
**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) – July 24, 2018

Chubb Limited

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of Incorporation)

1-11778
(Commission
File Number)

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

**Baerengasse 32
CH-8001 Zurich, Switzerland
Telephone: +41 (0)43 456 76 00**
(Address of principal executive offices)

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

On July 24, 2018, Chubb Limited issued a Press Release reporting its second quarter 2018 results and the availability of its second quarter 2018 Financial Supplement. The Press Release and the Financial Supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are hereby incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, Dated July 24, 2018, Reporting Second Quarter 2018 Results
99.2	Second Quarter 2018 Financial Supplement

SIGNATURES

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

Chubb Limited

By: /s/ Philip V. Bancroft

Philip V. Bancroft

Executive Vice President and Chief Financial Officer

DATE: July 24, 2018



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News Release

Chubb Reports Second Quarter Net Income Per Share of \$2.76; Core Operating Income Per Share of \$2.68, up 7.2%; Net Premiums Written of \$8.0 Billion, Up 5.7%; Annualized ROE and Core Operating ROE of 10.1% and 9.8%, Respectively

- Net income and core operating income were both \$1.3 billion.
- P&C net premiums written increased 5.6% to \$7.5 billion and Global P&C net premiums written, which excludes Agriculture, increased 6.1% to \$7.1 billion.
- P&C combined ratio was 88.4% compared with 88.0% prior year. P&C current accident year combined ratio excluding catastrophe losses was 88.1% compared with 87.5% prior year. P&C underwriting income was \$824 million, up 2.1%.
- Adjusted net investment income was \$890 million, pre-tax, up 4.0%.
- Operating cash flow was \$1.6 billion.

ZURICH – July 24, 2018 – Chubb Limited (NYSE: CB) today reported net income for the quarter ended June 30, 2018 of \$1,294 million, or \$2.76 per share, compared with \$1,305 million, or \$2.77 per share, for the same quarter last year. Core operating income was \$1,253 million, or \$2.68 per share, compared with \$1,180 million, or \$2.50 per share, for the same quarter last year. The property and casualty (P&C) combined ratio was 88.4%. Book value per share decreased 0.1% and tangible book value per share increased 0.5% from March 31, 2018 and now stand at \$109.97 and \$66.00, respectively. Book value and tangible book value per share growth were unfavorably impacted by realized and unrealized losses of \$407 million after-tax in the company's investment portfolio, driven by rising interest rates. In addition, foreign currency movement (FX) unfavorably impacted book value by \$457 million after-tax and tangible book value by \$200 million after-tax.

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

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income	\$1,294	\$1,305	(0.8)%	\$2.76	\$2.77	(0.4)%
Chubb integration expenses, net of tax	10	50	(80.0)%	0.02	0.10	(80.0)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	41	52	(21.2)%	0.09	0.11	(18.2)%
Adjusted net realized (gains) losses, net of tax	(92)	(227)	(59.5)%	(0.19)	(0.48)	(60.4)%
Core operating income, net of tax	\$1,253	\$1,180	6.2%	\$2.68	\$2.50	7.2%

For the three months ended June 30, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(3) million and \$(22) million, respectively, for Chubb integration expenses; \$(11) million and \$(20) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$14 million and \$19 million, respectively, for adjusted net realized gains and losses; and \$218 million and \$223 million, respectively, for core operating income.

For the six months ended June 30, 2018, net income was \$2,376 million, or \$5.07 per share, compared with \$2,398 million, or \$5.08 per share, for 2017. Core operating income was \$2,350 million, or \$5.01 per share, compared with \$2,355 million, or \$4.99 per share, for 2017. The P&C combined ratio was 89.2% for the six months ended June 30, 2018. Book value per share decreased 0.3% and tangible book value per share increased 0.2% from December 31, 2017. Book value and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$1,345 million after-tax in the company's investment portfolio. In addition, FX unfavorably impacted book value by \$147 million after-tax and tangible book value by \$64 million after-tax.

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

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income	\$2,376	\$2,398	(0.9)%	\$5.07	\$5.08	(0.2)%
Chubb integration expenses, net of tax	18	124	(85.5)%	0.04	0.26	(84.6)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	91	107	(15.0)%	0.19	0.23	(17.4)%
Adjusted net realized (gains) losses, net of tax	(135)	(274)	(50.7)%	(0.29)	(0.58)	(50.0)%
Core operating income, net of tax	<u>\$2,350</u>	<u>\$2,355</u>	<u>(0.2)%</u>	<u>\$5.01</u>	<u>\$4.99</u>	<u>0.4%</u>

For the six months ended June 30, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(5) million and \$(59) million, respectively, for Chubb integration expenses; \$(20) million and \$(44) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$11 million and \$17 million, respectively, for adjusted net realized gains and losses; and \$367 million and \$414 million, respectively, for core operating income.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “Chubb’s second quarter after-tax core operating income per share was up over 7% from prior year, driven by excellent underwriting and investment results. Our 88.4% P&C combined ratio benefited from current accident year results and positive prior year reserve releases, while adjusted net investment income was up 4%.

“P&C net premiums written increased 5.6% in the quarter, with strong performances in many of our businesses globally such as our U.S. commercial and personal lines divisions and our Asia and Latin America P&C operations, both of which generated double-digit growth. We are benefiting from contributions that are only possible because of the scale and capabilities created by today’s Chubb. This includes a number of growth initiatives, by example, in our North American and international middle market and small commercial divisions, and the level of investment we are making in our digital efforts to improve our competitive profile.

“We are taking advantage of market conditions that continue to improve in the U.S. and some territories outside the U.S. with commercial P&C price increases this quarter in those locations the best we’ve seen in some time. We wrote more new business while renewing our customers at record retention levels. In sum, our organization is running on all cylinders and we’re optimistic about our ability to continue to perform at a high level.”

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

Chubb Limited

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

	Q2 2018	Q2 2017	Change
P&C			
Net premiums written (including favorable FX of 1.5 pts)	\$ 7,450	\$ 7,058	5.6%
Net premiums written – excluding merger-related actions			6.2%
Underwriting income	\$ 824	\$ 808	2.1%
Combined ratio	88.4%	88.0%	
Current accident year underwriting income excluding catastrophe losses	\$ 844	\$ 838	0.8%
Current accident year combined ratio excluding catastrophe losses	88.1%	87.5%	

Global P&C (excludes Agriculture)

Net premiums written (including favorable FX of 1.5 pts)	\$ 7,062	\$ 6,655	6.1%
Net premiums written – excluding merger-related actions			6.8%
Underwriting income	\$ 781	\$ 785	(0.4)%
Combined ratio	88.4%	87.7%	
Current accident year underwriting income excluding catastrophe losses	\$ 799	\$ 807	(0.9)%
Current accident year combined ratio excluding catastrophe losses	88.2%	87.4%	

- The year-over-year increase in certain large structured transactions adversely impacted the P&C combined ratio by 0.3 percentage point, comprising a 1.0 percentage point increase in the loss ratio and a 0.7 percentage point decrease in the expense ratio.
- Net premiums earned increased 5.9%.
- Total pre-tax and after-tax catastrophe losses were \$211 million (3.0 percentage points of the combined ratio) and \$173 million, respectively, compared with \$200 million (3.0 percentage points of the combined ratio) and \$152 million, respectively, last year.
- Total pre-tax and after-tax favorable prior period development were \$191 million (2.7 percentage points of the combined ratio) and \$158 million, respectively, compared with \$170 million (2.5 percentage points of the combined ratio) and \$144 million, respectively, last year.
- Adjusted net investment income was \$890 million, up 4.0%, which was just above the guidance range due to higher-than-projected private equity distributions.
- Operating cash flow was \$1.6 billion.
- Share repurchases totaled \$324 million, or approximately 2.4 million shares, during the quarter.
- Net loss reserves increased \$194 million adjusted for FX.

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

Chubb Limited

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

	Q2 2018	Q2 2017	Change
<u>Total North America P&C Insurance</u>			
Net premiums written	\$ 5,054	\$ 4,861	4.0%
Net premiums written – excluding merger-related actions			4.9%
Combined ratio	86.0%	86.9%	
Current accident year combined ratio excluding catastrophe losses	85.4%	84.9%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written	\$ 3,331	\$ 3,203	4.0%
Net premiums written – excluding merger-related actions			5.4%
Net premiums written – Major accounts retail and excess and surplus (E&S) wholesale			3.8%
Net premiums written – Middle market and small commercial			4.4%
Combined ratio	85.0%	85.2%	
Current accident year combined ratio excluding catastrophe losses	87.4%	86.1%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 1,335	\$ 1,255	6.4%
Combined ratio	88.6%	89.6%	
Current accident year combined ratio excluding catastrophe losses	79.3%	79.3%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 388	\$ 403	(3.7)%
Combined ratio	87.9%	93.3%	
Current accident year combined ratio excluding catastrophe losses	87.2%	91.1%	
<u>Overseas General Insurance</u>			
Net premiums written (including favorable FX of 4.5 pts)	\$ 2,199	\$ 2,007	9.6%
Combined ratio	88.9%	87.3%	
Current accident year combined ratio excluding catastrophe losses	91.0%	91.2%	

- North America Commercial P&C Insurance: Net premiums written in the middle market and small commercial divisions increased 4.4%. This growth reflects a 5.7% increase in P&C lines and an increase of 1.6% in financial lines. Net premiums written in the small commercial division increased 26.5%.
- Global Reinsurance: Net premiums written increased 3.8%, or 1.5% in constant dollars. The combined ratio was 79.3%, compared with 60.2%. The current accident year combined ratio excluding catastrophe losses was 83.5%, compared with 77.0%, reflecting a shift in the mix of business from property catastrophe business towards casualty business, which generally has a higher loss ratio.
- Life Insurance: Segment income was \$77 million, up 51.2%, which included International life insurance income of \$25 million, up \$16 million, or 168.2%. International life insurance net premiums written and deposits collected increased 18.7%, or 16.0% in constant dollars. Combined Insurance North America segment income was \$37 million, up 9.2%, and net premiums written increased 6.9%.

Please refer to the Chubb Limited [Financial Supplement](#), dated June 30, 2018, which is posted on the company's investor relations website, investors.chubb.com, in the Financials section for more detailed information on individual segment performance, together with additional disclosure on reinsurance recoverable, loss reserves, investment portfolio, and debt and capital.

Chubb Limited will hold its second quarter earnings conference call on Wednesday, July 25, 2018, beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 888-204-4368 (within the United States) or 323-994-2082 (international), passcode 9463834. Please refer to the Chubb investor relations website under Events and Presentations for details. A replay of the call will be available until Wednesday, August 8, 2018, and the archived webcast will be available for approximately one month. To listen to the replay, please [click here](#) to register and receive dial-in numbers.

About Chubb

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide. Additional information can be found at: www.chubb.com.

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

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Regulation G - Non-GAAP Financial Measures

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets, which was \$62 million in Q2 2018. Refer to page 3 in the Financial Supplement for the fair value adjustment in other periods. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

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

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

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

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

Core operating income, net of tax excludes adjusted realized gains and losses, Chubb integration expenses, and the amortization of the fair value adjustments of acquired debt and invested assets related to the Chubb Corp acquisition. We believe this presentation enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business. We exclude adjusted net realized gains (losses) because the amount of these gains (losses) is heavily influenced by the availability of market opportunities. We also exclude Chubb integration expenses

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

P&C combined ratio is the sum of the loss and loss expense ratio, acquisition cost ratio and the administrative expense ratio excluding the life business and including the realized gains and losses on the crop derivatives. These derivatives were purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing will impact underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations.

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

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

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

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

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

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

disclose per share measures for book value and tangible book value that exclude the impact of foreign currency fluctuations in order to adjust for the distortive effects of fluctuations in exchange rates.

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

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

See reconciliation of Non-GAAP Financial Measures on pages 31-37 in the Financial Supplement. These measures should not be viewed as a substitute for measures determined in accordance with GAAP, including premium, net income, return on equity, net investment income, and effective tax rate.

NM - not meaningful comparison

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Cautionary Statement Regarding Forward-Looking Statements:

Forward-looking statements made in this press release, such as those related to company performance, including 2018 performance and growth opportunities, pricing, taxes, economic and market conditions, and our expectations and intentions and other statements that are not historical facts reflect our current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that could cause actual results to differ materially, including without limitation, the following: competition, pricing and policy term trends, the levels of new and renewal business achieved, the frequency and severity of unpredictable catastrophic events, actual loss experience, uncertainties in the reserving or settlement process, integration activities and performance of acquired companies, loss of key employees or disruptions to our operations, new theories of liability, judicial, legislative, regulatory and other governmental developments, litigation tactics and developments, investigation developments and actual settlement terms, the amount and timing of reinsurance recoverable, credit developments among reinsurers, rating agency action, possible terrorism or the outbreak and effects of war, economic, political, regulatory, insurance and reinsurance business conditions, potential strategic opportunities including acquisitions and our ability to achieve and integrate them, as well as management's response to these factors, and other factors identified in our filings with the Securities and Exchange Commission (SEC).

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

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

	June 30 2018	December 31 2017
Assets		
Investments	\$ 101,186	\$ 102,444
Cash	1,000	728
Insurance and reinsurance balances receivable	10,341	9,334
Reinsurance recoverable on losses and loss expenses	14,792	15,034
Goodwill and other intangible assets	21,759	22,054
Other assets	18,456	17,428
Total assets	<u>\$ 167,534</u>	<u>\$ 167,022</u>
Liabilities		
Unpaid losses and loss expenses	\$ 62,778	\$ 63,179
Unearned premiums	15,748	15,216
Other liabilities	38,037	37,455
Total liabilities	<u>\$ 116,563</u>	<u>\$ 115,850</u>
Shareholders' equity		
Total shareholders' equity	50,971	51,172
Total liabilities and shareholders' equity	<u>\$ 167,534</u>	<u>\$ 167,022</u>
Book value per common share	\$ 109.97	\$ 110.32
Tangible book value per common share	\$ 66.00	\$ 65.87
Book value per common share excluding cumulative translation losses (1)	\$ 112.95	\$ 112.88
Tangible book value per common share excluding cumulative translation losses (1)	\$ 68.21	\$ 67.84

(1) Cumulative translation losses were \$1.4 billion in 2018 (\$1.0 billion on tangible and \$356 million on intangible net assets) and \$1.2 billion in 2017 (\$914 million on tangible and \$273 million on intangible net assets).

