

---

---

**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) – January 30, 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-(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 January 30, 2018, Chubb Limited issued a Press Release reporting its fourth quarter 2017 results and the availability of its fourth quarter 2017 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	<a href="#">Press Release, Dated January 30, 2018, Reporting Fourth Quarter 2017 Results</a>
99.2	<a href="#">Fourth Quarter 2017 Financial Supplement</a>

---

**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: January 30, 2018



Chubb Limited  
 Bäregasse 32  
 CH-8001 Zurich  
 Switzerland

www.chubb.com  
 @Chubb

## News Release

### **Chubb Reports Fourth Quarter Net Income Per Share of \$3.27; Core Operating Income Per Share was \$3.17, up 16.5%; Full-Year P&C Net Premiums Written of \$27.1 Billion, up 4.2%; Book Value and Tangible Book Value Per Share up 6.5% and 8.6%, Respectively, for the Year**

- Fourth quarter net income of \$1,533 million and core operating income <sup>(1)</sup> of \$1,489 million included a provisional tax benefit of \$450 million, or \$0.96 per share, related to the 2017 U.S. Tax Cuts and Jobs Act (2017 Tax Reform) and a one-time expense related to a contribution of \$50 million (\$32.5 million after-tax) to the Chubb Charitable Foundation to make a difference in society. Excluding these items, core operating income in the quarter was \$2.28 per share.
- Pre-tax catastrophe losses, net of reinsurance and including reinstatement premiums, were \$447 million for the quarter, including \$320 million for the northern California wildfires and other catastrophe losses as previously announced, \$157 million for the southern California wildfires and \$30 million of favorable adjustments related to catastrophe loss events in the third quarter.
- Fourth quarter P&C combined ratio was 90.7% compared with 87.8% prior year. The fourth quarter P&C current accident year combined ratio excluding catastrophe losses was 86.4% compared with 87.4% prior year.
- Full-year net income was \$3.9 billion, or \$8.19 per share, and core operating income was \$3.8 billion, or \$8.03 per share, including after-tax catastrophe losses of \$2.2 billion, or \$4.61 per share.
- Full-year P&C combined ratio was 94.7% compared with 88.7% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 87.6% compared with 89.0% prior year. The year-over-year decline of 1.4 percentage points was driven by a decline in the expense ratio of 2.1 percentage points partially offset by an increase in the loss and loss expense ratio of 0.7 percentage points.
- P&C current accident year underwriting income excluding catastrophe losses was \$912 million for the quarter, up 10.3%, and \$3,347 million for the year, up 13.7%.
- Consolidated and P&C net premiums written were \$7.1 billion and \$6.5 billion, respectively, for the quarter and \$29.2 billion and \$27.1 billion, respectively, for the year. Excluding merger-related actions, <sup>(2)</sup> P&C net premiums written were up 3.7% for the quarter and up 6.3% for the year. Merger-related actions are now largely completed. Foreign currency movement favorably impacted premium growth in the quarter by 1.2% and had no impact on premium growth for the year.
- The annualized ROE and core operating ROE were both 12.1% for the quarter and 7.8% for the year.

Chubb <sup>®</sup>, Chubb logo <sup>®</sup> and Chubb. Insured. <sup>SM</sup> are trademarks of Chubb.

- Adjusted net investment income was \$873 million, pre-tax, for the quarter and a record \$3.5 billion, pre-tax, for the year, up 3.5% and 6.1%, respectively.
- Operating cash flow was \$1.1 billion for the quarter and \$4.5 billion for the year.
- Book value per share is up 1.5% from the prior quarter and 6.5% for the year. Tangible book value per share is up 1.2% from the prior quarter and 8.6% for the year.
- Core operating effective tax rate for 2018 is expected to be within a range of 13% to 15%.
  - (1) *Effective Q4 2017, in consideration of the SEC guidance on non-GAAP financial measures, the company relabeled operating income, operating return on equity (ROE) and operating effective tax rate to “core operating income,” “core operating ROE,” and “core operating effective tax rate,” respectively. This is a change in terminology only and the method of calculation and definition of these measures is consistent with prior periods. References to core operating income mean net of tax, whether or not noted.*
  - (2) *Merger-related actions include the cancellation of certain portfolios or lines of business that do not meet company underwriting standards, the purchase of additional reinsurance, as well as a prior year accounting policy alignment adjustment. For the year there is also a one-time unearned premium reserve (UPR) transfer in 2016.*

**ZURICH – January 30, 2018** – Chubb Limited (NYSE: CB) today reported net income for the quarter ended December 31, 2017 of \$1,533 million, or \$3.27 per share, compared with net income of \$1,610 million, or \$3.41 per share, for the same quarter last year. Core operating income was \$1,489 million, or \$3.17 per share, compared with \$1,283 million, or \$2.72 per share, for the same quarter last year. The property and casualty (P&C) combined ratio was 90.7% for the quarter. Book value per share increased 1.5% and tangible book value per share increased 1.2% from September 30, 2017 and now stand at \$110.32 and \$65.87, respectively. The 2017 Tax Reform increased book value by \$450 million and decreased tangible book value by \$293 million, primarily due to the impact of the reduced U.S. corporate tax rate on deferred tax balances and excess foreign tax credits created by the deemed repatriation of foreign subsidiary earnings. Foreign currency movement in the quarter unfavorably impacted book value by \$390 million and tangible book value by \$190 million.

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.

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

	(Per Share - Diluted)					
	2017	2016	Change	2017	2016	Change
Net income	\$1,533	\$1,610	(4.8)%	\$ 3.27	\$ 3.41	(4.1)%
Chubb one-time integration and merger-related expenses, net of tax	57	94	(39.4)%	0.12	0.20	(40.0)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	41	66	(37.9)%	0.09	0.14	(35.7)%
Adjusted net realized (gains) losses, net of tax	(142)	(487)	(70.8)%	(0.31)	(1.03)	(69.9)%
Core operating income, net of tax	<u>\$1,489</u>	<u>\$1,283</u>	<u>16.2%</u>	<u>\$ 3.17</u>	<u>\$ 2.72</u>	<u>16.5%</u>

*For the three months ended December 31, 2017 and 2016, the tax expenses (benefits) related to the table above were \$(20) million and \$(37) million, respectively, for Chubb one-time integration and merger-related expenses; \$(23) million and \$(22) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$(20) million and \$46 million, respectively, for adjusted net realized gains and losses; and \$(319) million and \$272 million, respectively, for core operating income.*

For the year ended December 31, 2017, net income was \$3,861 million, or \$8.19 per share, compared with \$4,135 million, or \$8.87 per share, for 2016. Core operating income was \$3,784 million, or \$8.03 per share, compared with \$4,716 million, or \$10.12 per share, for 2016. The P&C combined ratio was 94.7% for the year. Book value per share increased 6.5% and tangible book value per share increased 8.6% from December 31, 2016. Book value and tangible book value were favorably impacted by net realized and unrealized gains of \$742 million after-tax in the company's investment portfolio and \$103 million of after-tax realized gains in the company's variable annuity reinsurance business. Additionally, foreign currency movement (FX) favorably impacted book value by \$512 million after-tax and tangible book value by \$269 million after-tax. The 2017 Tax Reform increased book value by \$450 million and decreased tangible book value by \$293 million as noted above.

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.

**Chubb Limited**  
**Full Year Summary**  
(in millions, except per share amounts)  
(Unaudited)

	(Per Share - Diluted)					
	2017	2016	Change	2017	2016	Change
Net income	\$3,861	\$4,135	(6.6)%	\$ 8.19	\$ 8.87	(7.7)%
Chubb one-time integration and merger-related expenses, net of tax	217	356	(39.0)%	0.46	0.76	(39.5)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	198	244	(18.9)%	0.42	0.52	(19.2)%
Adjusted net realized (gains) losses, net of tax	(492)	(19)	NM	(1.04)	(0.03)	NM
Core operating income, net of tax	<u>\$3,784</u>	<u>\$4,716</u>	<u>(19.7)%</u>	<u>\$ 8.03</u>	<u>\$10.12</u>	<u>(20.7)%</u>

*For the years ended December 31, 2017 and 2016, the tax expenses (benefits) related to the table above were \$(93) million and \$(143) million, respectively, for Chubb one-time integration and merger-related expenses; \$(85) million and \$(101) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$5 million and \$68 million, respectively, for adjusted net realized gains and losses; and \$34 million and \$991 million, respectively, for core operating income.*

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “Our fourth quarter results were highlighted by core operating income per share, up 16.5%, which was aided by a one-time benefit from tax reform, excellent ex-CAT underwriting performance from every division, a core operating ROE of 12% and improving commercial P&C pricing in a number of our businesses globally. On the other hand, the quarter was impacted by the two largest wildfires in California history. Net P&C premiums excluding merger-related actions were up 3.7% for the quarter and contributed to growth of 6.3% for the year. With merger-related underwriting actions and their impact on revenue growth largely behind us, a strong economy, both domestic and global, and positive momentum continuing to build for commercial P&C pricing in a number of classes, we are quite optimistic about our prospects for improved premium revenue growth in the year ahead.

