\$ 0.21	\$ 0.43	\$ 0.24	\$ 0.33	\$ 0.35	\$ 1.36
Impact of Cats and PPD on Core operating income per share—Unfavorable	\$ (0.23)	\$ (0.34)	\$ (0.17)	\$ (0.15)	\$ (0.08)	\$ (0.75)

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

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

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

	1Q-20	1Q-19	Full Year 2019
Net income	\$ 252	\$ 1,040	\$ 4,454
Core operating income	\$ 1,220	\$ 1,170	\$ 4,641
Equity—beginning of period, as reported (1)	\$ 55,268	\$ 50,300	\$ 50,300
Less: unrealized gains (losses) on investments, net of deferred tax	2,543	(545)	(545)
Equity—beginning of period, as adjusted	\$ 52,725	\$ 50,845	\$ 50,845
Less: goodwill and other intangible assets, net of tax	\$ 20,012	\$ 20,054	\$ 20,054
Equity—beginning of period, as adjusted ex goodwill and other intangible assets	\$ 32,713	\$ 30,791	\$ 30,791
Equity—end of period, as reported	\$ 52,197	\$ 52,355	\$ 55,331
Less: unrealized gains (losses) on investments, net of deferred tax	667	1,014	2,543
Equity—end of period, as adjusted	\$ 51,530	\$ 51,341	\$ 52,788
Less: goodwill and other intangible assets, net of tax	19,569	20,070	20,012
Equity—end of period, as adjusted ex goodwill and other intangible assets	\$ 31,961	\$ 31,271	\$ 32,776
Weighted average equity, as reported	\$ 53,733	\$ 51,328	\$ 52,816
Weighted average equity, as adjusted	\$ 52,128	\$ 51,093	\$ 51,817
Weighted average equity, as adjusted ex goodwill and other intangible assets	\$ 32,337	\$ 31,031	\$ 31,784
ROE	1.9%	8.1%	8.4%
Core operating ROE	9.4%	9.2%	9.0%
Core operating ROTe	15.1%	15.1%	14.6%
Private equities realized gains (losses), after-tax (2)	\$ (16)	\$ (44)	\$ 434
Impact of Private equities if included in Core operating ROE—Favorable (unfavorable) (2)	-0.1 pt	-0.4 pt	0.8 pt

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

	March 31 2020	December 31 2019	% Change
Book value	\$ 52,197	\$ 55,331	
Less: unrealized gains (losses) on investments, net of deferred tax	667	2,543	
Book value excluding mark-to-market	51,530	52,788	
Less: goodwill and other intangible assets, net of tax	19,569	20,012	
Tangible book value excluding mark-to-market	\$ 31,961	\$ 32,776	
Denominator	451,367,782	451,971,567	
Book value per share excluding mark-to-market	\$ 114.16	\$ 116.80	-2.3%
Tangible book value per share excluding mark-to-market	\$ 70.81	\$ 72.52	-2.4%

- (1) January 1, 2020 included a \$63 million after-tax reduction to beginning equity related to the adoption of the current expected credit loss accounting guidance.
- (2) We record the change in the fair value mark and gains (losses) on sales of private equity funds as realized gains (losses) instead of investment income.

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio

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

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

Q1 2020	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator							
Losses and loss expenses							
Losses and loss expenses	\$ 2,181	\$ 683	\$ 63	\$ 1,258	\$ 87	\$ 11	\$ 4,283
Realized (gains) losses on crop derivatives	—	—	2	—	—	—	2
Adjusted losses and loss expenses	A \$ 2,181	\$ 683	\$ 65	\$ 1,258	\$ 87	\$ 11	\$ 4,285
Catastrophe losses and related adjustments							
Catastrophe losses, net of related adjustments	(118)	(21)	(8)	(90)	—	—	(237)
Reinstatement premiums collected (expensed) on catastrophe losses	—	—	—	—	—	—	—
Catastrophe losses, gross of related adjustments	(118)	(21)	(8)	(90)	—	—	(237)
PPD and related adjustments							
PPD, net of related adjustments—favorable (unfavorable)	105	(1)	14	4	7	(11)	118
Net premiums earned adjustments on PPD—unfavorable (favorable)	—	—	3	—	—	—	3
Expense adjustments—unfavorable (favorable)	(1)	—	—	—	—	—	(1)
PPD, gross of related adjustments—favorable (unfavorable)	104	(1)	17	4	7	(11)	120
CAY loss and loss expense ex Cats	B \$ 2,167	\$ 661	\$ 74	\$ 1,172	\$ 94	\$ —	\$ 4,168
Policy acquisition costs and administrative expenses							
Policy acquisition costs and administrative expenses	C \$ 751	\$ 313	\$ 15	\$ 900	\$ 55	\$ 66	\$ 2,100
Expense adjustments—favorable (unfavorable)	1	—	—	—	—	—	1
Policy acquisition costs and administrative expenses, adjusted	D \$ 752	\$ 313	\$ 15	\$ 900	\$ 55	\$ 66	\$ 2,101
Denominator							
Net premiums earned	E \$ 3,376	\$ 1,200	\$ 94	\$ 2,307	\$ 186		\$ 7,163
Net premiums earned adjustments on PPD—unfavorable (favorable)	—	—	3	—	—		3
Net premiums earned excluding adjustments	F \$ 3,376	\$ 1,200	\$ 97	\$ 2,307	\$ 186		\$ 7,166
P&C combined ratio							
Loss and loss expense ratio	A/E 64.6%	57.0%	69.6%	54.5%	46.5%		59.8%
Policy acquisition cost and administrative expense ratio	C/E 22.2%	26.0%	15.2%	39.0%	29.6%		29.3%
P&C combined ratio	86.8%	83.0%	84.8%	93.5%	76.1%		89.1%
CAY P&C combined ratio ex Cats							
Loss and loss expense ratio, adjusted	B/F 64.2%	55.1%	76.2%	50.8%	50.4%		58.2%
Policy acquisition cost and administrative expense ratio, adjusted	D/F 22.3%	26.1%	14.7%	39.0%	29.6%		29.3%
CAY P&C combined ratio ex Cats	86.5%	81.2%	90.9%	89.8%	80.0%		87.5%
Combined ratio							
Combined ratio							89.1%