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

	Three Months Ended June 30		Six Months Ended June 30	
	2018	2017	2018	2017
Gross premiums written	\$ 9,929	\$ 9,305	\$18,662	\$17,706
Net premiums written	8,015	7,581	15,119	14,291
Net premiums earned	7,664	7,237	14,691	14,009
Losses and loss expenses	4,487	4,146	8,589	7,935
Policy benefits	150	163	301	331
Policy acquisition costs	1,464	1,449	2,928	2,846
Administrative expenses	747	706	1,439	1,382
Net investment income	828	770	1,634	1,515
Net realized gains (losses)	18	101	16	94
Interest expense	167	147	324	301
Other income (expense):				
Gains (losses) from separate account assets	(10)	16	(4)	46
Other	125	129	166	169
Amortization of purchased intangibles	85	65	170	129
Chubb integration expenses	13	72	23	183
Income tax expense	218	200	353	328
Net income	<u>\$ 1,294</u>	<u>\$ 1,305</u>	<u>\$ 2,376</u>	<u>\$ 2,398</u>
Diluted earnings per share:				
Net income	\$ 2.76	\$ 2.77	\$ 5.07	\$ 5.08
Core operating income	\$ 2.68	\$ 2.50	\$ 5.01	\$ 4.99
Weighted average diluted shares outstanding	468.4	471.9	469.0	472.1
P&C combined ratio				
Loss and loss expense ratio	60.4%	59.0%	60.2%	58.2%
Policy acquisition cost ratio	18.6%	19.6%	19.6%	20.0%
Administrative expense ratio	9.4%	9.4%	9.4%	9.6%
P&C combined ratio	<u>88.4%</u>	<u>88.0%</u>	<u>89.2%</u>	<u>87.8%</u>
P&C underwriting income	\$ 824	\$ 808	\$ 1,466	\$ 1,591

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

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2018	2017	2018	2017
Gross Premiums Written				
North America Commercial P&C Insurance	\$ 4,322	\$ 4,077	\$ 8,000	\$ 7,730
North America Personal P&C Insurance	1,489	1,409	2,670	2,554
North America Agricultural Insurance	543	569	748	736
Overseas General Insurance	2,743	2,465	5,615	5,139
Global Reinsurance	233	228	438	440
Life Insurance (1)	991	873	1,962	1,733
<i>Total</i>	<u>\$ 10,321</u>	<u>\$ 9,621</u>	<u>\$ 19,433</u>	<u>\$ 18,332</u>
Net Premiums Written				
North America Commercial P&C Insurance	\$ 3,331	\$ 3,203	\$ 6,143	\$ 5,933
North America Personal P&C Insurance	1,335	1,255	2,383	2,239
North America Agricultural Insurance	388	403	496	464
Overseas General Insurance	2,199	2,007	4,583	4,219
Global Reinsurance	197	190	390	389
Life Insurance (1)	957	839	1,895	1,673
<i>Total</i>	<u>\$ 8,407</u>	<u>\$ 7,897</u>	<u>\$ 15,890</u>	<u>\$ 14,917</u>
Net Premiums Earned				
North America Commercial P&C Insurance	\$ 3,277	\$ 3,099	\$ 6,306	\$ 6,140
North America Personal P&C Insurance	1,156	1,093	2,296	2,179
North America Agricultural Insurance	351	344	394	358
Overseas General Insurance	2,161	2,018	4,268	3,954
Global Reinsurance	167	168	335	357
Life Insurance	552	515	1,092	1,021
<i>Total</i>	<u>\$ 7,664</u>	<u>\$ 7,237</u>	<u>\$ 14,691</u>	<u>\$ 14,009</u>
Segment income (loss)				
North America Commercial P&C Insurance	\$ 1,015	\$ 952	\$ 1,942	\$ 1,889
North America Personal P&C Insurance	187	164	195	386
North America Agricultural Insurance	41	21	143	113
Overseas General Insurance	396	396	732	625
Global Reinsurance	106	131	228	227
Life Insurance	77	52	141	114
Corporate	(174)	(153)	(318)	(259)
<i>Total</i>	<u>\$ 1,648</u>	<u>\$ 1,563</u>	<u>\$ 3,063</u>	<u>\$ 3,095</u>

(1) Life Insurance gross and net premiums written includes deposits collected on universal life and investment contracts in 2018 (Q2 \$392 million, YTD \$771 million) and 2017 (Q2 \$316 million, YTD \$626 million).



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

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

Cautionary Statement Regarding Forward-Looking Statements

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

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

Chubb Limited
Financial Supplement Table of Contents

	<u>Page</u>
I. <u>Financial Highlights</u>	
- Consolidated Financial Highlights	1 - 2
II. <u>Consolidated Results</u>	
- Consolidated Statement of Operations	3
- P&C Results—Consecutive Quarters	4
- Summary Consolidated Balance Sheets	5
- Line of Business	6
- Consolidated Results by Segment	7 - 10
III. <u>Global P&C Results</u>	
- Global P&C Underwriting Results—Consecutive Quarters	11
IV. <u>Segment Results</u>	
- North America Commercial P&C Insurance	12
- North America Personal P&C Insurance	13
- North America Agricultural Insurance	14
- Overseas General Insurance	15 - 16
- Global Reinsurance	17
- Life Insurance	18
- Corporate	19
V. <u>Balance Sheet Details</u>	
- Loss Reserve Rollforward	20
- Reinsurance Recoverable Analysis	21
- Investment Portfolio	22 - 25
- Net Realized and Unrealized Gains (Losses)	26 - 27
- Debt and Capital	28
- Computation of Basic and Diluted Earnings Per Share	29
- Book Value and Book Value per Common Share	30
VI. <u>Other Disclosures</u>	
- Non-GAAP Financial Measures	31 - 37
- Glossary	38

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

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

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

	Three months ended June 30		% Change	% Change ex	Constant \$	Constant \$	CS % Change ex
	2018	2017	2Q-18 vs. 2Q-17	Merger Actions (1) 2Q-18 vs. 2Q-17	2017	% Change 2Q-18 vs. 2Q-17	Merger Actions (1) 2Q-18 vs. 2Q-17
Gross premiums written	\$ 9,929	\$ 9,305	6.7%		\$ 9,414	5.5%	
Net premiums written	\$ 8,015	\$ 7,581	5.7%		\$ 7,688	4.3%	
P&C net premiums written	\$ 7,450	\$ 7,058	5.6%	6.2%	\$ 7,158	4.1%	4.7%
Global P&C net premiums written	\$ 7,062	\$ 6,655	6.1%	6.8%	\$ 6,755	4.6%	5.2%
Net premiums earned	\$ 7,664	\$ 7,237	5.9%		\$ 7,358	4.2%	
Net investment income	\$ 828	\$ 770	7.4%		\$ 775	6.9%	
Adjusted net investment income	\$ 890	\$ 855	4.0%		\$ 860	3.5%	
Core operating income	\$ 1,253	\$ 1,180	6.2%		\$ 1,200	4.5%	
Net income	\$ 1,294	\$ 1,305	-0.8%				
Operating cash flow	\$ 1,646	\$ 627					
P&C combined ratio (2)							
Loss and loss expense ratio	60.4%	59.0%					
Underwriting and administrative expense ratio	28.0%	29.0%					
Combined ratio	88.4%	88.0%					
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats) (2)							
CAY loss and loss expense ratio ex Cats	60.0%	58.6%					
CAY underwriting and administrative expense ratio ex Cats	28.1%	28.9%					
CAY combined ratio ex Cats	88.1%	87.5%					
ROE	10.1%	10.5%					
Core operating return on equity (ROE)	9.8%	9.8%					
Effective tax rate	14.4%	13.3%					
Core operating effective tax rate	14.8%	16.0%					
Diluted earnings per share							
Net income	\$ 2.76	\$ 2.77	-0.4%				
Core operating income	\$ 2.68	\$ 2.50	7.2%				
Weighted average basic common shares outstanding	465.3	468.0					
Weighted average diluted common shares outstanding	468.4	471.9					

- (1) Consolidated net premiums written were adversely impacted by merger-related actions of \$46 million in Q2 2018, of which \$45 million impacted P&C net premiums written.
- (2) The increase in combined ratio includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.3% comprising a 1.0% increase in the loss ratio and a 0.7% decrease in the expense ratio.

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

	Six months ended June 30		% Change	% Change ex	Constant \$	Constant \$	CS % Change ex
	2018	2017	YTD-18 vs	Merger Actions (1) YTD-18 vs	2017	YTD-18 vs	Merger Actions (1) YTD-18 vs
			YTD-17	YTD-17		YTD-17	YTD-17
Gross premiums written	\$ 18,662	\$ 17,706	5.4%		\$ 17,998	3.7%	
Net premiums written	\$ 15,119	\$ 14,291	5.8%		\$ 14,553	3.9%	
P&C net premiums written	\$ 13,995	\$ 13,244	5.7%	6.4%	\$ 13,490	3.7%	4.4%
Global P&C net premiums written	\$ 13,499	\$ 12,780	5.6%	6.4%	\$ 13,026	3.6%	4.3%
Net premiums earned	\$ 14,691	\$ 14,009	4.9%		\$ 14,256	3.1%	
Net investment income	\$ 1,634	\$ 1,515	7.8%		\$ 1,525	7.2%	
Adjusted net investment income	\$ 1,767	\$ 1,691	4.5%		\$ 1,701	3.9%	
Core operating income	\$ 2,350	\$ 2,355	-0.2%		\$ 2,390	-1.6%	
Net income	\$ 2,376	\$ 2,398	-0.9%				
Operating cash flow	\$ 2,197	\$ 1,640					
P&C combined ratio (2)							
Loss and loss expense ratio	60.2%	58.2%					
Underwriting and administrative expense ratio	29.0%	29.6%					
Combined ratio	89.2%	87.8%					
P&C Current Accident Year (CAY) combined ratio—ex Catastrophe losses (Cats) (3)							
CAY loss and loss expense ratio ex Cats	58.9%	58.4%					
CAY underwriting and administrative expense ratio ex Cats	28.9%	29.4%					
CAY combined ratio ex Cats	87.8%	87.8%					
ROE	9.3%	9.7%					
Core operating return on equity (ROE)	9.3%	9.8%					
Effective tax rate	12.9%	12.0%					
Core operating effective tax rate	13.5%	15.0%					
Diluted earnings per share							
Net income	\$ 5.07	\$ 5.08	-0.2%				
Core operating income	\$ 5.01	\$ 4.99	0.4%				
Weighted average basic common shares outstanding	465.5	468.2					
Weighted average diluted common shares outstanding	469.0	472.1					
				December 31	% Change		
				2017	2Q-18 vs		
					4Q-17		
Book value per common share	\$ 109.97			\$ 110.32	-0.3%		
Book value per common share excluding foreign currency (4)	\$ 110.29			\$ 110.32	0.0%		
Tangible book value per common share	\$ 66.00			\$ 65.87	0.2%		
Tangible book value per common share excluding foreign currency (4)	\$ 66.14			\$ 65.87	0.4%		
Total hybrid & financial debt/capitalization	20.5%	20.4%		20.1%			

- (1) Consolidated net premiums written were adversely impacted by merger-related actions of \$96 million for YTD 2018, of which \$93 million impacted P&C net premiums written.
- (2) The increase in combined ratio includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.1% comprising a 0.5% increase in the loss ratio and a 0.4% decrease in the expense ratio.
- (3) The increase in combined ratio includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.2% comprising a 0.5% increase in the loss ratio and a 0.3% decrease in the expense ratio.
- (4) For 2018, book value per common share and tangible book value per common share exclude the impact of foreign currency movement during the year.

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

Consolidated Statements of Operations

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written	\$9,929	\$8,733	\$8,960	\$9,710	\$9,305	\$18,662	\$17,706	\$ 36,376
Net premiums written	8,015	7,104	7,051	7,902	7,581	15,119	14,291	29,244
Net premiums earned	7,664	7,027	7,218	7,807	7,237	14,691	14,009	29,034
(1) Adjusted losses and loss expenses	4,479	4,100	4,272	6,252	4,148	8,579	7,937	18,461
Realized (gains) losses on crop derivatives	(8)	(2)	—	5	2	(10)	2	7
Losses and loss expenses	4,487	4,102	4,272	6,247	4,146	8,589	7,935	18,454
Policy benefits	150	151	176	169	163	301	331	676
Policy acquisition costs	1,464	1,464	1,447	1,488	1,449	2,928	2,846	5,781
Administrative expenses	747	692	737	714	706	1,439	1,382	2,833
(2) Adjusted net investment income	890	877	873	893	855	1,767	1,691	3,457
Amortization expense of fair value adjustment on acquired invested assets	(62)	(71)	(76)	(80)	(85)	(133)	(176)	(332)
Net investment income	828	806	797	813	770	1,634	1,515	3,125
(3) Adjusted realized gains (losses)	10	(4)	—	(5)	103	6	96	91
Realized gains (losses) on crop derivatives	8	2	—	(5)	(2)	10	(2)	(7)
Net realized gains (losses)	18	(2)	—	(10)	101	16	94	84
(4) Adjusted interest expense	177	169	168	162	160	346	326	656
Amortization benefit of fair value adjustment on acquired long term debt	(10)	(12)	(12)	(12)	(13)	(22)	(25)	(49)
Interest expense	167	157	156	150	147	324	301	607
Gains (losses) from fair value changes in separate account assets	(10)	6	27	24	16	(4)	46	97
Net realized gains (losses) related to unconsolidated entities	96	44	122	89	143	140	195	406
Other income (expense)—operating	29	(3)	(82)	5	(14)	26	(26)	(103)
Other income (expense)	115	47	67	118	145	162	215	400
Amortization expense of purchased intangibles	85	85	66	65	65	170	129	260
Chubb integration expenses	13	10	77	50	72	23	183	310
Income tax expense (benefit)	218	135	(382)	(85)	200	353	328	(139)
Net income (loss)	<u>\$ 1,294</u>	<u>\$ 1,082</u>	<u>\$ 1,533</u>	<u>\$ (70)</u>	<u>\$ 1,305</u>	<u>\$ 2,376</u>	<u>\$ 2,398</u>	<u>\$ 3,861</u>

- (1) Adjusted losses and loss expenses used throughout this report include realized gains and losses on crop derivatives.
(2) Adjusted net investment income used throughout this report excludes amortization of the fair value adjustment on acquired invested assets.
(3) Adjusted realized gains and losses used throughout this report excludes realized gains and losses on crop derivatives.
(4) Adjusted interest expense used throughout this report excludes amortization benefit of the fair value adjustment on acquired long term debt.