“For the year, we produced \$3.8 billion in core operating income, down 20% from what we would have earned with a normalized level of annual catastrophe losses and without the benefit from tax reform. Pre-tax, current accident year underwriting income excluding CATs was \$3.3 billion, up 14%, while investment income was a record \$3.5 billion, up 6%. Our published results led to a core operating ROE of nearly 8% and reasonably strong book and tangible book value per share growth of 6.5% and 8.6%, respectively.

“In the quarter, the P&C combined ratio was 90.7%, and for the year it was 94.7%, which includes \$2.7 billion in net catastrophe losses. Those combined ratios, given what was likely a record or near-record year for worldwide insured natural catastrophe losses, demonstrate the quality of our underwriting and our

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured.<sup>SM</sup> are trademarks of Chubb.

balanced book of business. On a current accident year basis excluding the CATs, the combined ratio for the year was 87.6%, compared with 89% in 2016.

“In terms of the current rate environment, positive commercial P&C rate movement accelerated in the quarter month by month, with prices firming in a number of important classes, both property and casualty-related. We achieved some of the best rate change in a number of years and the positive trend has continued into January with momentum appearing to build in certain classes. Renewal retentions remained steady overall across the company and are quite good, but they varied by line of business during the quarter with some areas paying a price in terms of a modestly lower renewal retention level in order to maintain pricing discipline. The same goes with new business – some areas of our company were up while others suffered in terms of new business. These conditions, in my judgment, speak to an insurance market in transition, and rates should continue to firm as the year goes along, although not in all classes or all territories.

“Lastly, tax reform is good for our economy, and Chubb will benefit from both a lower corporate rate and additional insurance exposure growth as the economy continues to expand. We are honored to share a portion of the benefit from tax reform to make a difference in society with a contribution to the Chubb Charitable Foundation of \$50 million.”

Operating highlights for the quarter ended December 31, 2017 were as follows:

### **Chubb Limited**

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

	<u>Q4</u> <u>2017</u>	<u>Q4</u> <u>2016</u>	<u>Change</u>
<b><u>P&amp;C</u></b>			
Net premiums written (including favorable FX of 1.2 pts)	\$6,496	\$6,389	1.7%
Net premiums written – excluding merger-related actions			3.7%
Underwriting income	\$ 623	\$ 795	(21.7)%
Combined ratio	90.7%	87.8%	
Current accident year underwriting income excluding catastrophe losses	\$ 912	\$ 825	10.3%
Current accident year combined ratio excluding catastrophe losses	86.4%	87.4%	
<b><u>Global P&amp;C (excludes Agriculture)</u></b>			
Net premiums written (including favorable FX of 1.1 pts)	\$6,370	\$6,349	0.3%
Net premiums written – excluding merger-related actions			2.3%
Underwriting income	\$ 433	\$ 611	(29.4)%
Combined ratio	93.3%	90.4%	
Current accident year underwriting income excluding catastrophe losses	\$ 758	\$ 659	14.7%
Current accident year combined ratio excluding catastrophe losses	88.2%	89.7%	
<b><u>North America Agricultural Insurance</u></b>			
Net premiums written	\$ 126	\$ 40	214.3%
Combined ratio	24.4%	(25.4)%	
Current accident year combined ratio excluding catastrophe losses	40.0%	(10.9)%	

Chubb®, Chubb logo® and Chubb. Insured. SM are trademarks of Chubb.



Operating highlights for the year ended December 31, 2017 were as follows:

**Chubb Limited**

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

	<b>FY 2017</b>	<b>FY 2016</b>	<b>Change</b>
<b><u>P&amp;C</u></b>			
Net premiums written	\$27,103	\$26,021	4.2%
Net premiums written – excluding merger-related actions			6.3%
Underwriting income	\$ 1,430	\$ 3,018	(52.6)%
Combined ratio	94.7%	88.7%	
Current accident year underwriting income excluding catastrophe losses	\$ 3,347	\$ 2,943	13.7%
Current accident year combined ratio excluding catastrophe losses	87.6%	89.0%	
<b><u>Global P&amp;C (excludes Agriculture)</u></b>			
Net premiums written	\$25,587	\$24,693	3.6%
Net premiums written – excluding merger-related actions			5.8%
Underwriting income	\$ 1,038	\$ 2,677	(61.2)%
Combined ratio	95.9%	89.5%	
Current accident year underwriting income excluding catastrophe losses	\$ 3,056	\$ 2,655	15.1%
Current accident year combined ratio excluding catastrophe losses	88.0%	89.5%	
<b><u>North America Agricultural Insurance</u></b>			
Net premiums written	\$ 1,516	\$ 1,328	14.2%
Combined ratio	74.0%	74.1%	
Current accident year combined ratio excluding catastrophe losses	81.5%	78.9%	

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.

- Net premiums earned increased 2.3% for the quarter and 1.0% for the year. Excluding merger-related actions, P&C net premiums earned increased 3.7% for the quarter and 2.9% for the year.
- For the quarter, total pre-tax and after-tax catastrophe losses were \$447 million (6.7 percentage points of the combined ratio) and \$331 million, respectively, compared with \$268 million (4.1 percentage points of the combined ratio) and \$222 million, respectively, last year.
- For the year, total pre-tax and after-tax catastrophe losses were \$2,746 million (10.2 percentage points of the combined ratio) and \$2,171 million, respectively, compared with \$1,060 million (4.0 percentage points of the combined ratio) and \$844 million, respectively, last year.
- For the quarter, total pre-tax and after-tax favorable prior period development were \$158 million (2.4 percentage points of the combined ratio) and \$130 million, respectively, compared with \$238 million (3.7 percentage points of the combined ratio) and \$208 million, respectively, last year. Pre-tax favorable prior period development in the quarter included \$138 million of adverse development for legacy exposures, principally asbestos.
- For the year, total pre-tax and after-tax favorable prior period development was \$829 million (3.1 percentage points of the combined ratio) and \$634 million, respectively, compared with \$1,135 million pre-tax (4.3 percentage points of the combined ratio) and \$898 million after-tax last year.
- Adjusted net investment income was \$873 million for the quarter, up 3.5%, which exceeded prior guidance due to increased call activity in the company's corporate bond portfolio and higher than projected private equity distributions. For the year, adjusted net investment income was a record \$3.5 billion, up 6.1%.
- Share repurchases totaled \$123 million, or approximately 0.8 million shares, during the quarter and \$830 million, or approximately 5.9 million shares, for the year.
- Net loss reserves increased \$1.2 billion for the year primarily due to significant catastrophe loss events in 2017.