Add: impact of gains and losses on crop
derivatives

0.0%

P&C combined ratio

89.1%

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

Reconciliation Non-GAAP 4

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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)

Q1 2019		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 1,973	\$ 757	\$ (27)	\$ 1,106	\$ 76	\$ 11	\$ 3,896
Realized (gains) losses on crop derivatives		—	—	1	—	—	—	1
Adjusted losses and loss expenses	A	<u>\$ 1,973</u>	<u>\$ 757</u>	<u>\$ (26)</u>	<u>\$ 1,106</u>	<u>\$ 76</u>	<u>\$ 11</u>	<u>\$ 3,897</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(94)	(129)	(2)	(25)	—	—	(250)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	—	—	—
Catastrophe losses, gross of related adjustments		<u>(94)</u>	<u>(129)</u>	<u>(2)</u>	<u>(25)</u>	<u>—</u>	<u>—</u>	<u>(250)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		131	10	61	4	8	(10)	204
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	32	—	—	—	34
Expense adjustments—unfavorable (favorable)		(4)	—	(3)	—	—	—	(7)
PPD reinstatement premiums—unfavorable (favorable)		—	(3)	—	—	—	—	(3)
PPD, gross of related adjustments—favorable (unfavorable)		<u>129</u>	<u>7</u>	<u>90</u>	<u>4</u>	<u>8</u>	<u>(10)</u>	<u>228</u>
CAY loss and loss expense ex Cats	B	<u>\$ 2,008</u>	<u>\$ 635</u>	<u>\$ 62</u>	<u>\$ 1,085</u>	<u>\$ 84</u>	<u>\$ 1</u>	<u>\$ 3,875</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 699	\$ 299	\$ 8	\$ 845	\$ 53	\$ 63	\$ 1,967
Expense adjustments—favorable (unfavorable)		4	—	3	—	—	—	7
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 703</u>	<u>\$ 299</u>	<u>\$ 11</u>	<u>\$ 845</u>	<u>\$ 53</u>	<u>\$ 63</u>	<u>\$ 1,974</u>
Denominator								
Net premiums earned	E	\$ 3,085	\$ 1,154	\$ 55	\$ 2,114	\$ 168		\$ 6,576
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	32	—	—		34
PPD reinstatement premiums—unfavorable (favorable)		—	(3)	—	—	—		(3)
Net premiums earned excluding adjustments	F	<u>\$ 3,087</u>	<u>\$ 1,151</u>	<u>\$ 87</u>	<u>\$ 2,114</u>	<u>\$ 168</u>		<u>\$ 6,607</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	63.9%	65.5%	-48.3%	52.3%	45.7%		59.3%
Policy acquisition cost and administrative expense ratio	C/E	22.7%	26.0%	14.7%	40.0%	31.1%		29.9%
P&C combined ratio		<u>86.6%</u>	<u>91.5%</u>	<u>-33.6%</u>	<u>92.3%</u>	<u>76.8%</u>		<u>89.2%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.0%	55.1%	71.1%	51.3%	50.5%		58.6%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	22.8%	26.0%	12.8%	40.0%	31.0%		29.9%
CAY P&C combined ratio ex Cats		<u>87.8%</u>	<u>81.1%</u>	<u>83.9%</u>	<u>91.3%</u>	<u>81.5%</u>		<u>88.5%</u>
Combined ratio								
Combined ratio								89.2%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>89.2%</u>

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

Chubb Limited
Glossary

Chubb Limited Consolidated comprises all segments including Corporate.

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

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

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

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

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

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

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

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

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

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

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

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

NM: Not meaningful.