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

Chubb Limited P&C Underwriting Results

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
P&C Underwriting income (Including Corporate and excluding Life Insurance)								
Gross premiums written	\$9,330	\$8,141	\$8,374	\$9,142	\$8,748	\$17,471	\$16,599	\$34,115
Net premiums written	7,450	6,545	6,496	7,363	7,058	13,995	13,244	27,103
Net premiums earned	7,112	6,487	6,665	7,280	6,722	13,599	12,988	26,933
Adjusted losses and loss expenses	4,295	3,895	4,089	6,071	3,966	8,190	7,562	17,722
Policy acquisition costs	1,326	1,336	1,293	1,356	1,319	2,662	2,602	5,251
Administrative expenses	667	614	660	637	629	1,281	1,233	2,530
P&C Underwriting income (loss)	<u>\$ 824</u>	<u>\$ 642</u>	<u>\$ 623</u>	<u>\$ (784)</u>	<u>\$ 808</u>	<u>\$ 1,466</u>	<u>\$ 1,591</u>	<u>\$ 1,430</u>
P&C CAY Underwriting income ex Cats	\$ 844	\$ 813	\$ 912	\$ 839	\$ 838	\$ 1,657	\$ 1,596	\$ 3,347
% Change versus prior year period								
Net premiums written	5.6%	5.8%	1.7%	4.6%	-0.8%	5.7%	5.2%	4.2%
Net premiums written excluding merger-related actions (1)	6.2%	6.6%	3.7%	3.9%	2.0%	6.4%	8.9%	6.3%
Net premiums earned	5.8%	3.5%	2.2%	1.5%	-2.5%	4.7%	0.0%	0.9%
Net premiums written constant \$	4.1%	3.4%	0.5%	4.6%	-0.2%	3.7%	5.8%	4.2%
Net premiums written constant \$ excluding merger-related actions (1)	4.7%	4.1%	2.5%	4.0%	2.6%	4.4%	9.5%	6.2%
Net premiums earned constant \$	4.0%	1.6%	1.0%	1.3%	-2.0%	2.9%	0.3%	0.7%
P&C combined ratio (2)								
Loss and loss expense ratio	60.4%	60.0%	61.4%	83.4%	59.0%	60.2%	58.2%	65.8%
Policy acquisition cost ratio	18.6%	20.6%	19.4%	18.6%	19.6%	19.6%	20.0%	19.5%
Administrative expense ratio	9.4%	9.5%	9.9%	8.8%	9.4%	9.4%	9.6%	9.4%
Combined ratio	<u>88.4%</u>	<u>90.1%</u>	<u>90.7%</u>	<u>110.8%</u>	<u>88.0%</u>	<u>89.2%</u>	<u>87.8%</u>	<u>94.7%</u>
CAY P&C combined ratio ex Cats (3)								
CAY loss and loss expense ratio ex Cats	60.0%	57.7%	57.1%	61.3%	58.6%	58.9%	58.4%	58.8%
CAY underwriting and administrative expense ratio ex Cats	28.1%	29.9%	29.3%	27.2%	28.9%	28.9%	29.4%	28.8%
CAY combined ratio ex Cats	<u>88.1%</u>	<u>87.6%</u>	<u>86.4%</u>	<u>88.5%</u>	<u>87.5%</u>	<u>87.8%</u>	<u>87.8%</u>	<u>87.6%</u>
Other ratios								
Net premiums written/gross premiums written	80%	80%	78%	81%	81%	80%	80%	79%
Expense ratio	28.0%	30.1%	29.3%	27.4%	29.0%	29.0%	29.6%	28.9%
Expense ratio excluding A&H	25.9%	27.9%	27.2%	25.1%	27.1%	26.9%	27.5%	26.8%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ —	\$ —	\$ (15)	\$ 22	\$ —	\$ —	\$ —	\$ 7
Catastrophe losses—pre-tax	\$ 211	\$ 380	\$ 432	\$ 1,915	\$ 200	\$ 591	\$ 406	\$ 2,753
Favorable prior period development (PPD)—pre-tax	\$ (191)	\$ (209)	\$ (158)	\$ (270)	\$ (170)	\$ (400)	\$ (401)	\$ (829)

- (1) Net premiums written were adversely impacted by merger-related actions of \$45 million in Q2 2018 and \$93 million for YTD 2018.
- (2) The increase in combined ratio for QTD and YTD includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.3% and 0.1%, respectively, comprising a 1.0% and 0.5% increase, respectively, in the loss ratio and a 0.7% and 0.4% decrease, respectively, to the expense ratio.
- (3) The increase in combined ratio for QTD and YTD includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.3% and 0.2%, respectively, comprising a 1.0% and 0.5% increase, respectively, in the loss ratio and a 0.7% and 0.3% decrease, respectively, to the expense ratio.

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

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

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

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

	2Q-18	2Q-17	% Change 2Q-18 vs. 2Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs. YTD-17
Net premiums written						
Commercial multiple peril (1)	\$ 243	\$ 227	7.0%	\$ 444	\$ 428	3.7%
Commercial casualty	1,446	1,221	18.4%	2,591	2,270	14.1%
Workers' compensation	450	478	-5.9%	1,074	1,066	0.8%
Professional liability	889	900	-1.2%	1,662	1,663	-0.1%
Surety	161	153	5.2%	322	303	6.3%
Property and other short-tail lines	1,032	1,055	-2.2%	2,072	2,099	-1.3%
Total Commercial P&C	4,221	4,034	4.6%	8,165	7,829	4.3%
Agriculture	388	403	-3.7%	496	464	6.8%
Personal automobile—North America	229	209	9.6%	413	374	10.4%
Personal automobile—International	227	188	20.7%	441	374	17.9%
Personal homeowners	982	925	6.2%	1,720	1,622	6.0%
Personal other	389	363	7.2%	776	725	7.0%
Total Personal lines	1,827	1,685	8.4%	3,350	3,095	8.2%
Total Property and Casualty lines	6,436	6,122	5.1%	12,011	11,388	5.5%
Global A&H lines (2)	1,116	1,025	8.9%	2,188	2,019	8.4%
Reinsurance lines	197	190	3.8%	390	389	0.4%
Life	266	244	9.0%	530	495	7.1%
Total consolidated	\$8,015	\$7,581	5.7%	\$15,119	\$14,291	5.8%

(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—Three months ended June 30, 2018
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q2 2018	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,331	\$ 1,335	\$ 388	\$ 2,199	\$ 197	\$ —	\$7,450	\$ 565	\$ 8,015
Net premiums earned	3,277	1,156	351	2,161	167	—	7,112	552	7,664
Adjusted losses and loss expenses	2,084	728	281	1,071	83	48	4,295	184	4,479
Policy benefits	—	—	—	—	—	—	—	150	150
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	10	10
Policy acquisition costs	448	228	26	584	40	—	1,326	138	1,464
Administrative expenses	253	68	1	266	9	70	667	80	747
Underwriting income (loss)	492	132	43	240	35	(118)	824	(10)	814
Adjusted net investment income	510	59	6	155	65	10	805	85	890
Other income (expense)—operating (1)	13	(1)	(1)	12	6	(2)	27	2	29
Amortization expense of purchased intangibles	—	(3)	(7)	(11)	—	(64)	(85)	—	(85)
Segment income (loss)	\$ 1,015	\$ 187	\$ 41	\$ 396	\$ 106	\$ (174)	\$1,571	\$ 77	\$ 1,648
Adjusted interest expense							(177)		(177)
Income tax expense							(218)		(218)
Core operating income (loss)							(569)		1,253
Chubb integration expenses, net of \$3 million tax benefit							(10)		(10)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$11 million tax benefit (2)							(41)		(41)
Adjusted net realized gains (losses), net of \$14 million tax (3)							92		92
Net income (loss)							\$ (528)		\$ 1,294
Combined ratio	85.0%	88.6%	87.9%	88.9%	79.3%		88.4%		
CAY combined ratio ex Cats	87.4%	79.3%	87.2%	91.0%	83.5%		88.1%		

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

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

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

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

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
YTD 2018									
Net premiums written	\$ 6,143	\$ 2,383	\$ 496	\$ 4,583	\$ 390	\$ —	\$ 13,995	\$ 1,124	\$ 15,119
Net premiums earned	6,306	2,296	394	4,268	335	—	13,599	1,092	14,691
Adjusted losses and loss expenses	3,992	1,614	226	2,149	150	59	8,190	389	8,579
Policy benefits	—	—	—	—	—	—	—	301	301
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	4	4
Policy acquisition costs	920	465	25	1,172	80	—	2,662	266	2,928
Administrative expenses	484	133	(2)	505	19	142	1,281	158	1,439
Underwriting income (loss)	910	84	145	442	86	(201)	1,466	(26)	1,440
Adjusted net investment income	1,013	118	13	306	129	20	1,599	168	1,767
Other income (expense)—operating (1)	19	(1)	(1)	5	13	(9)	26	—	26
Amortization expense of purchased intangibles	—	(6)	(14)	(21)	—	(128)	(169)	(1)	(170)
Segment income (loss)	\$ 1,942	\$ 195	\$ 143	\$ 732	\$ 228	\$ (318)	\$ 2,922	\$ 141	\$ 3,063
Adjusted interest expense						(346)			(346)
Income tax expense						(367)			(367)
Core operating income (loss)						(1,031)			2,350
Chubb integration expenses, net of \$5 million tax benefit						(18)			(18)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$20 million tax benefit (2)						(91)			(91)
Adjusted net realized gains (losses), net of \$11 million tax (3)						135			135
Net income (loss)						<u>\$ (1,005)</u>			<u>\$ 2,376</u>
Combined ratio	85.6%	96.3%	63.3%	89.6%	74.4%		89.2%		
CAY combined ratio ex Cats	87.2%	79.5%	83.5%	90.9%	80.3%		87.8%		

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

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

Q2 2017	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,203	\$ 1,255	\$ 403	\$ 2,007	\$ 190	\$ —	\$7,058	\$ 523	\$ 7,581
Net premiums earned	3,099	1,093	344	2,018	168	—	6,722	515	7,237
Adjusted losses and loss expenses	1,936	683	292	964	46	45	3,966	182	4,148
Policy benefits	—	—	—	—	—	—	—	163	163
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(16)	(16)
Policy acquisition costs	464	230	27	555	43	—	1,319	130	1,449
Administrative expenses	241	66	2	243	12	65	629	77	706
Underwriting income (loss)	458	114	23	256	67	(110)	808	(21)	787
Adjusted net investment income	490	56	6	148	65	13	778	77	855
Other income (expense)—operating (1)	4	(1)	(1)	3	(1)	(14)	(10)	(4)	(14)
Amortization expense of purchased intangibles	—	(5)	(7)	(11)	—	(42)	(65)	—	(65)
Segment income (loss)	\$ 952	\$ 164	\$ 21	\$ 396	\$ 131	\$ (153)	\$1,511	\$ 52	\$ 1,563
Adjusted interest expense									(160)
Income tax expense									(223)
Core operating income (loss)									(536)
Chubb integration expenses, net of \$22 million tax benefit									(50)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$20 million tax benefit (2)									(52)
Adjusted net realized gains (losses), net of \$19 million tax (3)									227
Net income (loss)							\$ (411)		\$ 1,305
Combined ratio	85.2%	89.6%	93.3%	87.3%	60.2%		88.0%		
CAY combined ratio ex Cats	86.1%	79.3%	91.1%	91.2%	77.0%		87.5%		

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

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

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

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

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
YTD 2017									
Net premiums written	\$ 5,933	\$ 2,239	\$ 464	\$ 4,219	\$ 389	\$ —	\$ 13,244	\$ 1,047	\$ 14,291
Net premiums earned	6,140	2,179	358	3,954	357	—	12,988	1,021	14,009
Adjusted losses and loss expenses	3,796	1,316	219	2,035	140	56	7,562	375	7,937
Policy benefits	—	—	—	—	—	—	—	331	331
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(46)	(46)
Policy acquisition costs	951	447	26	1,084	94	—	2,602	244	2,846
Administrative expenses	472	131	(3)	488	22	123	1,233	149	1,382
Underwriting income (loss)	921	285	116	347	101	(179)	1,591	(32)	1,559
Adjusted net investment income	968	111	12	296	127	25	1,539	152	1,691
Other income (expense)—operating (1)	—	(2)	(1)	4	(1)	(21)	(21)	(5)	(26)
Amortization expense of purchased intangibles	—	(8)	(14)	(22)	—	(84)	(128)	(1)	(129)
Segment income (loss)	\$ 1,889	\$ 386	\$ 113	\$ 625	\$ 227	\$ (259)	\$ 2,981	\$ 114	\$ 3,095
Adjusted interest expense							(326)		(326)
Income tax expense							(414)		(414)
Core operating income (loss)							(999)		2,355
Chubb integration expenses, net of \$59 million tax benefit							(124)		(124)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$44 million tax benefit (2)							(107)		(107)
Adjusted net realized gains (losses), net of \$17 million tax (3)							274		274
Net income (loss)							\$ (956)		\$ 2,398
Combined ratio	85.0%	86.9%	67.7%	91.2%	71.8%		87.8%		
CAY combined ratio ex Cats	87.0%	78.8%	88.2%	91.6%	77.0%		87.8%		

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

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

Global P&C includes the company's North America Commercial P&C Insurance segment (refer to page 12), North America Personal P&C Insurance segment (refer to page 13), Overseas General Insurance segment (refer to page 15), Global Reinsurance segment (refer to page 17), and Corporate (refer to page 19). Global P&C excludes the North America Agricultural Insurance and Life Insurance segments.