Details of financial results by business segment are available in the Chubb Limited Financial Supplement. Key segment items for the quarter ended December 31, 2017 are presented below:

**Chubb Limited**

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

	Q4 2017	Q4 2016	Change
<b><u>Total North America P&amp;C Insurance</u></b>			
Net premiums written	\$4,219	\$4,163	1.3%
Net premiums written – excluding merger-related actions			2.6%
Combined ratio	88.0%	81.9%	
Current accident year combined ratio excluding catastrophe losses	82.8%	83.9%	
<b><u>North America Commercial P&amp;C Insurance</u></b>			
Net premiums written	\$2,993	\$3,083	(2.9)%
Net premiums written – excluding merger-related actions			(1.2)%
Major account retail and excess and surplus (E&S) wholesale (Major Accounts & Specialty) – excluding merger-related actions			(3.3)%
Middle market and small commercial (Commercial Insurance) – excluding merger-related actions			1.9%
Combined ratio	86.2%	84.8%	
Current accident year combined ratio excluding catastrophe losses	87.3%	88.9%	
<b><u>North America Personal P&amp;C Insurance</u></b>			
Net premiums written	\$1,100	\$1,040	5.8%
Combined ratio	107.5%	88.3%	
Current accident year combined ratio excluding catastrophe losses	80.5%	82.9%	
<b><u>North America Agricultural Insurance</u></b>			
Net premiums written	\$ 126	\$ 40	214.3%
Combined ratio	24.4%	(25.4)%	
Current accident year combined ratio excluding catastrophe losses	40.0%	(10.9)%	
<b><u>Overseas General Insurance</u></b>			
Net premiums written (including favorable FX of 2.7 pts)	\$2,172	\$2,112	2.8%
Net premiums written – excluding merger-related actions			6.5%
Combined ratio	84.3%	90.6%	
Current accident year combined ratio excluding catastrophe losses	90.3%	91.2%	

- North America Agricultural Insurance: Net premiums written were \$126 million in the quarter, an increase of \$86 million over the prior year due to higher premium retention as a result of the year-over-year impact of the premium-sharing formulas with the U.S. government. Underwriting income in the quarter was \$190 million, including a current year favorable adjustment of \$110 million, principally reflecting an upward revision to the 2017 crop year margin estimate. On a comparative basis, the prior year included a favorable adjustment of \$154 million.
- Global Reinsurance: Net premiums written decreased 8.2%, or 9.3% in constant dollars, for the quarter. The combined ratio for the quarter was 110.2%, compared with 94.0%. The current accident year combined ratio excluding catastrophe losses for the quarter was 81.4%, compared with 78.8%.
- Life Insurance: Segment income was \$70 million for the quarter, compared to \$60 million, including International life insurance segment income of \$19 million, up \$8 million. International life insurance net premiums written and deposits collected increased 25.2% in constant dollars for the quarter.

Key segment items for the year ended December 31, 2017 are presented below:

**Chubb Limited**

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

	FY 2017	FY 2016	Change
<b><u>Total North America P&amp;C Insurance</u></b>			
Net premiums written	\$ 18,077	\$ 17,221	5.0%
Net premiums written – excluding merger-related actions			6.5%
Combined ratio	92.2%	86.5%	
Current accident year combined ratio excluding catastrophe losses	84.9%	86.8%	
<b><u>North America Commercial P&amp;C Insurance</u></b>			
Net premiums written	\$ 12,028	\$ 11,740	2.5%
Net premiums written – excluding merger-related actions			4.8%
Major accounts retail and E&S wholesale (Major Accounts & Specialty) – excluding merger-related actions			2.2%
Middle market and small commercial (Commercial Insurance) – excluding merger-related actions			8.9%
Combined ratio	91.4%	86.7%	
Current accident year combined ratio excluding catastrophe losses	87.5%	89.4%	
<b><u>North America Personal P&amp;C Insurance</u></b>			
Net premiums written	\$ 4,533	\$ 4,153	9.1%
Net premiums written – excluding merger-related actions			8.8%
Combined ratio	100.7%	90.0%	
Current accident year combined ratio excluding catastrophe losses	78.9%	81.8%	
<b><u>North America Agricultural Insurance</u></b>			
Net premiums written	\$ 1,516	\$ 1,328	14.2%
Combined ratio	74.0%	74.1%	
Current accident year combined ratio excluding catastrophe losses	81.5%	78.9%	
<b><u>Overseas General Insurance</u></b>			
Net premiums written	\$ 8,341	\$ 8,124	2.7%
Net premiums written – excluding merger-related actions			5.9%
Combined ratio	92.0%	88.5%	
Current accident year combined ratio excluding catastrophe losses	91.0%	91.5%	

- North America Agricultural Insurance: Underwriting income for the year was \$392 million, up 15%, compared to \$341 million in the prior year.
- Global Reinsurance: Net premiums written for the year increased 1.4%, or 2.2% in constant dollars. The combined ratio for the year was 111.2%, compared with 79.5%. The current accident year combined ratio excluding catastrophe losses for the year was 79.2%, compared with 78.6%.
- Life Insurance: Segment income for the year was \$248 million, compared to \$263 million, including International life insurance segment income of \$54 million, up \$27 million year over year. The growth in International life insurance was more than offset by the run-off of the company's life reinsurance business. International life insurance net premiums written and deposits collected increased 20.5% in constant dollars for the year.

Please refer to the Chubb Limited [Financial Supplement](#), dated December 31, 2017, which is posted on the company's investor relations website, [investors.chubb.com](http://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 fourth quarter earnings conference call on Wednesday, January 31, 2018, beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at [investors.chubb.com](http://investors.chubb.com) or by dialing 888-427-9419 (within the United States) or 719-325-2236 (international), passcode 5252685. Please refer to the Chubb investor relations website under Events and Presentations for details. A replay of the call will be available until Thursday, February 15, 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](http://www.chubb.com).

### **Investor Contact**

Helen Wilson: (441) 299-9283; [helen.wilson@chubb.com](mailto:helen.wilson@chubb.com)

### **Media Contact**

Jeffrey Zack: (212) 827-4444; [jeffrey.zack@chubb.com](mailto:jeffrey.zack@chubb.com)

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

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured.<sup>SM</sup> are trademarks of Chubb.

### **Regulation G - Non-GAAP Financial Measures**

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets of \$76 million in Q4 2017 and \$332 million for full year 2017. 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 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 and related 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 and related expenses related to the acquisition due to the size, complexity, and volume of this acquisition, which may not

Chubb ®, Chubb logo ® and Chubb. Insured. SM are trademarks of Chubb.

be indicative of such future costs. We believe that excluding the Chubb integration and related expenses facilitates the comparison of our financial results to our historical operating results. References to core operating income mean net of tax, whether or not noted. Core operating effective tax rate is a non-GAAP financial measure which provides the effective tax rate on our Core operating income.

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 loss on the crop derivatives.

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 certain 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 and related 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. In addition, for 2016, the denominator was adjusted to account for the weighted-average impact of the \$15,527 million issuance of common shares and equity awards related to the Chubb Corp acquisition on January 14, 2016. 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 underwriting actions, including exiting certain types of business that do not meet our underwriting standards or adhere to our risk diversification strategy. We exclude the impact of accounting policy alignment to conform the timing of premium recognition of certain Chubb Corp foreign subsidiaries to be on the same basis as Chubb Limited. We also excluded the net premiums written related to a one-time UPR transfer in 2016 that reduced premiums in the prior year. We believe that this measure is meaningful to evaluate trends in our underlying business on a comparable basis.

Tangible book value per common share, net of tax is shareholders' equity less goodwill and other intangible assets divided by the shares outstanding. The intangibles related to the Chubb Corp acquisition are excluded from the tangible

Chubb ®, Chubb logo ® and Chubb. Insured. SM are trademarks of Chubb.

book value per share calculation net of tax. 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 and related 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. Chubb integration and related expenses also include interest expense related to the \$5.3 billion senior notes issued in November 2015 in order to finance a portion of the Chubb Corp acquisition. We exclude this pre-acquisition interest expense from core operating income because the operations for which the debt was issued were not part of our operating activities prior to the completion of the acquisition. Effective with the close of the Chubb Corp acquisition (January 14, 2016), the interest on this debt was considered a cost of our operations and is included within core operating income.

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

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.



**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<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.

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

	December 31 2017	December 31 2016
<b>Assets</b>		
Investments	\$ 102,444	\$ 99,094
Cash	728	985
Insurance and reinsurance balances receivable	9,334	8,970
Reinsurance recoverable on losses and loss expenses	15,034	13,577
Goodwill and other intangible assets	22,054	22,095
Other assets	17,428	15,065
Total assets	<u>\$ 167,022</u>	<u>\$ 159,786</u>
<b>Liabilities</b>		
Unpaid losses and loss expenses	\$ 63,179	\$ 60,540
Unearned premiums	15,216	14,779
Other liabilities	37,455	36,192
Total liabilities	<u>\$ 115,850</u>	<u>\$ 111,511</u>
<b>Shareholders' equity</b>		
Total shareholders' equity	51,172	48,275
Total liabilities and shareholders' equity	<u>\$ 167,022</u>	<u>\$ 159,786</u>
Book value per common share	\$ 110.32	\$ 103.60
Tangible book value per common share	\$ 65.87	\$ 60.64
Book value per common share excluding cumulative translation losses (1)	\$ 112.88	\$ 107.17
Tangible book value per common share excluding cumulative translation losses (1)	\$ 67.84	\$ 63.10

(1) Cumulative translation losses were \$1.2 billion in 2017 (\$914 million on tangible and \$273 million on intangible net assets) and \$1.7 billion in 2016 (\$1,147 million on tangible and \$516 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 December 31		Year Ended December 31	
	2017	2016	2017	2016
Gross premiums written	\$ 8,960	\$ 8,837	\$36,376	\$34,983
Net premiums written	7,051	6,938	29,244	28,145
Net premiums earned	7,218	7,059	29,034	28,749
Losses and loss expenses	4,272	3,855	18,454	16,052
Policy benefits	176	161	676	588
Policy acquisition costs	1,447	1,417	5,781	5,904
Administrative expenses (1)	737	708	2,833	3,081
Net investment income	797	744	3,125	2,865
Net realized gains (losses)	—	365	84	(145)
Interest expense	156	154	607	605
Other income (expense):				
Gains (losses) from separate account assets	27	(11)	97	11
Other	40	141	303	211
Amortization of purchased intangibles	66	3	260	19
Chubb integration expenses	77	131	310	492
Income tax expense (benefit) (2)	(382)	259	(139)	815
Net income	<u>\$ 1,533</u>	<u>\$ 1,610</u>	<u>\$ 3,861</u>	<u>\$ 4,135</u>
<b>Diluted earnings per share:</b>				
Core operating income	\$ 3.17	\$ 2.72	\$ 8.03	\$ 10.12
Net income	\$ 3.27	\$ 3.41	\$ 8.19	\$ 8.87
Weighted average diluted shares outstanding	469.5	471.6	471.2	465.9

(1) 2016 includes the one-time pension curtailment benefit of \$90 million.

(2) 2017 includes the one-time tax transition benefit of \$450 million related to the 2017 Tax Reform.

<b>P&amp;C combined ratio</b>				
Loss and loss expense ratio	61.4%	57.0%	65.8%	57.8%
Policy acquisition cost ratio	19.4%	19.8%	19.5%	20.2%
Administrative expense ratio	9.9%	11.0%	9.4%	10.7%
P&C combined ratio	<u>90.7%</u>	<u>87.8%</u>	<u>94.7%</u>	<u>88.7%</u>
P&C underwriting income	\$ 623	\$ 795	\$ 1,430	\$ 3,018

Chubb<sup>®</sup>, Chubb logo<sup>®</sup> and Chubb. Insured. SM are trademarks of Chubb.

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

	Three Months Ended December 31		Year Ended December 31	
	2017	2016	2017	2016
<b>Gross Premiums Written</b>				
North America Commercial P&C Insurance	\$ 4,095	\$ 4,109	\$15,760	\$14,986
North America Personal P&C Insurance	1,260	1,228	5,152	4,894
North America Agricultural Insurance	276	266	2,315	2,187
Overseas General Insurance	2,639	2,542	10,142	9,935
Global Reinsurance	104	115	746	739
Life Insurance <sup>(1)</sup>	974	835	3,697	3,248
<i>Total</i>	<u>\$ 9,348</u>	<u>\$ 9,095</u>	<u>\$37,812</u>	<u>\$35,989</u>
<b>Net Premiums Written</b>				
North America Commercial P&C Insurance	\$ 2,993	\$ 3,083	\$12,028	\$11,740
North America Personal P&C Insurance	1,100	1,040	4,533	4,153
North America Agricultural Insurance	126	40	1,516	1,328
Overseas General Insurance	2,172	2,112	8,341	8,124
Global Reinsurance	105	114	685	676
Life Insurance <sup>(1)</sup>	943	807	3,577	3,130
<i>Total</i>	<u>\$ 7,439</u>	<u>\$ 7,196</u>	<u>\$30,680</u>	<u>\$29,151</u>
<b>Net Premiums Earned</b>				
North America Commercial P&C Insurance	\$ 3,035	\$ 3,087	\$12,191	\$12,217
North America Personal P&C Insurance	1,103	1,074	4,399	4,319
North America Agricultural Insurance	252	147	1,508	1,316
Overseas General Insurance	2,113	2,050	8,131	8,132
Global Reinsurance	162	167	704	710
Life Insurance	553	534	2,101	2,055
<i>Total</i>	<u>\$ 7,218</u>	<u>\$ 7,059</u>	<u>\$29,034</u>	<u>\$28,749</u>
<b>Segment income (loss)</b>				
North America Commercial P&C Insurance	\$ 909	\$ 955	\$ 3,010	\$ 3,492
North America Personal P&C Insurance	(29)	174	177	614
North America Agricultural Insurance	189	181	386	331
Overseas General Insurance	460	330	1,216	1,497
Global Reinsurance	50	75	196	413
Life Insurance	70	60	248	263
Corporate	(311)	(166)	(759)	(370)
<i>Total</i>	<u>\$ 1,338</u>	<u>\$ 1,609</u>	<u>\$ 4,474</u>	<u>\$ 6,240</u>

(1) Life Insurance gross and net premiums written includes deposits collected on universal life and investment contracts in 2017 (Q4 \$388 million, full-year \$1,436 million) and 2016 (Q4 \$258 million, full-year \$1,006 million).



Chubb Limited  
Financial Supplement  
for the Quarter and Year Ended December 31, 2017

**Investor Contact**

Helen M. Wilson  
Phone: (441) 299-9283  
email: [investorrelations@chubb.com](mailto:investorrelations@chubb.com)

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>
<b>I. <u>Financial Highlights</u></b>	
- Consolidated Financial Highlights	1-2
<b>II. <u>Consolidated Results</u></b>	
- 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
<b>III. <u>Global P&amp;C Results</u></b>	
- Global P&C Underwriting Results - Consecutive Quarters	11
<b>IV. <u>Segment Results</u></b>	
- 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
<b>V. <u>Balance Sheet Details</u></b>	
- 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
<b>VI. <u>Other Disclosures</u></b>	
- Non-GAAP Financial Measures	31-37
- Glossary	38

**Note: The results herein are presented on an as-reported basis unless otherwise indicated.**

**Effective Q4 2017, in consideration of the SEC guidance on non-GAAP financial measures, the company relabeled operating income, operating return on equity (ROE) and operating effective tax rate to “core operating income”, “core operating ROE”, and “core operating effective tax rate,” respectively. This is a change in terminology only and the method of calculation and definition of these measures is consistent with prior periods.**

**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 December 31		% Change	Constant \$	Constant \$
	2017	2016	4Q-17 vs. 4Q-16	2016	% Change 4Q-17 vs. 4Q-16
Gross premiums written	\$ 8,960	\$ 8,837	1.4%	\$ 8,927	0.4%
Net premiums written	\$ 7,051	\$ 6,938	1.6%	\$ 7,014	0.5%
P&C net premiums written	\$ 6,496	\$ 6,389	1.7%	\$ 6,461	0.5%
Global P&C net premiums written	\$ 6,370	\$ 6,349	0.3%	\$ 6,421	-0.8%
Net premiums earned	\$ 7,218	\$ 7,059	2.3%	\$ 7,140	1.1%
Net investment income	\$ 797	\$ 744	7.2%	\$ 748	6.5%
Adjusted net investment income	\$ 873	\$ 845	3.5%	\$ 849	2.9%
Core operating income	\$ 1,489	\$ 1,283	16.2%	\$ 1,298	14.8%
Net income	\$ 1,533	\$ 1,610	-4.8%		
Operating cash flow	\$ 1,092	\$ 1,455			
<b>P&amp;C combined ratio</b>					
Loss and loss expense ratio	61.4%	57.0%			
Underwriting and administrative expense ratio	29.3%	30.8%			
Combined ratio	90.7%	87.8%			
<b>P&amp;C combined ratio - ex Cats and PPD</b>					
Loss and loss expense ratio - ex Cats and PPD	57.1%	56.4%			
Underwriting and administrative expense ratio - ex Cats and PPD	29.3%	31.0%			
Combined ratio excluding catastrophe losses (Cats) and PPD	86.4%	87.4%			
ROE	12.1%	13.3%			
Core operating return on equity (ROE)	12.1%	11.0%			
Effective tax rate	-33.1%	13.8%			
Core operating effective tax rate (1)	-27.2%	17.6%			
<b>Diluted earnings per share</b>					
Net income	\$ 3.27	\$ 3.41	-4.1%		
Core operating income	\$ 3.17	\$ 2.72	16.5%		
Weighted average basic common shares outstanding	465.4	468.3			
Weighted average diluted common shares outstanding	469.5	471.6			

(1) Q4 2017 includes a one-time transition benefit of \$450 million, or 38.4 percentage points, related to the 2017 U.S. Tax Reform. Excluding the one-time benefit, core operating effective tax rate for the quarter is 11.2%.