Global P&C (Including Corporate and excluding Agriculture)

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Global P&C Underwriting income								
Gross premiums written	\$8,787	\$7,936	\$8,098	\$7,839	\$8,179	\$16,723	\$15,863	\$31,800
Net premiums written	7,062	6,437	6,370	6,437	6,655	13,499	12,780	25,587
Net premiums earned	6,761	6,444	6,413	6,382	6,378	13,205	12,630	25,425
Adjusted losses and loss expenses	4,014	3,950	4,029	5,307	3,674	7,964	7,343	16,679
Policy acquisition costs	1,300	1,337	1,287	1,307	1,292	2,637	2,576	5,170
Administrative expenses	666	617	664	638	627	1,283	1,236	2,538
Global P&C Underwriting income (loss)	<u>\$ 781</u>	<u>\$ 540</u>	<u>\$ 433</u>	<u>\$ (870)</u>	<u>\$ 785</u>	<u>\$ 1,321</u>	<u>\$ 1,475</u>	<u>\$ 1,038</u>
Global P&C CAY Underwriting income ex Cats	\$ 799	\$ 786	\$ 758	\$ 752	\$ 807	\$ 1,585	\$ 1,546	\$ 3,056
% Change versus prior year period								
Net premiums written	6.1%	5.1%	0.3%	4.0%	-1.2%	5.6%	5.2%	3.6%
Net premiums written excluding merger-related actions (1)	6.8%	5.9%	2.3%	3.3%	1.7%	6.4%	9.0%	5.8%
Net premiums earned	6.0%	3.1%	0.6%	0.4%	-2.9%	4.5%	-0.1%	0.2%
Net premiums written constant \$	4.6%	2.6%	-0.8%	4.0%	-0.6%	3.6%	5.8%	3.6%
Net premiums written constant \$ excluding merger-related actions (1)	5.2%	3.4%	1.2%	3.3%	2.4%	4.3%	9.6%	5.8%
Net premiums earned constant \$	4.1%	1.2%	-0.6%	0.3%	-2.3%	2.7%	0.2%	0.0%
Combined ratio								
Loss and loss expense ratio	59.4%	61.3%	62.8%	83.1%	57.6%	60.3%	58.1%	65.6%
Policy acquisition cost ratio	19.2%	20.8%	20.1%	20.5%	20.3%	20.0%	20.4%	20.3%
Administrative expense ratio	9.8%	9.5%	10.4%	10.0%	9.8%	9.7%	9.8%	10.0%
Combined ratio	<u>88.4%</u>	<u>91.6%</u>	<u>93.3%</u>	<u>113.6%</u>	<u>87.7%</u>	<u>90.0%</u>	<u>88.3%</u>	<u>95.9%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	59.0%	57.6%	57.9%	58.0%	57.3%	58.3%	57.6%	57.8%
CAY underwriting and administrative expense ratio ex Cats	29.2%	30.2%	30.3%	30.2%	30.1%	29.7%	30.2%	30.2%
CAY combined ratio ex Cats	<u>88.2%</u>	<u>87.8%</u>	<u>88.2%</u>	<u>88.2%</u>	<u>87.4%</u>	<u>88.0%</u>	<u>87.8%</u>	<u>88.0%</u>
Other ratios								
Net premiums written/gross premiums written	80%	81%	79%	82%	81%	81%	81%	80%
Expense ratio	29.0%	30.3%	30.5%	30.5%	30.1%	29.7%	30.2%	30.3%
Expense ratio excluding A&H	27.0%	28.2%	28.4%	28.3%	28.2%	27.6%	28.2%	28.3%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ —	\$ —	\$ (15)	\$ 22	\$ —	\$ —	\$ —	\$ 7
Catastrophe losses—pre-tax	\$ 209	\$ 379	\$ 432	\$ 1,910	\$ 192	\$ 588	\$ 393	\$ 2,735
Favorable prior period development (PPD)—pre-tax	\$ (191)	\$ (133)	\$ (122)	\$ (266)	\$ (170)	\$ (324)	\$ (322)	\$ (710)

(1) Net premiums written were adversely impacted by merger-related actions of \$45 million in Q2 2018 and \$93 million for YTD 2018.

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

North America Commercial P&C Insurance

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written (1)	\$4,322	\$3,678	\$4,102	\$3,919	\$4,077	\$8,000	\$7,730	\$15,751
Net premiums written (1)	3,331	2,812	3,000	3,086	3,203	6,143	5,933	12,019
Net premiums earned	3,277	3,029	3,035	3,016	3,099	6,306	6,140	12,191
Losses and loss expenses	2,084	1,908	1,911	2,580	1,936	3,992	3,796	8,287
Policy acquisition costs	448	472	453	469	464	920	951	1,873
Administrative expenses	253	231	253	256	241	484	472	981
Underwriting income (loss)	492	418	418	(289)	458	910	921	1,050
Net investment income	510	503	496	497	490	1,013	968	1,961
Other income (expense)—operating	13	6	(5)	4	4	19	—	(1)
Segment income	<u>\$1,015</u>	<u>\$ 927</u>	<u>\$ 909</u>	<u>\$ 212</u>	<u>\$ 952</u>	<u>\$1,942</u>	<u>\$1,889</u>	<u>\$ 3,010</u>
CAY Underwriting income ex Cats	\$ 410	\$ 395	\$ 386	\$ 346	\$ 429	\$ 805	\$ 796	\$ 1,528
Combined ratio (2)								
Loss and loss expense ratio	63.6%	63.0%	63.0%	85.5%	62.5%	63.3%	61.8%	68.0%
Policy acquisition cost ratio	13.7%	15.6%	14.9%	15.5%	15.0%	14.6%	15.5%	15.4%
Administrative expense ratio	7.7%	7.6%	8.3%	8.6%	7.7%	7.7%	7.7%	8.0%
Combined ratio	<u>85.0%</u>	<u>86.2%</u>	<u>86.2%</u>	<u>109.6%</u>	<u>85.2%</u>	<u>85.6%</u>	<u>85.0%</u>	<u>91.4%</u>
CAY combined ratio ex Cats (3)								
CAY loss and loss expense ratio ex Cats	66.0%	64.0%	64.1%	65.2%	63.4%	65.0%	63.9%	64.3%
CAY underwriting and administrative expense ratio ex Cats	21.4%	23.0%	23.2%	23.5%	22.7%	22.2%	23.1%	23.2%
CAY combined ratio ex Cats	<u>87.4%</u>	<u>87.0%</u>	<u>87.3%</u>	<u>88.7%</u>	<u>86.1%</u>	<u>87.2%</u>	<u>87.0%</u>	<u>87.5%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ —	\$ (1)	\$ (3)	\$ —	\$ —	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 73	\$ 78	\$ 167	\$ 868	\$ 102	\$ 151	\$ 185	\$ 1,220
Favorable prior period development (PPD)—pre-tax (4)	\$ (155)	\$ (101)	\$ (200)	\$ (236)	\$ (131)	\$ (256)	\$ (310)	\$ (746)
% Change versus prior year period								
Net premiums written	4.0%	3.0%	-2.7%	-0.7%	-1.3%	3.5%	7.0%	2.4%
Net premiums written excluding merger-related actions (5)	5.4%	4.4%	-1.0%	1.1%	1.3%	4.9%	10.0%	4.7%
Net premiums earned	5.8%	-0.4%	-1.7%	-2.3%	-1.6%	2.7%	1.6%	-0.2%
Other ratios								
Net premiums written/gross premiums written	77%	76%	73%	79%	79%	77%	77%	76%
Production by Size								
Net Premiums Written (1)								
Major Accounts & Specialty (6)	\$2,040	\$1,630	\$1,753	\$1,786	\$1,965	\$3,670	\$3,537	\$ 7,076
Commercial (6)	<u>1,291</u>	<u>1,182</u>	<u>1,247</u>	<u>1,300</u>	<u>1,238</u>	<u>2,473</u>	<u>2,396</u>	<u>4,943</u>
Total	<u>\$3,331</u>	<u>\$2,812</u>	<u>\$3,000</u>	<u>\$3,086</u>	<u>\$3,203</u>	<u>\$6,143</u>	<u>\$5,933</u>	<u>\$12,019</u>

- (1) 2017 amounts (Q1: \$12 million; Q2: \$1 million; Q3: \$3 million; Q4: \$(7) million) have been revised to reflect the North America Commercial P&C Insurance segment transfer of certain multinational accounts to (from) the Overseas General Insurance segment to better align the reporting with the management of these businesses in 2018. There is no impact on a consolidated basis.
- (2) The increase in combined ratio for QTD and YTD includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.9% and 0.4%, respectively, comprising a 2.0% and 1.0% increase, respectively, in the loss ratio and a 1.1% and 0.6% decrease, respectively, to the expense ratio.
- (3) The increase in combined ratio for QTD and YTD includes the year-over-year increase in certain large structured transactions, which adversely impacted the combined ratio by 0.7% and 0.4%, respectively, comprising a 1.8% and 1.0% increase, respectively, in the loss ratio and a 1.1% and 0.6% decrease, respectively, to the expense ratio.
- (4) For 2018, favorable prior period development is net of \$11 million of favorable net premiums earned adjustments. For YTD 2018, favorable prior period development is net of \$11 million of favorable net premiums earned adjustments, \$6 million of unfavorable expense adjustments and \$4 million of unfavorable reinstatement premium adjustments.
For Q2 2017, favorable prior period development is net of \$2 million of unfavorable net premiums earned adjustments. For YTD 2017, favorable prior period development is net of \$2 million of unfavorable net premiums earned adjustments and \$9 million of unfavorable reinstatement premium adjustments.
- (5) Q2 2018 and YTD 2018 include the adverse impact of merger-related underwriting actions, respectively, as follows: Major Accounts & Specialty \$41 million and \$79 million; Commercial \$2 million and \$4 million.
- (6) Major Accounts & Specialty: principally large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts.

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

North America Personal P&C Insurance

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written	\$ 1,489	\$ 1,181	\$ 1,260	\$ 1,338	\$ 1,409	\$ 2,670	\$ 2,554	\$ 5,152
Net premiums written	1,335	1,048	1,100	1,194	1,255	2,383	2,239	4,533
Net premiums earned	1,156	1,140	1,103	1,117	1,093	2,296	2,179	4,399
Losses and loss expenses	728	886	887	1,062	683	1,614	1,316	3,265
Policy acquisition costs	228	237	226	226	230	465	447	899
Administrative expenses	68	65	72	61	66	133	131	264
Underwriting income (loss)	132	(48)	(82)	(232)	114	84	285	(29)
Net investment income	59	59	58	57	56	118	111	226
Other expense—operating	(1)	—	(1)	(1)	(1)	(1)	(2)	(4)
Amortization expense of purchased intangibles	(3)	(3)	(4)	(4)	(5)	(6)	(8)	(16)
Segment income (loss)	\$ 187	\$ 8	\$ (29)	\$ (180)	\$ 164	\$ 195	\$ 386	\$ 177
CAY Underwriting income ex Cats	\$ 240	\$ 230	\$ 218	\$ 251	\$ 228	\$ 470	\$ 464	\$ 933
Combined ratio								
Loss and loss expense ratio	63.0%	77.7%	80.4%	95.1%	62.4%	70.3%	60.4%	74.2%
Policy acquisition cost ratio	19.7%	20.8%	20.5%	20.2%	21.1%	20.2%	20.5%	20.4%
Administrative expense ratio	5.9%	5.7%	6.6%	5.5%	6.1%	5.8%	6.0%	6.1%
Combined ratio	88.6%	104.2%	107.5%	120.8%	89.6%	96.3%	86.9%	100.7%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	53.7%	53.3%	54.0%	51.9%	52.1%	53.5%	52.2%	52.6%
CAY underwriting and administrative expense ratio ex Cats	25.6%	26.4%	26.5%	25.6%	27.2%	26.0%	26.6%	26.3%
CAY combined ratio ex Cats	79.3%	79.7%	80.5%	77.5%	79.3%	79.5%	78.8%	78.9%
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ —	\$ (19)	\$ (3)	\$ —	\$ —	\$ —	\$ (22)
Catastrophe losses—pre-tax	\$ 101	\$ 284	\$ 278	\$ 448	\$ 77	\$ 385	\$ 145	\$ 871
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 7	\$ (6)	\$ 3	\$ 32	\$ 37	\$ 1	\$ 34	\$ 69
% Change versus prior year period								
Net premiums written	6.4%	6.5%	5.8%	18.0%	2.0%	6.4%	6.5%	9.1%
Net premiums earned	5.6%	5.1%	2.6%	3.4%	-4.0%	5.3%	0.7%	1.9%
Other ratios								
Net premiums written/gross premiums written	90%	89%	87%	89%	89%	89%	88%	88%

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

North America Agricultural Insurance

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 543	\$ 205	\$ 276	\$ 1,303	\$ 569	\$ 748	\$ 736	\$ 2,315
Net premiums written	388	108	126	926	403	496	464	1,516
Net premiums earned	351	43	252	898	344	394	358	1,508
Adjusted losses and loss expenses (1)	281	(55)	60	764	292	226	219	1,043
Policy acquisition costs	26	(1)	6	49	27	25	26	81
Administrative expenses	1	(3)	(4)	(1)	2	(2)	(3)	(8)
Underwriting income	43	102	190	86	23	145	116	392
Net investment income	6	7	7	6	6	13	12	25
Other expense—operating	(1)	—	(1)	—	(1)	(1)	(1)	(2)
Amortization expense of purchased intangibles	(7)	(7)	(7)	(8)	(7)	(14)	(14)	(29)
Segment income	<u>\$ 41</u>	<u>\$ 102</u>	<u>\$ 189</u>	<u>\$ 84</u>	<u>\$ 21</u>	<u>\$ 143</u>	<u>\$ 113</u>	<u>\$ 386</u>
CAY Underwriting income ex Cats	\$ 45	\$ 27	\$ 154	\$ 87	\$ 31	\$ 72	\$ 50	\$ 291
Combined ratio								
Loss and loss expense ratio	80.0%	NM	23.7%	85.1%	85.2%	57.4%	61.3%	69.2%
Policy acquisition cost ratio	7.4%	NM	2.4%	5.4%	7.7%	6.3%	7.2%	5.4%
Administrative expense ratio	0.5%	NM	-1.7%	-0.1%	0.4%	-0.4%	-0.8%	-0.6%
Combined ratio	<u>87.9%</u>	<u>NM</u>	<u>24.4%</u>	<u>90.4%</u>	<u>93.3%</u>	<u>63.3%</u>	<u>67.7%</u>	<u>74.0%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	79.3%	68.9%	36.9%	84.9%	83.0%	77.3%	81.7%	76.2%
CAY underwriting and administrative expense ratio ex Cats	7.9%	-1.2%	3.1%	5.4%	8.1%	6.2%	6.5%	5.3%
CAY combined ratio ex Cats	<u>87.2%</u>	<u>67.7%</u>	<u>40.0%</u>	<u>90.3%</u>	<u>91.1%</u>	<u>83.5%</u>	<u>88.2%</u>	<u>81.5%</u>
Catastrophe losses—pre-tax	\$ 2	\$ 1	\$ —	\$ 5	\$ 8	\$ 3	\$ 13	\$ 18
Favorable prior period development (PPD)—pre-tax (2)	\$ —	\$ (76)	\$ (36)	\$ (4)	\$ —	\$ (76)	\$ (79)	\$ (119)
% Change versus prior year period								
Net premiums written	-3.7%	76.2%	214.3%	9.0%	7.7%	6.8%	5.9%	14.2%
Net premiums earned	2.2%	214.2%	72.3%	9.6%	5.4%	10.3%	2.3%	14.6%
Other ratios								
Net premiums written/gross premiums written	71%	53%	46%	71%	71%	66%	63%	66%

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

(2) For YTD 2018, favorable prior period development is net of \$40 million unfavorable net premiums earned adjustments and \$4 million of favorable profit-sharing commissions. For YTD 2017, favorable prior period development is net of \$61 million unfavorable net premiums earned adjustments and \$5 million of favorable profit-sharing commissions.