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

	Year ended December 31		% Change	Constant \$	Constant \$
	2017	2016	2017 vs 2016	2016	% Change 2017 vs 2016
Gross premiums written	\$ 36,376	\$ 34,983	4.0%	\$ 35,001	3.9%
Net premiums written	\$ 29,244	\$ 28,145	3.9%	\$ 28,155	3.9%
P&C net premiums written	\$ 27,103	\$ 26,021	4.2%	\$ 26,022	4.2%
Global P&C net premiums written	\$ 25,587	\$ 24,693	3.6%	\$ 24,694	3.6%
Net premiums earned	\$ 29,034	\$ 28,749	1.0%	\$ 28,802	0.8%
Net investment income	\$ 3,125	\$ 2,865	9.1%	\$ 2,861	9.2%
Adjusted net investment income	\$ 3,457	\$ 3,258	6.1%	\$ 3,254	6.3%
Core operating income	\$ 3,784	\$ 4,716	-19.7%	\$ 4,732	-20.0%
Net income	\$ 3,861	\$ 4,135	-6.6%		
Operating cash flow	\$ 4,503	\$ 5,292			
<b>P&amp;C combined ratio</b>					
Loss and loss expense ratio	65.8%	57.8%			
Underwriting and administrative expense ratio	28.9%	30.9%			
Combined ratio	94.7%	88.7%			
<b>P&amp;C combined ratio - ex Cats and PPD</b>					
Loss and loss expense ratio - ex Cats and PPD	58.8%	58.1%			
Underwriting and administrative expense ratio - ex Cats and PPD	28.8%	30.9%			
Combined ratio excluding catastrophe losses (Cats) and PPD	87.6%	89.0%			
ROE	7.8%	9.0%			
Core operating return on equity (ROE)	7.8%	10.5%			
Effective tax rate	-3.7%	16.5%			
Core operating effective tax rate (1)	0.9%	17.4%			
<b>Diluted earnings per share</b>					
Net income	\$ 8.19	\$ 8.87	-7.7%		
Core operating income	\$ 8.03	\$ 10.12	-20.7%		
<b>Full year diluted earnings per share (2)</b>					
Net income		\$ 8.91			
Core operating income		\$ 10.14			
Book value per common share	\$ 110.32	\$ 103.60	6.5%		
Book value per common share excluding foreign currency (3)	\$ 109.22	\$ 103.60	5.4%		
Tangible book value per common share	\$ 65.87	\$ 60.64	8.6%		
Tangible book value per common share excluding foreign currency (3)	\$ 65.28	\$ 60.64	7.7%		
Weighted average basic common shares outstanding	467.1	462.5			
Weighted average diluted common shares outstanding	471.2	465.9			
Total hybrid & financial debt/capitalization	20.1%	21.8%			

- (1) Full year 2017 includes a one-time transition benefit of \$450 million, or 11.8 percentage points, related to the 2017 U.S. Tax Reform. Excluding the one-time benefit, core operating effective tax rate for the year is 12.7%.
- (2) Full year 2016 diluted earnings per share includes the combined company results inclusive of the first 14 days of January 2016 and includes the impact of purchase accounting adjustments related to The Chubb Corporation acquisition.
- (3) For 2017, 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**

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Gross premiums written	\$8,960	\$9,710	\$9,305	\$8,401	\$8,837	\$ 36,376	\$ 34,983
Net premiums written	7,051	7,902	7,581	6,710	6,938	29,244	28,145
Net premiums earned	7,218	7,807	7,237	6,772	7,059	29,034	28,749
(1) Adjusted losses and loss expenses	4,272	6,252	4,148	3,789	3,884	18,461	16,080
Realized (gains) losses on crop derivatives	—	5	2	—	6	7	5
Pension curtailment benefit	—	—	—	—	(23)	—	(23)
Losses and loss expenses	4,272	6,247	4,146	3,789	3,855	18,454	16,052
Policy benefits	176	169	163	168	161	676	588
Policy acquisition costs	1,447	1,488	1,449	1,397	1,417	5,781	5,904
(2) Adjusted administrative expenses	737	714	706	676	798	2,833	3,171
Pension curtailment benefit	—	—	—	—	(90)	—	(90)
Administrative expenses	737	714	706	676	708	2,833	3,081
(3) Adjusted net investment income	873	893	855	836	845	3,457	3,258
Amortization expense of fair value adjustment on acquired invested assets	(76)	(80)	(85)	(91)	(101)	(332)	(393)
Net investment income	797	813	770	745	744	3,125	2,865
(4) Adjusted realized gains (losses)	—	(5)	103	(7)	371	91	(140)
Realized gains (losses) on crop derivatives	—	(5)	(2)	—	(6)	(7)	(5)
Net realized gains (losses)	—	(10)	101	(7)	365	84	(145)
(5) Adjusted interest expense	168	162	160	166	167	656	646
Interest expense related to pre-acquisition debt	—	—	—	—	—	—	7
Amortization benefit of fair value adjustment on acquired long term debt	(12)	(12)	(13)	(12)	(13)	(49)	(48)
Interest expense	156	150	147	154	154	607	605
Gains (losses) from fair value changes in separate account assets	27	24	16	30	(11)	97	11
Net realized gains (losses) related to unconsolidated entities	122	89	143	52	162	406	227
Other income (expense) - operating	(82)	5	(14)	(12)	(21)	(103)	(16)
Other income (expense)	67	118	145	70	130	400	222
Amortization expense of purchased intangibles	66	65	65	64	3	260	19
Chubb integration expenses	77	50	72	111	131	310	492
Income tax expense (benefit)	(382)	(85)	200	128	259	(139)	815
Net income (loss)	<u>\$1,533</u>	<u>\$ (70)</u>	<u>\$1,305</u>	<u>\$1,093</u>	<u>\$1,610</u>	<u>\$ 3,861</u>	<u>\$ 4,135</u>

- (1) Adjusted losses and loss expenses used throughout this report exclude a portion of the one-time pension curtailment benefit, recorded in Corporate, and include realized gains and losses on crop derivatives.
- (2) Adjusted administrative expenses used throughout this report exclude a portion of the one-time pension curtailment benefit.
- (3) Adjusted net investment income used throughout this report excludes amortization of the fair value adjustment on acquired invested assets.
- (4) Adjusted realized gains and losses used throughout this report excludes realized gains and losses on crop derivatives.
- (5) Adjusted interest expense used throughout this report excludes interest expense related to pre-acquisition debt and 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**