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

Overseas General Insurance

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written (1)	\$2,743	\$2,872	\$2,632	\$2,380	\$2,465	\$5,615	\$5,139	\$10,151
Net premiums written (1)	2,199	2,384	2,165	1,966	2,007	4,583	4,219	8,350
Net premiums earned	2,161	2,107	2,113	2,064	2,018	4,268	3,954	8,131
Losses and loss expenses	1,071	1,078	965	1,281	964	2,149	2,035	4,281
Policy acquisition costs	584	588	568	569	555	1,172	1,084	2,221
Administrative expenses	266	239	248	246	243	505	488	982
Underwriting income (loss)	240	202	332	(32)	256	442	347	647
Net investment income	155	151	150	164	148	306	296	610
Other income (expense)—operating	12	(7)	(10)	10	3	5	4	4
Amortization expense of purchased intangibles	(11)	(10)	(12)	(11)	(11)	(21)	(22)	(45)
Segment income	\$ 396	\$ 336	\$ 460	\$ 131	\$ 396	\$ 732	\$ 625	\$ 1,216
CAY Underwriting income ex Cats	\$ 194	\$ 195	\$ 204	\$ 195	\$ 178	\$ 389	\$ 331	\$ 730
Combined ratio								
Loss and loss expense ratio	49.6%	51.1%	45.7%	62.1%	47.8%	50.4%	51.5%	52.6%
Policy acquisition cost ratio	27.0%	27.9%	26.9%	27.6%	27.5%	27.4%	27.4%	27.3%
Administrative expense ratio	12.3%	11.4%	11.7%	11.9%	12.0%	11.8%	12.3%	12.1%
Combined ratio	88.9%	90.4%	84.3%	101.6%	87.3%	89.6%	91.2%	92.0%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	51.7%	51.4%	51.6%	51.3%	51.6%	51.6%	51.9%	51.7%
CAY underwriting and administrative expense ratio ex Cats	39.3%	39.3%	38.7%	39.3%	39.6%	39.3%	39.7%	39.3%
CAY combined ratio ex Cats	91.0%	90.7%	90.3%	90.6%	91.2%	90.9%	91.6%	91.0%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ —	\$ —	\$ 5	\$ (9)	\$ —	\$ —	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 26	\$ 15	\$ (55)	\$ 326	\$ 10	\$ 41	\$ 60	\$ 331
Favorable prior period development (PPD)—pre-tax	\$ (72)	\$ (22)	\$ (68)	\$ (108)	\$ (88)	\$ (94)	\$ (76)	\$ (252)
% Change versus prior year period								
Net premiums written	9.6%	7.8%	2.5%	1.3%	-1.1%	8.6%	3.6%	2.8%
Net premiums earned	7.1%	8.8%	3.1%	1.4%	-3.6%	7.9%	-2.3%	0.0%
Net premiums written constant \$	5.1%	1.4%	-0.2%	1.3%	0.3%	3.1%	5.2%	2.8%
Net premiums earned constant \$	2.0%	3.0%	0.2%	0.9%	-2.3%	2.5%	-1.3%	-0.4%
Other ratios								
Net premiums written/gross premiums written	80%	83%	82%	83%	81%	82%	82%	82%

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

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

Overseas General Insurance—Production by Region

	2Q-18	2Q-17	% Change 2Q-18 vs. 2Q-17	Constant \$ 2Q-17	Constant \$ % Change 2Q-18 vs. 2Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs. YTD-17	Constant \$ YTD 2017	Constant \$ % Change YTD-18 vs. YTD-17
Net premiums written										
Europe	\$ 804	\$ 726	10.7%	\$ 793	1.4%	\$1,914	\$1,756	9.0%	\$ 1,921	-0.4%
Latin America	550	508	8.3%	494	11.3%	1,078	1,005	7.3%	1,001	7.7%
Asia	764	673	13.5%	701	9.0%	1,421	1,250	13.7%	1,305	8.9%
Other (1) (2)	81	100	-19.0%	104	-22.1%	170	208	-18.3%	216	-21.3%
Total	<u>\$2,199</u>	<u>\$2,007</u>	9.6%	<u>\$ 2,092</u>	5.1%	<u>\$4,583</u>	<u>\$4,219</u>	8.6%	<u>\$ 4,443</u>	3.1%

- (1) Q2 2017 and YTD 2017 was revised to include \$1 million and \$13 million, respectively, representing the transfer of certain multinational accounts from the North America Commercial P&C Insurance segment to better align the reporting with the management of these businesses in 2018. There is no impact on a consolidated basis.
- (2) Primarily includes Eurasia and Africa, and the company's international supplemental A&H business of Combined Insurance.

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

Global Reinsurance

	2Q-18	1Q-18	4Q-17	3Q-17	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Gross premiums written	\$ 233	\$ 205	\$ 104	\$ 202	\$ 228	\$ 438	\$ 440	\$ 746
Net premiums written	197	193	105	191	190	390	389	685
Net premiums earned	167	168	162	185	168	335	357	704
Losses and loss expenses	83	67	126	295	46	150	140	561
Policy acquisition costs	40	40	40	43	43	80	94	177
Administrative expenses	9	10	11	11	12	19	22	44
Underwriting income (loss)	35	51	(15)	(164)	67	86	101	(78)
Net investment income	65	64	66	80	65	129	127	273
Other income (expense)—operating	6	7	(1)	3	(1)	13	(1)	1
Segment income (loss)	<u>\$ 106</u>	<u>\$ 122</u>	<u>\$ 50</u>	<u>\$ (81)</u>	<u>\$ 131</u>	<u>\$ 228</u>	<u>\$ 227</u>	<u>\$ 196</u>
CAY Underwriting income ex Cats	\$ 28	\$ 39	\$ 32	\$ 26	\$ 39	\$ 67	\$ 81	\$ 139
Combined ratio								
Loss and loss expense ratio	49.4%	40.1%	78.9%	158.2%	27.8%	44.8%	39.3%	79.8%
Policy acquisition cost ratio	24.2%	23.6%	24.4%	23.4%	25.7%	23.9%	26.3%	25.1%
Administrative expense ratio	5.7%	5.8%	6.9%	5.8%	6.7%	5.7%	6.2%	6.3%
Combined ratio	<u>79.3%</u>	<u>69.5%</u>	<u>110.2%</u>	<u>187.4%</u>	<u>60.2%</u>	<u>74.4%</u>	<u>71.8%</u>	<u>111.2%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	53.0%	47.7%	50.1%	46.5%	44.4%	50.4%	43.8%	46.0%
CAY underwriting and administrative expense ratio ex Cats	30.5%	29.3%	31.3%	35.7%	32.6%	29.9%	33.2%	33.2%
CAY combined ratio ex Cats	<u>83.5%</u>	<u>77.0%</u>	<u>81.4%</u>	<u>82.2%</u>	<u>77.0%</u>	<u>80.3%</u>	<u>77.0%</u>	<u>79.2%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ —	\$ —	\$ —	\$ 37	\$ —	\$ —	\$ —	\$ 37
Catastrophe losses—pre-tax	\$ 9	\$ 2	\$ 42	\$ 268	\$ 3	\$ 11	\$ 3	\$ 313
Unfavorable (favorable) prior period development (PPD)—pre-tax (1)	\$ (16)	\$ (14)	\$ 5	\$ (41)	\$ (31)	\$ (30)	\$ (23)	\$ (59)
% Change versus prior year period								
Net premiums written as reported					-			
	3.8%	-3.0%	-8.2%	47.1%	17.7%	0.4%	-9.9%	1.4%
Net premiums earned as reported								
	-0.6%	11.0%	-3.4%	20.4%	-9.6%	-6.1%	-7.9%	-0.7%
Net premiums written constant \$								
	1.5%	-4.8%	-9.3%	47.9%	16.5%	-1.7%	-8.7%	2.2%
Net premiums earned constant \$								
	-3.1%	12.8%	-5.1%	20.0%	-8.1%	-8.2%	-6.7%	-0.4%
Other ratios								
Net premiums written/gross premiums written	85%	94%	100%	95%	83%	89%	88%	92%

(1) Q2 2018 and YTD 2018 favorable prior period development is net of \$2 million and \$3 million of unfavorable net premiums earned adjustments, respectively, and includes \$1 million of favorable acquisition expense adjustments for both periods. YTD 2017 includes \$7 million of favorable net premiums earned adjustments.

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

Life Insurance

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 599	\$ 592	\$ 586	\$ 568	\$ 557	\$1,191	\$1,107	\$ 2,261
Net premiums written	565	559	555	539	523	1,124	1,047	2,141
Net premiums earned	552	540	553	527	515	1,092	1,021	2,101
Losses and loss expenses	184	205	183	181	182	389	375	739
Policy benefits (1)	150	151	176	169	163	301	331	676
(Gains) losses from fair value changes in separate account assets (1)	10	(6)	(27)	(24)	(16)	4	(46)	(97)
Policy acquisition costs	138	128	154	132	130	266	244	530
Administrative expenses	80	78	77	77	77	158	149	303
Net investment income	85	83	83	78	77	168	152	313
Life Insurance underwriting income (2)	75	67	73	70	56	142	120	263
Other income (expense)—operating	2	(2)	(3)	(5)	(4)	—	(5)	(13)
Amortization expense of purchased intangibles	—	(1)	—	(1)	—	(1)	(1)	(2)
Segment income	<u>\$ 77</u>	<u>\$ 64</u>	<u>\$ 70</u>	<u>\$ 64</u>	<u>\$ 52</u>	<u>\$ 141</u>	<u>\$ 114</u>	<u>\$ 248</u>

% Change versus prior year period

Net premiums written	8.0%	6.7%	1.2%	1.1%	-0.7%	7.4%	0.4%	0.8%
Net premiums earned	7.2%	6.8%	3.5%	2.8%	0.8%	7.0%	1.2%	2.2%
Net premiums written constant \$	6.5%	5.0%	0.3%	1.1%	-1.0%	5.8%	-0.1%	0.3%
Net premiums earned constant \$	5.7%	5.0%	2.3%	2.8%	0.5%	5.4%	0.6%	1.6%

(1) (Gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified from Other income (expense) for purposes of presenting Life Insurance underwriting income. The offsetting movement in the separate account liabilities is included in Policy benefits.

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

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

	<u>2Q-18</u>	<u>2Q-17</u>	<u>% Change 2Q-18 vs. 2Q-17</u>	<u>Constant \$ % Change 2Q-18 vs. 2Q-17</u>	<u>YTD-18</u>	<u>YTD-17</u>	<u>% Change YTD-18 vs. YTD-17</u>	<u>Constant \$ % Change YTD-18 vs. YTD-17</u>
International life insurance net premiums written	\$ 220	\$ 199	10.2%	7.9%	\$ 437	\$ 397	10.1%	7.1%
International life insurance deposits (3)	392	316	24.1%	21.1%	771	626	23.0%	19.0%
Total international life insurance net premiums written and deposits	<u>\$ 612</u>	<u>\$ 515</u>	18.7%	16.0%	<u>\$ 1,208</u>	<u>\$ 1,023</u>	18.0%	14.4%
International life insurance segment income	<u>\$ 25</u>	<u>\$ 9</u>	168.2%	188.3%	<u>\$ 42</u>	<u>\$ 22</u>	90.1%	95.9%

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

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

Corporate

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—	—
Losses and loss expenses	48	11	140	89	45	59	56	285
Policy acquisition costs	—	—	—	—	—	—	—	—
Administrative expenses	70	72	80	64	65	142	123	267
Underwriting loss	(118)	(83)	(220)	(153)	(110)	(201)	(179)	(552)
Adjusted net investment income	10	10	13	11	13	20	25	49
Other expense—operating	(2)	(7)	(61)	(6)	(14)	(9)	(21)	(88)
Adjusted interest expense (1)	(177)	(169)	(168)	(162)	(160)	(346)	(326)	(656)
Amortization expense of purchased intangibles	(64)	(64)	(43)	(41)	(42)	(128)	(84)	(168)
2017 tax reform transition benefit	—	—	450	—	—	—	—	450
Income tax (expense) benefit ex 2017 tax reform transition benefit	(218)	(149)	(131)	61	(223)	(367)	(414)	(484)
Core operating loss	(569)	(462)	(160)	(290)	(536)	(1,031)	(999)	(1,449)
Chubb integration expenses, net of tax	(10)	(8)	(57)	(36)	(50)	(18)	(124)	(217)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(41)	(50)	(41)	(50)	(52)	(91)	(107)	(198)
Adjusted net realized gains (losses), net of tax (2)	92	43	142	76	227	135	274	492
Net loss	<u>\$ (528)</u>	<u>\$ (477)</u>	<u>\$ (116)</u>	<u>\$ (300)</u>	<u>\$ (411)</u>	<u>\$ (1,005)</u>	<u>\$ (956)</u>	<u>\$ (1,372)</u>
Unfavorable prior period development (PPD)—pre-tax	\$ 45	\$ 10	\$ 138	\$ 87	\$ 43	\$ 55	\$ 53	\$ 278

(1) See Non-GAAP financial measures.

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

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

	Unpaid Losses			Net Paid to Incurred Ratio
	Gross	Ceded	Net	
Balance at December 31, 2016	\$60,540	\$12,708	\$47,832	
Losses and loss expenses incurred	4,752	963	3,789	
Losses and loss expenses paid	(4,830)	(923)	(3,907)	103%
Other (incl. foreign exch. revaluation)	117	63	54	
Balance at March 31, 2017	\$60,579	\$12,811	\$47,768	
Losses and loss expenses incurred	5,016	870	4,146	
Losses and loss expenses paid	(5,356)	(1,234)	(4,122)	99%
Other (incl. foreign exch. revaluation)	155	38	117	
Balance at June 30, 2017	\$60,394	\$12,485	\$47,909	
Losses and loss expenses incurred	8,410	2,163	6,247	
Losses and loss expenses paid	(5,207)	(909)	(4,298)	69%
Other (incl. foreign exch. revaluation)	556	131	425	
Balance at September 30, 2017	\$64,153	\$13,870	\$50,283	
Losses and loss expenses incurred	5,755	1,483	4,272	
Losses and loss expenses paid	(6,419)	(1,298)	(5,121)	120%
Other (incl. foreign exch. revaluation)	(310)	(41)	(269)	
Balance at December 31, 2017	\$63,179	\$14,014	\$49,165	
Losses and loss expenses incurred	5,028	926	4,102	
Losses and loss expenses paid	(5,448)	(1,206)	(4,242)	103%
Other (incl. foreign exch. revaluation)	380	88	292	
Balance at March 31, 2018	\$63,139	\$13,822	\$49,317	
Losses and loss expenses incurred	5,458	971	4,487	
Losses and loss expenses paid	(5,304)	(931)	(4,373)	97%
Other (incl. foreign exch. revaluation)	(515)	(127)	(388)	
Balance at June 30, 2018	\$62,778	\$13,735	\$49,043	
Add net recoverable on paid losses	—	1,057	(1,057)	
Balance including net recoverable on paid losses	\$62,778	\$14,792	\$47,986	

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

Net Reinsurance Recoverable by Division

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

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

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

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

(1) Calculated using adjusted net investment income.