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
<b>P&amp;C Underwriting income (Including Corporate and excluding Life Insurance)</b>							
Gross premiums written	\$ 8,374	\$ 9,142	\$ 8,748	\$ 7,851	\$ 8,260	\$ 34,115	\$ 32,741
Net premiums written	6,496	7,363	7,058	6,186	6,389	27,103	26,021
Net premiums earned	6,665	7,280	6,722	6,266	6,525	26,933	26,694
Adjusted losses and loss expenses	4,089	6,071	3,966	3,596	3,719	17,722	15,417
Policy acquisition costs (excluding amortization of acquired UPR intangible)	1,293	1,356	1,319	1,283	1,150	5,251	3,836
Amortization of acquired UPR intangible - Chubb Corp	—	—	—	—	144	—	1,559
Adjusted administrative expenses	660	637	629	604	717	2,530	2,864
<b>P&amp;C Underwriting income (loss)</b>	<b>\$ 623</b>	<b>\$ (784)</b>	<b>\$ 808</b>	<b>\$ 783</b>	<b>\$ 795</b>	<b>\$ 1,430</b>	<b>\$ 3,018</b>
<b>P&amp;C Underwriting income - As If</b>							<b>\$ 3,248</b>
<b>% Change versus prior year period</b>							
Net premiums written	1.7%	4.6%	-0.8%	12.9%	76.1%	4.2%	65.6%
<b>Net premiums written excluding merger-related actions (1)</b>	<b>3.7%</b>	<b>3.9%</b>	<b>2.0%</b>	<b>17.9%</b>	<b>79.2%</b>	<b>6.3%</b>	<b>67.9%</b>
Net premiums earned	2.2%	1.5%	-2.5%	2.7%	76.3%	0.9%	74.8%
Net premiums written constant \$	0.5%	4.6%	-0.2%	13.4%	77.1%	4.2%	69.1%
Net premiums earned constant \$	1.0%	1.3%	-2.0%	2.8%	77.1%	0.7%	78.2%
<b>P&amp;C combined ratio</b>							
Loss and loss expense ratio	61.4%	83.4%	59.0%	57.4%	57.0%	65.8%	57.8%
Policy acquisition cost ratio	19.4%	18.6%	19.6%	20.5%	19.8%	19.5%	20.2%
Administrative expense ratio	9.9%	8.8%	9.4%	9.6%	11.0%	9.4%	10.7%
<b>Combined ratio</b>	<b>90.7%</b>	<b>110.8%</b>	<b>88.0%</b>	<b>87.5%</b>	<b>87.8%</b>	<b>94.7%</b>	<b>88.7%</b>
Combined ratio excluding catastrophe losses and PPD	86.4%	88.5%	87.5%	88.0%	87.4%	87.6%	89.0%
<b>P&amp;C combined ratio - As If</b>							<b>57.7%</b>
<b>Loss and loss expense ratio - As If</b>							<b>19.5%</b>
<b>Policy acquisition cost ratio - As If</b>							<b>10.8%</b>
<b>Administrative expense ratio - As If</b>							<b>88.0%</b>
<b>Combined ratio - As If</b>							<b>88.3%</b>
<b>Combined ratio excluding catastrophe losses and PPD - As If</b>							<b>88.3%</b>
<b>Other ratios</b>							
Net premiums written/gross premiums written	78%	81%	81%	79%	77%	79%	79%
P&C expense ratio	29.3%	27.4%	29.0%	30.1%	30.8%	28.9%	30.9%
P&C expense ratio excluding A&H	27.2%	25.1%	27.1%	28.0%	28.8%	26.8%	29.0%
Catastrophe reinstatement premiums (expenses) collected - pre-tax	\$ (15)	\$ 22	\$ —	\$ —	\$ 1	\$ 7	\$ 7
Catastrophe losses - pre-tax	\$ 432	\$ 1,915	\$ 200	\$ 206	\$ 269	\$ 2,753	\$ 1,067
Favorable prior period development (PPD) - pre-tax	\$ (158)	\$ (270)	\$ (170)	\$ (231)	\$ (238)	\$ (829)	\$ (1,135)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	<b>57.1%</b>	<b>61.3%</b>	<b>58.6%</b>	<b>58.1%</b>	<b>56.4%</b>	<b>58.8%</b>	<b>58.1%</b>

(1) Net premiums written were adversely impacted by merger-related underwriting actions of \$73 million in Q4 2017 and \$545 million for full year 2017, and by accounting policy alignment of \$53 million in Q4 2016 and \$126 million for full year 2016. In addition, full year 2016 included a one-time unearned premium reserve (UPR) transfer of \$128 million that reduced net premiums written in 2016.

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)

	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016
<b>Assets</b>					
Fixed maturities available for sale, at fair value	\$ 78,939	\$ 83,686	\$ 81,645	\$ 80,806	\$ 80,115
Fixed maturities held to maturity, at amortized cost	14,335	10,160	10,371	10,519	10,644
Equity securities, at fair value	937	910	856	835	814
Short-term investments, at fair value	3,561	2,991	2,651	2,780	3,002
Other investments	4,672	4,677	4,685	4,551	4,519
Total investments	102,444	102,424	100,208	99,491	99,094
Cash	728	1,088	1,297	1,063	985
Securities lending collateral	1,737	1,757	1,545	1,071	1,092
Insurance and reinsurance balances receivable	9,334	9,551	9,662	8,880	8,970
Reinsurance recoverable on losses and loss expenses	15,034	14,799	13,358	13,769	13,577
Deferred policy acquisition costs	4,723	4,691	4,546	4,406	4,314
Value of business acquired	326	339	337	345	355
Prepaid reinsurance premiums	2,529	2,506	2,592	2,549	2,448
Goodwill and other intangible assets	22,054	22,265	22,013	22,061	22,095
Investments in partially-owned insurance companies	662	652	662	666	666
Other assets	7,451	7,506	6,768	6,666	6,190
Total assets	<u>\$ 167,022</u>	<u>\$ 167,578</u>	<u>\$162,988</u>	<u>\$160,967</u>	<u>\$ 159,786</u>
<b>Liabilities</b>					
Unpaid losses and loss expenses	\$ 63,179	\$ 64,153	\$ 60,394	\$ 60,579	\$ 60,540
Unearned premiums	15,216	15,456	15,289	14,857	14,779
Future policy benefits	5,321	5,307	5,190	5,086	5,036
Insurance and reinsurance balances payable	5,868	5,827	5,841	5,797	5,637
Securities lending payable	1,737	1,757	1,546	1,072	1,093
Accounts payable, accrued expenses, and other liabilities	10,953	10,581	10,360	10,477	10,020
Deferred tax liabilities	699	1,139	1,122	967	988
Short-term debt	1,013	1,020	922	300	500
Long-term debt	11,556	11,559	11,667	12,300	12,610
Trust preferred securities	308	308	308	308	308
Total liabilities	115,850	117,107	112,639	111,743	111,511
<b>Shareholders' equity</b>					
Total shareholders' equity, excl. AOCI	50,629	49,402	49,979	49,224	48,589
Accumulated other comprehensive income (loss) (AOCI)	543	1,069	370	—	(314)
Total shareholders' equity	51,172	50,471	50,349	49,224	48,275
Total liabilities and shareholders' equity	<u>\$ 167,022</u>	<u>\$ 167,578</u>	<u>\$162,988</u>	<u>\$160,967</u>	<u>\$ 159,786</u>
<b>Book value per common share</b>	\$ 110.32	\$ 108.74	\$ 108.19	\$ 105.35	\$ 103.60
% change over prior quarter	1.5%	0.5%	2.7%	1.7%	-0.3%
<b>Tangible book value per common share</b>	\$ 65.87	\$ 65.06	\$ 65.23	\$ 62.52	\$ 60.64
% change over prior quarter	1.2%	-0.3%	4.3%	3.1%	0.6%