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

Mortgage-backed Fixed Income Portfolio

	S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Mortgage-backed securities						
Market Value at June 30, 2018						
Agency residential mortgage-backed (RMBS)	\$ —	\$14,688	\$—	\$—	\$ —	\$14,688
Non-agency RMBS	27	47	73	28	23	198
Commercial mortgage-backed	2,871	214	97	—	—	3,182
Total mortgage-backed securities at market value	<u>\$2,898</u>	<u>\$14,949</u>	<u>\$170</u>	<u>\$ 28</u>	<u>\$ 23</u>	<u>\$18,068</u>

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

	S&P Credit Rating					Total
	Investment Grade					
	AAA	AA	A	BBB		
Market Value at June 30, 2018						
Asset-backed	\$1,202	\$ 128	\$ 46	\$ 29		\$ 1,405
Banks	1	30	1,620	1,369		3,020
Basic Materials	—	—	99	212		311
Communications	—	162	225	1,179		1,566
Consumer, Cyclical	—	276	517	626		1,419
Consumer, Non-Cyclical	104	466	1,640	1,487		3,697
Diversified Financial Services	2	16	485	234		737
Energy	—	47	63	511		621
Industrial	—	26	722	567		1,315
Utilities	—	24	756	391		1,171
All Others	158	371	956	784		2,269
Total	<u>\$1,467</u>	<u>\$1,546</u>	<u>\$7,129</u>	<u>\$7,389</u>		<u>\$17,531</u>

	S&P Credit Rating			Total
	Below Investment Grade			
	BB	B	CCC	
Market Value at June 30, 2018				
Asset-backed	\$ 3	\$ 2	\$ 9	\$ 14
Banks	—	—	—	—
Basic Materials	322	166	—	488
Communications	746	720	7	1,473
Consumer, Cyclical	1,093	614	39	1,746
Consumer, Non-Cyclical	803	1,219	42	2,064
Diversified Financial Services	191	137	—	328
Energy	700	255	9	964
Industrial	573	448	14	1,035
Utilities	217	39	—	256
All Others	765	470	16	1,251
Total	<u>\$5,413</u>	<u>\$4,070</u>	<u>\$136</u>	<u>\$9,619</u>

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

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

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Government Securities						
United Kingdom	\$ —	\$ 1,360	\$ —	\$ —	\$ —	\$ 1,360
Republic of Korea	—	1,091	—	—	—	1,091
Canada	975	—	—	—	—	975
Federative Republic of Brazil	—	—	—	—	713	713
Province of Ontario	—	9	628	—	—	637
United Mexican States	—	—	395	123	—	518
Federal Republic of Germany	512	—	—	—	—	512
Province of Quebec	—	502	—	—	—	502
Kingdom of Thailand	—	—	435	—	—	435
French Republic	—	314	—	—	—	314
Other Non-U.S. Government Securities	942	1,025	876	559	954	4,356
Total	\$ 2,429	\$ 4,301	\$ 2,334	\$ 682	\$ 1,667	\$ 11,413

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Corporate Securities						
United Kingdom	\$ 130	\$ 91	\$ 670	\$ 938	\$ 300	\$ 2,129
Canada	110	206	381	496	317	1,510
United States (1)	3	25	183	366	471	1,048
France	6	46	537	329	29	947
Australia	123	197	369	141	10	840
Netherlands	66	10	330	171	61	638
Germany	134	39	136	272	32	613
Switzerland	49	17	179	187	25	457
Japan	—	35	406	7	—	448
Sweden	64	186	67	20	10	347
Other Non-U.S. Corporate Securities	371	298	1,145	918	564	3,296
Total	\$ 1,056	\$ 1,150	\$ 4,403	\$ 3,845	\$ 1,819	\$ 12,273

(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>June 30, 2018</u>	<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 535	A-
2	AT&T Inc	455	BBB
3	JP Morgan Chase & Co	411	A-
4	Goldman Sachs Group Inc	382	BBB+
5	Anheuser-Busch InBev NV	362	A-
6	Verizon Communications Inc	330	BBB+
7	Bank of America Corp	321	A-
8	HSBC Holdings Plc	303	A
9	Morgan Stanley	302	BBB+
10	General Electric Co	280	A

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

	Three months ended June 30, 2018								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax		After-Tax	Pre-Tax		After-Tax	Pre-Tax		After-Tax
Fixed maturities (1)	\$ (81)	\$ 12	\$ (69)	\$ (497)	\$ 62	\$ (435)	\$ (578)	\$ 74	\$ (504)
Fixed income derivatives	24	(3)	21	—	—	—	24	(3)	21
Public equity	5	(1)	4	—	—	—	5	(1)	4
Private equity	96	(6)	90	—	—	—	96	(6)	90
Mark-to-market on public and private equity (2)	(18)	—	(18)	—	—	—	(18)	—	(18)
Total investment portfolio	26	2	28	(497)	62	(435)	(471)	64	(407)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (3)	(3)	—	(3)	—	—	—	(3)	—	(3)
Foreign exchange	140	(27)	113	(574)	4	(570)	(434)	(23)	(457)
Partially-owned entities (4)	—	—	—	—	—	—	—	—	—
Other (5)	(57)	11	(46)	(17)	5	(12)	(74)	16	(58)
Net gains (losses)	<u>\$ 106</u>	<u>\$ (14)</u>	<u>\$ 92</u>	<u>\$ (1,088)</u>	<u>\$ 71</u>	<u>\$ (1,017)</u>	<u>\$ (982)</u>	<u>\$ 57</u>	<u>\$ (925)</u>

- (1) Other-than-temporary impairments for the quarter in realized gains (losses) were \$4 million for fixed maturities.
- (2) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (3) The quarter includes \$44 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (4) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (5) Other realized losses primarily include \$36 million related to the early redemption of the \$1.0 billion junior subordinated capital securities in April 2018 and \$22 million related to lease impairments. Other unrealized losses are primarily related to the company's post-retirement programs.

	Three months ended June 30, 2017								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax		After-Tax	Pre-Tax		After-Tax	Pre-Tax		After-Tax
Fixed maturities	\$ 23	\$ (8)	\$ 15	\$ 423	\$ (141)	\$ 282	\$ 446	\$ (149)	\$ 297
Fixed income derivatives	(16)	2	(14)	—	—	—	(16)	2	(14)
Public equity	2	(1)	1	15	(4)	11	17	(5)	12
Private equity	145	(9)	136	(4)	(3)	(7)	141	(12)	129
Total investment portfolio (6)	154	(16)	138	434	(148)	286	588	(164)	424
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (7)	80	—	80	—	—	—	80	—	80
Foreign exchange	14	(3)	11	102	(4)	98	116	(7)	109
Partially-owned entities (8)	(2)	—	(2)	—	—	—	(2)	—	(2)
Other (9)	—	—	—	(35)	21	(14)	(35)	21	(14)
Net gains (losses)	<u>\$ 246</u>	<u>\$ (19)</u>	<u>\$ 227</u>	<u>\$ 501</u>	<u>\$ (131)</u>	<u>\$ 370</u>	<u>\$ 747</u>	<u>\$ (150)</u>	<u>\$ 597</u>

- (6) Other-than-temporary impairments for the quarter in realized gains (losses) include \$4 million for fixed maturities, \$3 million for public equity and \$1 million for private equity.
- (7) The quarter includes \$38 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (8) 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.
- (9) Other unrealized losses are primarily related to the company's post-retirement programs.

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

	Six months ended June 30, 2018								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed maturities (1)	\$ (104)	\$ 15	\$ (89)	\$ (1,708)	\$ 285	\$ (1,423)	\$ (1,812)	\$ 300	\$ (1,512)
Fixed income derivatives	41	(4)	37	—	—	—	41	(4)	37
Public equity	15	(3)	12	—	—	—	15	(3)	12
Private equity	140	(15)	125	—	—	—	140	(15)	125
Mark-to-market on public and private equity (2)	(10)	3	(7)	—	—	—	—	—	—
Total investment portfolio	82	(4)	78	(1,708)	285	(1,423)	(1,626)	281	(1,345)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (3)	57	—	57	—	—	—	57	—	57
Foreign exchange	63	(18)	45	(177)	(15)	(192)	(114)	(33)	(147)
Partially-owned entities (4)	(1)	—	(1)	—	—	—	(1)	—	(1)
Other (5)	(55)	11	(44)	(40)	9	(31)	(95)	20	(75)
Net gains (losses)	<u>\$ 146</u>	<u>\$ (11)</u>	<u>\$ 135</u>	<u>\$ (1,925)</u>	<u>\$ 279</u>	<u>\$ (1,646)</u>	<u>\$ (1,779)</u>	<u>\$ 268</u>	<u>\$ (1,511)</u>

- (1) Year to date other-than-temporary impairments in realized gains (losses) were \$5 million for fixed maturities.
- (2) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (3) Year to date includes \$22 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (4) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (5) Other realized losses primarily include \$36 million related to the early redemption of the \$1.0 billion junior subordinated capital securities in April 2018 and \$22 million related to lease impairments. Other unrealized losses are primarily related to the company's post-retirement programs.

	Six months ended June 30, 2017								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed maturities	\$ 11	\$ (2)	\$ 9	\$ 679	\$ (236)	\$ 443	\$ 690	\$ (238)	\$ 452
Fixed income derivatives	(10)	8	(2)	—	—	—	(10)	8	(2)
Public equity	6	(1)	5	43	(14)	29	49	(15)	34
Private equity	195	(27)	168	27	(6)	21	222	(33)	189
Total investment portfolio (6)	202	(22)	180	749	(256)	493	951	(278)	673
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (7)	99	—	99	—	—	—	99	—	99
Foreign exchange	(5)	3	(2)	236	(7)	229	231	(4)	227
Partially-owned entities (8)	(8)	2	(6)	—	—	—	(8)	2	(6)
Other (9)	3	—	3	(55)	17	(38)	(52)	17	(35)
Net gains (losses)	<u>\$ 291</u>	<u>\$ (17)</u>	<u>\$ 274</u>	<u>\$ 930</u>	<u>\$ (246)</u>	<u>\$ 684</u>	<u>\$ 1,221</u>	<u>\$ (263)</u>	<u>\$ 958</u>

- (6) Year to date other-than-temporary impairments in realized gains (losses) include \$10 million for fixed maturities, \$8 million for public equity and \$9 million for private equity.
- (7) Year to date includes \$112 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (8) 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.
- (9) Other unrealized losses are primarily related to the company's post-retirement programs.

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

	<u>June 30 2018</u>	<u>March 31 2018</u>	<u>December 31 2017</u>	<u>December 31 2016</u>
Financial Debt:				
Total short-term debt (1) (2)	\$ 600	\$ 1,669	\$ 1,013	\$ 500
Total long-term debt (2)	12,184	12,786	11,556	12,610
Total financial debt	\$12,784	\$ 14,455	\$ 12,569	\$ 13,110
Hybrid debt:				
Total trust preferred securities	308	308	308	308
Total	<u>\$13,092</u>	<u>\$ 14,763</u>	<u>\$ 12,877</u>	<u>\$ 13,418</u>
Capitalization:				
Shareholders' equity	\$50,971	\$ 51,287	\$ 51,172	\$ 48,275
Hybrid debt	308	308	308	308
Financial debt	12,784	14,455	12,569	13,110
Total capitalization	<u>\$64,063</u>	<u>\$ 66,050</u>	<u>\$ 64,049</u>	<u>\$ 61,693</u>
Leverage ratios (based on total capital):				
Hybrid debt	0.5%	0.5%	0.5%	0.5%
Financial debt	20.0%	21.9%	19.6%	21.3%
Total hybrid & financial debt	20.5%	22.4%	20.1%	21.8%

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

- (1) During Q2 2018, the \$1.0 billion junior subordinated capital securities were redeemed and the \$600 million 5.75% senior notes matured and were fully paid.
(2) During Q2 2018, the \$500 million 5.9% senior notes were reclassified to short-term debt.

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 June 30		Six months ended June 30	
	2018	2017	2018	2017
Numerator				
Core operating income to common shares	\$ 1,253	\$ 1,180	\$ 2,350	\$ 2,355
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(52)	(72)	(111)	(151)
Tax benefit on amortization adjustment	11	20	20	44
Chubb integration expenses, pre-tax	(13)	(72)	(23)	(183)
Tax benefit on Chubb integration expenses	3	22	5	59
Adjusted net realized gains (losses), pre-tax	106	246	146	291
Tax expense on adjusted net realized gains (losses)	(14)	(19)	(11)	(17)
Net income	<u>\$ 1,294</u>	<u>\$ 1,305</u>	<u>\$ 2,376</u>	<u>\$ 2,398</u>
Rollforward of Common Shares Outstanding				
Shares—beginning of period	465,831,486	467,223,019	463,833,179	465,968,716
Repurchase of shares	(2,443,855)	(2,381,566)	(2,443,855)	(3,417,630)
Shares issued, excluding option exercises	19,978	107,167	1,595,767	1,791,540
Issued for option exercises	94,555	426,521	517,073	1,032,515
Shares—end of period	<u>463,502,164</u>	<u>465,375,141</u>	<u>463,502,164</u>	<u>465,375,141</u>
Denominator				
Weighted average shares outstanding (2)	465,276,597	467,981,077	465,488,724	468,244,458
Effect of other dilutive securities	3,103,727	3,872,860	3,489,013	3,900,678
Adj. wtd. avg. shares outstanding and assumed conversions	<u>468,380,324</u>	<u>471,853,937</u>	<u>468,977,737</u>	<u>472,145,136</u>
Basic earnings per share				
Core operating income	\$ 2.69	\$ 2.52	\$ 5.05	\$ 5.03
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.11)	(0.19)	(0.23)
Chubb integration expenses, net of tax	(0.02)	(0.11)	(0.04)	(0.26)
Adjusted net realized gains (losses), net of tax	0.20	0.49	0.28	0.58
Net income	<u>\$ 2.78</u>	<u>\$ 2.79</u>	<u>\$ 5.10</u>	<u>\$ 5.12</u>
Diluted earnings per share				
Core operating income	\$ 2.68	\$ 2.50	\$ 5.01	\$ 4.99
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.11)	(0.19)	(0.23)
Chubb integration expenses, net of tax	(0.02)	(0.10)	(0.04)	(0.26)
Adjusted net realized gains (losses), net of tax	0.19	0.48	0.29	0.58
Net income	<u>\$ 2.76</u>	<u>\$ 2.77</u>	<u>\$ 5.07</u>	<u>\$ 5.08</u>