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

	4Q-17	4Q-16	% Change 4Q-17 vs. 4Q-16	CS % Change ex Merger Actions (1) 4Q-17 vs. 4Q-16	Full Year 2017	Full Year 2016	% Change 2017 vs 2016	CS % Change ex Merger Actions (1) 2017 vs 2016
<b>Net premiums written</b>								
Commercial multiple peril (2)	\$ 218	\$ 219	-0.5%	-0.9%	\$ 879	\$ 815	7.9%	8.2%
Commercial casualty	915	930	-1.6%	-0.6%	3,638	3,433	6.0%	8.5%
Workers' compensation	531	539	-1.5%	1.9%	2,067	2,006	3.0%	7.1%
Professional liability	934	993	-5.9%	-5.2%	3,491	3,544	-1.5%	0.1%
Surety	166	143	16.1%	15.3%	627	584	7.4%	8.1%
Property and other short-tail lines	892	921	-3.1%	-2.8%	3,866	3,856	0.3%	3.2%
International other casualty	291	267	9.0%	9.8%	1,092	1,038	5.2%	9.8%
<b>Total Commercial P&amp;C (1)</b>	<b>3,947</b>	<b>4,012</b>	<b>-1.6%</b>	<b>-0.7%</b>	<b>15,660</b>	<b>15,276</b>	<b>2.5%</b>	<b>5.1%</b>
Agriculture	126	40	214.3%	214.3%	1,516	1,328	14.2%	14.2%
Personal automobile - North America	197	178	10.7%	9.4%	775	698	11.0%	10.7%
Personal automobile - International	219	175	25.1%	22.7%	788	674	16.9%	18.6%
Personal homeowners	803	772	4.0%	3.6%	3,302	3,053	8.2%	7.6%
Personal other	361	351	2.8%	5.4%	1,441	1,399	3.0%	9.3%
<b>Total Personal lines (1)</b>	<b>1,580</b>	<b>1,476</b>	<b>7.0%</b>	<b>7.1%</b>	<b>6,306</b>	<b>5,824</b>	<b>8.3%</b>	<b>9.6%</b>
<b>Total Property and Casualty lines</b>	<b>5,653</b>	<b>5,528</b>	<b>2.3%</b>	<b>3.0%</b>	<b>23,482</b>	<b>22,428</b>	<b>4.7%</b>	<b>6.8%</b>
Global A&H lines (1)(3)	1,023	1,015	0.8%	2.1%	4,056	3,970	2.2%	3.3%
Reinsurance lines (1)	105	114	-8.2%	-9.3%	685	676	1.4%	3.7%
Life (1)	270	281	-3.9%	-2.8%	1,021	1,071	-4.7%	-1.8%
<b>Total consolidated</b>	<b>\$7,051</b>	<b>\$6,938</b>	<b>1.6%</b>	<b>2.4%</b>	<b>\$ 29,244</b>	<b>\$ 28,145</b>	<b>3.9%</b>	<b>5.9%</b>

- (1) Q4 2017 and full year 2017 include the adverse impact of merger-related underwriting actions, respectively, as follows: Commercial P&C \$33 million and \$266 million; Personal lines \$12 million and \$209 million; Global A&H lines \$28 million and \$60 million; Reinsurance lines \$nil and \$10 million; and Life \$4 million and \$37 million. Q4 2016 and full year 2016 also include the adverse impact of accounting policy alignment as follows: Commercial P&C \$39 million and \$105 million, Personal lines \$9 million and \$15 million, and Global A&H lines \$5 million and \$6 million. In addition full year 2016 included a one-time unearned premium reserve (UPR) transfer of \$128 million that reduced net premiums written in the prior year.
- (2) Commercial multiple peril represents retail package business (property and general liability).
- (3) For purposes of this schedule only, A&H results from our Combined North America and International businesses, normally included in the Life Insurance and Overseas General Insurance segments, respectively, as well as the A&H results of our North America Commercial P&C segment, are included within the Global A&H lines above.

**Chubb Limited**  
**Consolidated Results - Three months ended December 31, 2017**  
(in millions of U.S. dollars, except ratios)  
**(Unaudited)**

Q4 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	\$ 2,993	\$ 1,100	\$ 126	\$ 2,172	\$ 105	\$ —	\$ 6,496	\$ 555	\$ 7,051
Net premiums earned	3,035	1,103	252	2,113	162	—	6,665	553	7,218
Adjusted losses and loss expenses	1,911	887	60	965	126	140	4,089	183	4,272
Policy benefits	—	—	—	—	—	—	—	176	176
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(27)	(27)
Policy acquisition costs	453	226	6	568	40	—	1,293	154	1,447
Administrative expenses	253	72	(4)	248	11	80	660	77	737
Underwriting income (loss)	418	(82)	190	332	(15)	(220)	623	(10)	613
Adjusted net investment income	496	58	7	150	66	13	790	83	873
Other income (expense) - operating (1) (2)	(5)	(1)	(1)	(10)	(1)	(61)	(79)	(3)	(82)
Amortization expense of purchased intangibles	—	(4)	(7)	(12)	—	(43)	(66)	—	(66)
Segment income (loss)	\$ 909	\$ (29)	\$ 189	\$ 460	\$ 50	\$ (311)	\$ 1,268	\$ 70	\$ 1,338
Adjusted interest expense						(168)			(168)
2017 tax reform transition benefit						450			450
Income tax expense ex 2017 tax reform transition benefit						(131)			(131)
Core operating income (loss)						(160)			1,489
Chubb integration expenses, net of \$20 million tax benefit						(57)			(57)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$23 million tax benefit (3)						(41)			(41)
Adjusted net realized gains (losses), net of \$20 million tax benefit (4)						142			142
Net income (loss)						\$ (116)			\$ 1,533
Combined ratio	86.2%	107.5%	24.4%	84.3%	110.2%		90.7%		
Combined ratio excluding catastrophe losses and PPD	87.3%	80.5%	40.0%	90.3%	81.4%		86.4%		

- (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 presentation from Other income (expense).
- (2) Corporate includes a \$50 million contribution to the Chubb Charitable Foundation.
- (3) Related to the acquisition of The Chubb Corporation.
- (4) Includes net realized gains (losses) related to unconsolidated entities.

**Chubb Limited**  
**Consolidated Results - Full Year 2017**  
(in millions of U.S. dollars, except ratios)  
**(Unaudited)**

<b>Full Year 2017</b>	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	\$ 12,028	\$ 4,533	\$ 1,516	\$ 8,341	\$ 685	\$ —	\$27,103	\$ 2,141	\$ 29,244
Net premiums earned	12,191	4,399	1,508	8,131	704	—	26,933	2,101	29,034
Adjusted losses and loss expenses	8,287	3,265	1,043	4,281	561	285	17,722	739	18,461
Policy benefits	—	—	—	—	—	—	—	676	676
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(97)	(97)
Policy acquisition costs	1,873	899	81	2,221	177	—	5,251	530	5,781
Administrative expenses	981	264	(8)	982	44	267	2,530	303	2,833
Underwriting income (loss)	1,050	(29)	392	647	(78)	(552)	1,430	(50)	1,380
Adjusted net investment income	1,961	226	25	610	273	49	3,144	313	3,457
Other income (expense) - operating (1) (2)	(1)	(4)	(2)	4	1	(88)	(90)	(13)	(103)
Amortization expense of purchased intangibles	—	(16)	(29)	(45)	—	(168)	(258)	(2)	(260)
Segment income (loss)	\$ 3,010	\$ 177	\$ 386	\$ 1,216	\$ 196	\$ (759)	\$ 4,226	\$ 248	\$ 4,474
Adjusted interest expense							(656)		(656)
2017 tax reform transition benefit							450		450
Income tax expense ex 2017 tax reform transition benefit							(484)		(484)
Core operating income (loss)							(1,449)		3,784
Chubb integration expenses, net of \$93 million tax benefit							(217)		(217)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$85 million tax benefit (3)							(198)		(198)
Adjusted net realized gains (losses), net of \$5 million tax (4)							492		492
Net income (loss)							\$ (1,372)		\$ 3,861
Combined ratio	91.4%	100.7%	74.0%	92.0%	111.2%		94.7%		
Combined ratio excluding catastrophe losses and PPD	87.5%	78.9%	81.5%	91.0%	79.2%		87.6%		

- (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 presentation from Other income (expense).
- (2) Corporate includes a \$50 million contribution to the Chubb Charitable Foundation.
- (3) Related to the acquisition of The Chubb Corporation.
- (4) Includes net realized gains (losses) related to unconsolidated entities.