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

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

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

	June 30 2018	March 31 2018	December 31 2017	June 30 2017
Shareholders' equity	\$ 50,971	\$ 51,287	\$ 51,172	\$ 50,349
Less: goodwill and other intangible assets, net of tax	20,380	20,706	20,621	19,994
Numerator for tangible book value per share	<u>\$ 30,591</u>	<u>\$ 30,581</u>	<u>\$ 30,551</u>	<u>\$ 30,355</u>
Book value—% change over prior quarter	-0.6%	0.2%	1.4%	2.3%
Tangible book value—% change over prior quarter	0.0%	0.1%	1.2%	3.9%
Denominator	<u>463,502,164</u>	<u>465,831,486</u>	<u>463,833,179</u>	<u>465,375,141</u>
Book value per common share	\$ 109.97	\$ 110.10	\$ 110.32	\$ 108.19
Tangible book value per common share	\$ 66.00	\$ 65.65	\$ 65.87	\$ 65.23
Reconciliation of Book Value				
Shareholders' equity, beginning of quarter	\$ 51,287	\$ 51,172	\$ 50,471	\$ 49,224
Core operating income	1,253	1,097	1,489	1,180
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(41)	(50)	(41)	(52)
Chubb integration expenses, net of tax	(10)	(8)	(57)	(50)
Adjusted net realized gains (losses), net of tax (2)	92	43	142	227
Net unrealized gains (losses) on the investment portfolio	(435)	(988)	(193)	286
Repurchase of shares	(324)	—	(123)	(335)
Dividend declared on common shares	(339)	(332)	(330)	(332)
Cumulative translation	(570)	378	(411)	98
Postretirement benefit liability	(13)	(18)	78	(14)
Other (3)	71	(7)	147	117
	<u>\$ 50,971</u>	<u>\$ 51,287</u>	<u>\$ 51,172</u>	<u>\$ 50,349</u>

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

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

(3) Other primarily includes proceeds from exercise of stock options and stock compensation, offset by the value of any share cancellations for restricted stock vesting taxes.

Chubb Limited
Non-GAAP Financial Measures
(Unaudited)

Regulation G - Non-GAAP Financial Measures

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

We provide financial measures such as gross premiums written, net premiums written, net premiums earned, and core operating income (loss) on a constant-dollar basis. We believe it is useful to evaluate the trends in these measures exclusive of the effect of fluctuations in exchange rates between the U.S. dollar and the currencies in which our international business is transacted, as these exchange rates could fluctuate significantly between periods and distort the analysis of trends. The impact is determined by assuming constant foreign exchange rates between periods by translating prior period results using the same local currency exchange rates as the comparable current period.

Adjusted losses and loss expenses includes realized gains and losses on crop derivatives. The crop derivatives are purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing will impact underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations and therefore realized gains and losses from these derivatives are reclassified from adjusted net realized gains (losses), also a non-GAAP financial measure.

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

In presenting our segment income (loss) results, we have shown our performance with reference to underwriting results. Underwriting results are calculated by subtracting adjusted losses and loss expenses, policy benefits, policy acquisition costs, and administrative expenses from net premiums earned. We use underwriting results and adjusted operating ratios to monitor the results of our operations without the impact of certain factors, including investment income, other income and expenses, interest and income tax expense, and adjusted net realized gains (losses). P&C underwriting income is a non-GAAP financial measure which excludes the Life Insurance segment. P&C loss and loss expense ratio and P&C combined ratio (both non-GAAP financial measures) include adjusted losses and loss expenses in the ratio numerator. P&C expense ratio (a non-GAAP financial measure) and P&C combined ratio include policy acquisition costs and administrative expenses in the ratio numerator. A reconciliation of combined ratio to P&C combined ratio is provided on pages 34-37.

P&C combined ratio is the sum of the loss and loss expense ratio, acquisition cost ratio and the administrative expense ratio excluding the life business and including the realized gains and losses on the crop derivatives. These derivatives were purchased to provide economic benefit, in a manner similar to reinsurance protection, in the event that a significant decline in commodity pricing will impact underwriting results. We view gains and losses on these derivatives as part of the results of our underwriting operations.

CAY P&C combined ratio excluding the impact of catastrophe losses and prior period development (PPD) is a non-GAAP financial measure. The combined ratio numerator includes adjusted losses and loss expenses, policy acquisition costs, and administrative expenses. The denominator includes net premiums earned adjusted to exclude the amount of reinstatement premiums (expensed) collected. In periods where there are adjustments on loss sensitive policies, these adjustments are excluded from PPD and net premiums earned when calculating the ratios. We believe that excluding the impact of catastrophe losses and PPD provides a better evaluation of our underwriting performance and enhances the understanding of the trends in our property & casualty business that may be obscured by these items.

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

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

Core operating income (loss) is a non-GAAP financial measure that excludes the after-tax impact of adjusted net realized gains (losses), net realized gains (losses) included in other income (expense) related to partially owned entities, Chubb integration expenses, and the amortization of the fair value adjustments related to purchased invested assets and long-term debt from the Chubb Corp acquisition. We exclude adjusted realized gains and losses because the amount of these gains (losses) are heavily influenced by, and fluctuate in part according to the availability of market opportunities. We exclude Chubb integration expenses due to the size and complexity of this acquisition. These integration expenses are distortive to our results and are not indicative of our underlying profitability. We believe that

excluding these integration expenses facilitates the comparison of our financial results to our historical operating results. Chubb integration expenses are incurred by the overall company and are therefore included in Corporate. The costs are not related to the on-going activities of the individual segments and are therefore excluded from our definition of segment income (loss), as well.

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

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

Book value per common share, net of tax is shareholders' equity divided by the shares outstanding. Tangible book value per common share, net of tax is shareholders' equity less goodwill and other intangible assets, net of tax, divided by the shares outstanding. We believe that goodwill and other intangible assets are not indicative of our underlying insurance results or trends and make book value comparisons to less acquisitive peer companies less meaningful. In addition, we disclose per share measures for book value and tangible book value that exclude the impact of foreign currency fluctuations in order to adjust for the distortive effects of fluctuations in exchange rates. Adjusted book value per common share, net of tax, excludes unrealized investment gains (losses). Adjusted tangible book value per common share, net of tax, excludes goodwill and other intangible assets, net of tax, as well as unrealized investment gains (losses). We exclude unrealized investment gains (losses) because the amount of these gains (losses) is heavily influenced by changes in market conditions, including interest rate changes. We believe these measures are meaningful to understanding growth in book and tangible book value by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments.

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

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

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

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

	<u>2Q-18</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Net income	\$ 1,294	\$ 1,305	\$ 2,376	\$ 2,398	\$ 3,861
Core operating income	\$ 1,253	\$ 1,180	\$ 2,350	\$ 2,355	\$ 3,784
Equity—beginning of period, as reported	\$51,287	\$49,224	\$51,172	\$48,275	\$ 48,275
Less: unrealized gains on investments, net of deferred tax (1)	45	1,265	1,033	1,058	1,058
Equity—beginning of period, as adjusted	<u>\$51,242</u>	<u>\$47,959</u>	<u>\$50,139</u>	<u>\$47,217</u>	<u>\$ 47,217</u>
Equity—end of period, as reported	\$50,971	\$50,349	\$50,971	\$50,349	\$ 51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(390)	1,551	(390)	1,551	1,450
Equity—end of period, as adjusted	<u>\$51,361</u>	<u>\$48,798</u>	<u>\$51,361</u>	<u>\$48,798</u>	<u>\$ 49,722</u>
Weighted average equity, as reported	\$51,129	\$49,787	\$51,072	\$49,312	\$ 49,724
Weighted average equity, as adjusted	<u>\$51,302</u>	<u>\$48,379</u>	<u>\$50,750</u>	<u>\$48,008</u>	<u>\$ 48,470</u>
ROE	10.1%	10.5%	9.3%	9.7%	7.8%
Core operating ROE	9.8%	9.8%	9.3%	9.8%	7.8%

(1) During Q1 2018, the company adopted new guidance that requires the reclassification of \$417 million of unrealized appreciation to beginning retained earnings related to public equities and cost-method private equities. Refer to footnote 2 on pages 26 and 27 for further information.

Core operating effective tax rate

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

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Tax expense (benefit), as reported	\$ 218	\$ 135	\$ (382)	\$ (85)	\$ 200	\$ 353	\$ 328	\$ (139)
Less: tax benefit on amortization of fair value of acquired invested assets and debt (1)	(11)	(9)	(23)	(18)	(20)	(20)	(44)	(85)
Less: tax benefit on Chubb integration expenses	(3)	(2)	(20)	(14)	(22)	(5)	(59)	(93)
Less: tax expense (benefit) on adjusted net realized gains (losses)	14	(3)	(20)	8	19	11	17	5
Tax expense (benefit), adjusted	<u>\$ 218</u>	<u>\$ 149</u>	<u>\$ (319)</u>	<u>\$ (61)</u>	<u>\$ 223</u>	<u>\$ 367</u>	<u>\$ 414</u>	<u>\$ 34</u>
Income (loss) before tax, as reported	\$1,512	\$1,217	\$1,151	\$(155)	\$1,505	\$2,729	\$2,726	\$ 3,722
Less: amortization of fair value of acquired invested assets and debt (1)	(52)	(59)	(64)	(68)	(72)	(111)	(151)	(283)
Less: Chubb integration expenses	(13)	(10)	(77)	(50)	(72)	(23)	(183)	(310)
Less: adjusted realized gains (losses)	10	(4)	—	(5)	103	6	96	91
Less: realized gains (losses) related to unconsolidated entities	96	44	122	89	143	140	195	406
Core operating income (loss) before tax	<u>\$1,471</u>	<u>\$1,246</u>	<u>\$1,170</u>	<u>\$ (121)</u>	<u>\$1,403</u>	<u>\$2,717</u>	<u>\$2,769</u>	<u>\$ 3,818</u>
Effective tax rate	14.4%	11.1%	-33.1%	54.7%	13.3%	12.9%	12.0%	-3.7%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt (1)	0.2%	0.2%	3.7%	8.6%	0.6%	0.2%	0.8%	2.3%
Adjustment for tax impact of Chubb integration expenses	0.1%	0.1%	3.8%	6.6%	0.8%	0.1%	1.2%	2.6%
Adjustment for tax impact of adjusted net realized gains (losses)	0.1%	0.6%	-1.6%	19.0%	1.3%	0.3%	1.0%	-0.3%
Core operating effective tax rate	<u>14.8%</u>	<u>12.0%</u>	<u>-27.2%</u>	<u>50.9%</u>	<u>16.0%</u>	<u>13.5%</u>	<u>15.0%</u>	<u>0.9%</u>

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

Core operating income (loss)

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

	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>YTD 2018</u>	<u>YTD 2017</u>	<u>Full Year 2017</u>
Net income (loss), as reported	\$1,294	\$1,082	\$1,533	\$ (70)	\$1,305	\$2,376	\$2,398	\$ 3,861

Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(52)	(59)	(64)	(68)	(72)	(111)	(151)	(283)
Tax benefit on amortization adjustment	11	9	23	18	20	20	44	85
Chubb integration expenses, pre-tax	(13)	(10)	(77)	(50)	(72)	(23)	(183)	(310)
Tax benefit on Chubb integration expenses	3	2	20	14	22	5	59	93
Adjusted net realized gains (losses)	10	(4)	—	(5)	103	6	96	91
Net realized gains (losses) related to unconsolidated entities (2)	96	44	122	89	143	140	195	406
Tax benefit (expense) on adjusted net realized gains (losses)	(14)	3	20	(8)	(19)	(11)	(17)	(5)
Core operating income (loss)	<u>\$1,253</u>	<u>\$1,097</u>	<u>\$1,489</u>	<u>\$ (60)</u>	<u>\$1,180</u>	<u>\$2,350</u>	<u>\$2,355</u>	<u>\$ 3,784</u>

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

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

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

Regulation G - Non-GAAP Financial Measures (continued)

Core operating income measures

	2Q-18	2Q-17	% Change 2Q-18 vs. 2Q-17	YTD 2018	YTD 2017	% Change YTD-18 vs YTD-17	Full Year 2017
Core operating income	\$1,253	\$1,180		\$2,350	\$2,355		\$ 3,784
Less: Catastrophe losses, after-tax	(173)	(152)		(476)	(316)		(2,171)
Core operating income ex Cats	\$1,426	\$1,332	7.0%	\$2,826	\$2,671	5.8%	\$ 5,955
Less: Prior period development, after-tax	158	144		324	299		634
Core operating income ex Cats and PPD	\$1,268	\$1,188		\$2,502	\$2,372		\$ 5,321
Core operating income	\$1,253	\$1,180		\$2,350	\$2,355		\$ 3,784
Add: Actual Cats above (below) expected levels, after-tax	(10)	(13)		125	(5)		1,455
Core operating income w/ expected level of Cats	\$1,243	\$1,167	6.5%	\$2,475	\$2,350	5.4%	\$ 5,239

Diluted earnings per share

Core operating income ex Cats	\$ 3.05	\$ 2.82	8.2%	\$ 6.03	\$ 5.66	6.5%	\$ 12.64
Core operating income ex Cats and PPD	\$ 2.71	\$ 2.52	7.5%	\$ 5.34	\$ 5.02	6.4%	\$ 11.29
Core operating income w/ expected level of Cats	\$ 2.65	\$ 2.47	7.3%	\$ 5.28	\$ 4.98	6.0%	\$ 11.12

Core operating ROE with expected level of Cats

	2Q-18	2Q-17	YTD 2018	YTD 2017	Full Year 2017
Equity - beginning of period, as reported	\$51,287	\$49,224	\$51,172	\$48,275	\$48,275
Less: unrealized gains on investments, net of deferred tax	45	1,265	1,033	1,058	1,058
Equity - beginning of period, as adjusted	\$51,242	\$47,959	\$50,139	\$47,217	\$47,217
Equity - end of period, as reported	\$50,971	\$50,349	\$50,971	\$50,349	\$51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(390)	1,551	(390)	1,551	1,450
Equity - end of period, as adjusted	\$51,361	\$48,798	\$51,361	\$48,798	\$49,722
Add: Actual Cats above (below) expected levels, after-tax	(10)	(13)	125	(5)	1,455
Equity - end of period, as adjusted, w/ expected level of Cats	\$51,351	\$48,785	\$51,486	\$48,793	\$51,177
Weighted average equity, as reported	\$51,129	\$49,787	\$51,072	\$49,312	\$49,724
Weighted average equity, as adjusted	\$51,302	\$48,379	\$50,750	\$48,008	\$48,470
Weighted average equity, as adjusted, w/ expected level of Cats	\$51,297	\$48,372	\$50,813	\$48,005	\$49,197
ROE	10.1%	10.5%	9.3%	9.7%	7.8%
Core operating ROE	9.8%	9.8%	9.3%	9.8%	7.8%
Core operating ROE, w/ expected level of Cats	9.7%	9.7%	9.7%	9.8%	10.6%

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

	June 30 2018	March 31 2018	January 1 2018	% Change QTD 2018	% Change YTD 2018
Adjusted book value	\$ 51,361	\$ 51,242	\$ 50,139		
Less: goodwill and other intangible assets, net of tax	20,380	20,706	20,621		
Adjusted tangible book value	\$ 30,981	\$ 30,536	\$ 29,518		
Denominator	463,502,164	465,831,486	463,833,179		
Adjusted book value per share	\$ 110.81	\$ 110.00	\$ 108.10	0.7%	2.5%
Adjusted tangible book value per share	\$ 66.84	\$ 65.55	\$ 63.64	2.0%	5.0%

P&C combined ratio with expected level of Cats

	2Q-18	2Q-17	YTD 2018	YTD 2017	Full Year 2017
P&C combined ratio	88.4%	88.0%	89.2%	87.8%	94.7%
Less: Catastrophe losses	3.0%	3.0%	4.4%	3.1%	10.2%
Less: Prior period development	-2.7%	-2.5%	-3.0%	-3.1%	-3.1%

P&C CAY combined ratio excluding Cats	88.1%	87.5%	87.8%	87.8%	87.6%
Add: Expected level of Cats	3.2%	3.2%	3.2%	3.1%	3.4%
P&C CAY combined ratio w/ expected level of Cats	91.3%	90.7%	91.0%	90.9%	91.0%
Add: Prior period development	-2.7%	-2.5%	-3.0%	-3.1%	-3.1%
P&C combined ratio w/ expected level of Cats	88.6%	88.2%	88.0%	87.8%	87.9%

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio

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

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

Q2 2018		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
		\$ 2,084	\$ 728	\$ 289	\$ 1,071	\$ 83	\$ 48	\$4,303
		—	—	(8)	—	—	—	(8)
	A	<u>\$ 2,084</u>	<u>\$ 728</u>	<u>\$ 281</u>	<u>\$ 1,071</u>	<u>\$ 83</u>	<u>\$ 48</u>	<u>\$4,295</u>
		(73)	(101)	(2)	(26)	(9)	—	(211)
PPD and related adjustments								
		155	(7)	—	72	16	(45)	191
		(11)	—	—	—	2	—	(9)
		—	—	—	—	(1)	—	(1)
		144	(7)	—	72	17	(45)	181
	B	<u>\$ 2,155</u>	<u>\$ 620</u>	<u>\$ 279</u>	<u>\$ 1,117</u>	<u>\$ 91</u>	<u>\$ 3</u>	<u>\$4,265</u>
Policy acquisition costs and administrative expenses								
	C	\$ 701	\$ 296	\$ 27	\$ 850	\$ 49	\$ 70	\$1,993
		—	—	—	—	1	—	1
	D	<u>\$ 701</u>	<u>\$ 296</u>	<u>\$ 27</u>	<u>\$ 850</u>	<u>\$ 50</u>	<u>\$ 70</u>	<u>\$1,994</u>
Denominator								
	E	\$ 3,277	\$ 1,156	\$ 351	\$ 2,161	\$ 167		\$7,112
		(11)	—	—	—	2		(9)
	F	<u>\$ 3,266</u>	<u>\$ 1,156</u>	<u>\$ 351</u>	<u>\$ 2,161</u>	<u>\$ 169</u>		<u>\$7,103</u>
P&C Combined ratio								
	A/E	63.6%	63.0%	80.0%	49.6%	49.4%		60.4%
	C/E	21.4%	25.6%	7.9%	39.3%	29.9%		28.0%
		<u>85.0%</u>	<u>88.6%</u>	<u>87.9%</u>	<u>88.9%</u>	<u>79.3%</u>		<u>88.4%</u>
CAY P&C combined ratio ex Cats								
	B/F	66.0%	53.7%	79.3%	51.7%	53.0%		60.0%
	D/F	21.4%	25.6%	7.9%	39.3%	30.5%		28.1%
		<u>87.4%</u>	<u>79.3%</u>	<u>87.2%</u>	<u>91.0%</u>	<u>83.5%</u>		<u>88.1%</u>
Combined ratio								
								88.5%
								-0.1%
								<u>88.4%</u>

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

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2018		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 3,992	\$ 1,614	\$ 236	\$ 2,149	\$ 150	\$ 59	\$ 8,200
Realized (gains) losses on crop derivatives		—	—	(10)	—	—	—	(10)
Adjusted losses and loss expenses	A	<u>\$ 3,992</u>	<u>\$ 1,614</u>	<u>\$ 226</u>	<u>\$ 2,149</u>	<u>\$ 150</u>	<u>\$ 59</u>	<u>\$ 8,190</u>
Catastrophe losses		(151)	(385)	(3)	(41)	(11)	—	(591)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		256	(1)	76	94	30	(55)	400
Net premiums earned adjustments on PPD—unfavorable (favorable)		(11)	—	40	—	3	—	32
Expense adjustments—unfavorable (favorable)		6	—	(4)	—	(1)	—	1
PPD reinstatement premiums		4	—	—	—	—	—	4
PPD—gross of related adjustments—favorable (unfavorable)		<u>255</u>	<u>(1)</u>	<u>112</u>	<u>94</u>	<u>32</u>	<u>(55)</u>	<u>437</u>
CAY loss and loss expense ex Cats	B	<u>\$ 4,096</u>	<u>\$ 1,228</u>	<u>\$ 335</u>	<u>\$ 2,202</u>	<u>\$ 171</u>	<u>\$ 4</u>	<u>\$ 8,036</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	<u>\$ 1,404</u>	<u>\$ 598</u>	<u>\$ 23</u>	<u>\$ 1,677</u>	<u>\$ 99</u>	<u>\$ 142</u>	<u>\$ 3,943</u>
Expense adjustments—favorable (unfavorable)		(6)	—	4	—	1	—	(1)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 1,398</u>	<u>\$ 598</u>	<u>\$ 27</u>	<u>\$ 1,677</u>	<u>\$ 100</u>	<u>\$ 142</u>	<u>\$ 3,942</u>
Denominator								
Net premiums earned	E	<u>\$ 6,306</u>	<u>\$ 2,296</u>	<u>\$ 394</u>	<u>\$ 4,268</u>	<u>\$ 335</u>		<u>\$13,599</u>
Net premiums earned adjustments on PPD—unfavorable (favorable)		(11)	—	40	—	3		32
Reinstatement premiums expensed on PPD		4	—	—	—	—		4
Net premiums earned excluding adjustments	F	<u>\$ 6,299</u>	<u>\$ 2,296</u>	<u>\$ 434</u>	<u>\$ 4,268</u>	<u>\$ 338</u>		<u>\$13,635</u>
P&C Combined ratio								
Losses and loss expense ratio	A/E	63.3%	70.3%	57.4%	50.4%	44.8%		60.2%
Policy acquisition costs and administrative expense ratio	C/E	22.3%	26.0%	5.9%	39.2%	29.6%		29.0%
P&C Combined ratio		<u>85.6%</u>	<u>96.3%</u>	<u>63.3%</u>	<u>89.6%</u>	<u>74.4%</u>		<u>89.2%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.0%	53.5%	77.3%	51.6%	50.4%		58.9%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	22.2%	26.0%	6.2%	39.3%	29.9%		28.9%
CAY P&C combined ratio ex Cats		<u>87.2%</u>	<u>79.5%</u>	<u>83.5%</u>	<u>90.9%</u>	<u>80.3%</u>		<u>87.8%</u>
Combined ratio								
Combined ratio								89.3%
Add: impact of gains and losses on crop derivatives								-0.1%
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
Non-GAAP Financial Measures—6
(in millions of U.S. dollars, except ratios)
(Unaudited)

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

Q2 2017		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 1,936	\$ 683	\$ 290	\$ 964	\$ 46	\$ 45	\$3,964
Realized (gains) losses on crop derivatives		—	—	2	—	—	—	2
Adjusted losses and loss expenses	A	<u>\$ 1,936</u>	<u>\$ 683</u>	<u>\$ 292</u>	<u>\$ 964</u>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$3,966</u>
Catastrophe losses		(102)	(77)	(8)	(10)	(3)	—	(200)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		131	(37)	—	88	31	(43)	170
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	—	—	—	—	2
PPD—gross of related adjustments—favorable (unfavorable)		133	(37)	—	88	31	(43)	172
CAY loss and loss expense ex Cats	B	<u>\$ 1,967</u>	<u>\$ 569</u>	<u>\$ 284</u>	<u>\$ 1,042</u>	<u>\$ 74</u>	<u>\$ 2</u>	<u>\$3,938</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	<u>\$ 705</u>	<u>\$ 296</u>	<u>\$ 29</u>	<u>\$ 798</u>	<u>\$ 55</u>	<u>\$ 65</u>	<u>\$1,948</u>
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 705</u>	<u>\$ 296</u>	<u>\$ 29</u>	<u>\$ 798</u>	<u>\$ 55</u>	<u>\$ 65</u>	<u>\$1,948</u>
Denominator								
Net premiums earned	E	<u>\$ 3,099</u>	<u>\$ 1,093</u>	<u>\$ 344</u>	<u>\$ 2,018</u>	<u>\$ 168</u>		<u>\$6,722</u>
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	—	—	—		2
Net premiums earned excluding adjustments	F	<u>\$ 3,101</u>	<u>\$ 1,093</u>	<u>\$ 344</u>	<u>\$ 2,018</u>	<u>\$ 168</u>		<u>\$6,724</u>
P&C Combined ratio								
Losses and loss expense ratio	A/E	62.5%	62.4%	85.2%	47.8%	27.8%		59.0%
Policy acquisition costs and administrative expense ratio	C/E	22.7%	27.2%	8.1%	39.5%	32.4%		29.0%
P&C Combined ratio		<u>85.2%</u>	<u>89.6%</u>	<u>93.3%</u>	<u>87.3%</u>	<u>60.2%</u>		<u>88.0%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	63.4%	52.1%	83.0%	51.6%	44.4%		58.6%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	22.7%	27.2%	8.1%	39.6%	32.6%		28.9%
CAY P&C combined ratio ex Cats		<u>86.1%</u>	<u>79.3%</u>	<u>91.1%</u>	<u>91.2%</u>	<u>77.0%</u>		<u>87.5%</u>
Combined ratio								
Combined ratio								88.0%
Add: impact of gains and losses on crop derivatives								0.0%
P&C Combined ratio								<u>88.0%</u>

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

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2017		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 3,796	\$ 1,316	\$ 217	\$ 2,035	\$ 140	\$ 56	\$ 7,560
Realized (gains) losses on crop derivatives		—	—	2	—	—	—	2
Adjusted losses and loss expenses	A	<u>\$ 3,796</u>	<u>\$ 1,316</u>	<u>\$ 219</u>	<u>\$ 2,035</u>	<u>\$ 140</u>	<u>\$ 56</u>	<u>\$ 7,562</u>
Catastrophe losses		(185)	(145)	(13)	(60)	(3)	—	(406)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		310	(34)	79	76	23	(53)	401
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	61	—	(7)	—	56
Expense adjustments—unfavorable (favorable)		—	—	(5)	—	—	—	(5)
PPD reinstatement premiums		9	—	—	—	—	—	9
PPD—gross of related adjustments—favorable (unfavorable)		321	(34)	135	76	16	(53)	461
CAY loss and loss expense ex Cats	B	<u>\$ 3,932</u>	<u>\$ 1,137</u>	<u>\$ 341</u>	<u>\$ 2,051</u>	<u>\$ 153</u>	<u>\$ 3</u>	<u>\$ 7,617</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 1,423	\$ 578	\$ 23	\$ 1,572	\$ 116	\$ 123	\$ 3,835
Expense adjustments—favorable (unfavorable)		—	—	5	—	—	—	5
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 1,423</u>	<u>\$ 578</u>	<u>\$ 28</u>	<u>\$ 1,572</u>	<u>\$ 116</u>	<u>\$ 123</u>	<u>\$ 3,840</u>
Denominator								
Net premiums earned	E	\$ 6,140	\$ 2,179	\$ 358	\$ 3,954	\$ 357		\$12,988
Net premiums earned adjustments on PPD—unfavorable (favorable)		2	—	61	—	(7)		56
Reinstatement premiums expensed on PPD		9	—	—	—	—		9
Net premiums earned excluding adjustments	F	<u>\$ 6,151</u>	<u>\$ 2,179</u>	<u>\$ 419</u>	<u>\$ 3,954</u>	<u>\$ 350</u>		<u>\$13,053</u>
P&C Combined ratio								
Losses and loss expense ratio	A/E	61.8%	60.4%	61.3%	51.5%	39.3%		58.2%
Policy acquisition costs and administrative expense ratio	C/E	23.2%	26.5%	6.4%	39.7%	32.5%		29.6%
P&C Combined ratio		<u>85.0%</u>	<u>86.9%</u>	<u>67.7%</u>	<u>91.2%</u>	<u>71.8%</u>		<u>87.8%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	63.9%	52.2%	81.7%	51.9%	43.8%		58.4%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	23.1%	26.6%	6.5%	39.7%	33.2%		29.4%
CAY P&C combined ratio ex Cats		<u>87.0%</u>	<u>78.8%</u>	<u>88.2%</u>	<u>91.6%</u>	<u>77.0%</u>		<u>87.8%</u>
Combined ratio								
Combined ratio								87.8%
Add: impact of gains and losses on crop derivatives								0.0%
P&C Combined ratio								<u>87.8%</u>

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

Chubb Limited
Glossary

Chubb Limited Consolidated comprises all segments including Corporate.

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

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

Core operating effective tax rate: Income tax expense excluding tax expense (benefit) on adjusted net realized gains (losses), tax benefit on amortization of fair value of acquired invested assets and debt, and tax benefit on Chubb integration expenses, divided by income excluding adjusted net realized gains (losses) before tax, amortization of fair value of acquired invested assets and debt before tax, and Chubb integration expenses before tax.

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

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

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

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

Total capitalization: Short-term debt, long-term debt, trust preferreds, and shareholders' equity.

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

NM: Not meaningful.