**Chubb Limited**  
**Consolidated Results - Three months ended December 31, 2016**  
(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
<b>Q4 2016</b>									
Net premiums written	\$ 3,083	\$ 1,040	\$ 40	\$ 2,112	\$ 114	\$ —	\$ 6,389	\$ 549	\$ 6,938
Net premiums earned	3,087	1,074	147	2,050	167	—	6,525	534	7,059
Adjusted losses and loss expenses	1,858	642	(38)	1,052	100	105	3,719	165	3,884
Policy benefits	—	—	—	—	—	—	—	161	161
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	11	11
Policy acquisition costs (excluding amortization of acquired UPR intangible)	396	174	6	529	45	—	1,150	123	1,273
Amortization of acquired UPR intangible - Chubb Corp	78	45	—	21	—	—	144	—	144
Adjusted administrative expenses	285	88	(5)	256	12	81	717	81	798
Underwriting income (loss)	470	125	184	192	10	(186)	795	(7)	788
Adjusted net investment income	489	52	5	155	64	4	769	76	845
Other income (expense) - operating (1)	(4)	—	(1)	(5)	1	(4)	(13)	(8)	(21)
Amortization (expense) benefit of purchased intangibles	—	(3)	(7)	(12)	—	20	(2)	(1)	(3)
Segment income (loss)	\$ 955	\$ 174	\$ 181	\$ 330	\$ 75	\$ (166)	\$ 1,549	\$ 60	\$ 1,609
Adjusted interest expense						(167)			(167)
Pension curtailment benefit						113			113
Income tax expense						(272)			(272)
Core operating income (loss)						(492)			1,283
Chubb integration and related expenses, net of \$37 million tax benefit						(94)			(94)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$22 million tax benefit (2)						(66)			(66)
Adjusted net realized gains (losses), net of \$46 million tax (3)						487			487
Net income (loss)						\$ (165)			\$ 1,610
Combined ratio	84.8%	88.3%	-25.4%	90.6%	94.0%		87.8%		
Combined ratio excluding catastrophe losses and PPD	88.9%	82.9%	-10.9%	91.2%	78.8%		87.4%		

(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 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 - Full Year 2016**  
(in millions of U.S. dollars, except ratios)  
**(Unaudited)**

<b>Full Year 2016</b>	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	\$ 11,740	\$ 4,153	\$ 1,328	\$ 8,124	\$ 676	\$ —	\$26,021	\$ 2,124	\$ 28,145
Net premiums earned	12,217	4,319	1,316	8,132	710	—	26,694	2,055	28,749
Adjusted losses and loss expenses	7,439	2,558	898	4,005	325	192	15,417	663	16,080
Policy benefits	—	—	—	—	—	—	—	588	588
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(11)	(11)
Policy acquisition costs (excluding amortization of acquired UPR intangible)	1,164	474	83	1,928	187	—	3,836	509	4,345
Amortization of acquired UPR intangible - Chubb Corp	859	492	—	208	—	—	1,559	—	1,559
Adjusted administrative expenses	1,125	363	(6)	1,057	52	273	2,864	307	3,171
Underwriting income (loss)	1,630	432	341	934	146	(465)	3,018	(1)	3,017
Adjusted net investment income	1,860	207	20	600	263	25	2,975	283	3,258
Other income (expense) - operating (1)	2	(6)	(1)	11	4	(10)	—	(16)	(16)
Amortization (expense) benefit of purchased intangibles	—	(19)	(29)	(48)	—	80	(16)	(3)	(19)
Segment income (loss)	<u>\$ 3,492</u>	<u>\$ 614</u>	<u>\$ 331</u>	<u>\$ 1,497</u>	<u>\$ 413</u>	<u>\$ (370)</u>	<u>\$ 5,977</u>	<u>\$ 263</u>	<u>\$ 6,240</u>
Adjusted interest expense						(646)			(646)
Pension curtailment benefit						113			113
Income tax expense						(991)			(991)
Core operating income (loss)						(1,894)			4,716
Chubb integration and related expenses, net of \$143 million tax benefit						(356)			(356)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$101 million tax benefit (2)						(244)			(244)
Adjusted net realized gains (losses), net of \$68 million tax (3)						19			19
Net income (loss)						<u>\$ (2,475)</u>			<u>\$ 4,135</u>
Combined ratio	86.7%	90.0%	74.1%	88.5%	79.5%		88.7%		
Combined ratio excluding catastrophe losses and PPD	89.4%	81.8%	78.9%	91.5%	78.6%		89.0%		

- (1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income 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>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
<b>Global P&amp;C Underwriting income</b>							
Gross premiums written	\$ 8,098	\$ 7,839	\$ 8,179	\$ 7,684	\$ 7,994	\$ 31,800	\$ 30,554
Net premiums written	6,370	6,437	6,655	6,125	6,349	25,587	24,693
Net premiums earned	6,413	6,382	6,378	6,252	6,378	25,425	25,378
Adjusted losses and loss expenses	4,029	5,307	3,674	3,669	3,757	16,679	14,519
Policy acquisition costs (excluding amortization of acquired UPR intangible)	1,287	1,307	1,292	1,284	1,144	5,170	3,753
Amortization of acquired UPR intangible - Chubb Corp	—	—	—	—	144	—	1,559
Adjusted administrative expenses	664	638	627	609	722	2,538	2,870
Global P&C Underwriting income (loss)	<u>\$ 433</u>	<u>\$ (870)</u>	<u>\$ 785</u>	<u>\$ 690</u>	<u>\$ 611</u>	<u>\$ 1,038</u>	<u>\$ 2,677</u>
<b>Global P&amp;C Underwriting income - As If</b>							<u>\$ 2,907</u>
<b>% Change versus prior year period</b>							
Net premiums written	0.3%	4.0%	-1.2%	13.1%	82.0%	3.6%	71.8%
<b>Net premiums written constant \$ excluding merger-related actions (1)</b>	2.3%	3.3%	1.7%	18.2%	85.2%	5.8%	74.2%
Net premiums earned	0.6%	0.4%	-2.9%	2.9%	84.3%	0.2%	82.6%
Net premiums written constant \$	-0.8%	4.0%	-0.6%	13.7%	83.1%	3.6%	75.8%
Net premiums earned constant \$	-0.6%	0.3%	-2.3%	3.0%	85.3%	0.0%	86.4%
<b>Combined ratio</b>							
Loss and loss expense ratio	62.8%	83.1%	57.6%	58.7%	58.9%	65.6%	57.2%
Policy acquisition cost ratio	20.1%	20.5%	20.3%	20.5%	20.2%	20.3%	20.9%
Administrative expense ratio	10.4%	10.0%	9.8%	9.8%	11.3%	10.0%	11.4%
Combined ratio	<u>93.3%</u>	<u>113.6%</u>	<u>87.7%</u>	<u>89.0%</u>	<u>90.4%</u>	<u>95.9%</u>	<u>89.5%</u>
Combined ratio excluding catastrophe losses and PPD	88.2%	88.2%	87.4%	88.2%	89.7%	88.0%	89.5%
<b>Combined ratio - As If</b>							57.2%
<b>Loss and loss expense ratio - As If</b>							20.1%
<b>Policy acquisition cost ratio - As If</b>							11.4%
<b>Administrative expense ratio - As If</b>							<u>88.7%</u>
<b>Combined ratio - As If</b>							88.8%
<b>Combined ratio excluding catastrophe losses and PPD - As If</b>							88.8%
<b>Other ratios</b>							
Net premiums written/gross premiums written	79%	82%	81%	80%	79%	80%	81%
Expense ratio	30.5%	30.5%	30.1%	30.3%	31.5%	30.3%	32.3%
Expense ratio excluding A&H	28.4%	28.3%	28.2%	28.1%	29.5%	28.3%	30.4%
Catastrophe reinstatement premiums (expenses) collected - pre-tax	\$ (15)	\$ 22	\$ —	\$ —	\$ 1	\$ 7	\$ 7
Catastrophe losses - pre-tax	\$ 432	\$ 1,910	\$ 192	\$ 201	\$ 267	\$ 2,735	\$ 1,048
Favorable prior period development (PPD) - pre-tax	\$ (122)	\$ (266)	\$ (170)	\$ (152)	\$ (218)	\$ (710)	\$ (1,063)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	57.9%	58.0%	57.3%	57.9%	58.2%	57.8%	57.4%

(1) Net premiums written were adversely impacted by merger-related underwriting actions of \$73 million in Q4 2017 and \$545 million for full year 2017, and by accounting policy alignment of \$53 million in Q4 2016 and \$126 million for full year 2016. In addition, full year 2016 included a one-time unearned premium reserve (UPR) transfer of \$128 million that reduced net premiums written in 2016.

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

**North America Commercial P&C Insurance**

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Gross premiums written	\$4,095	\$3,922	\$4,078	\$3,665	\$4,109	\$ 15,760	\$ 14,986
Net premiums written	2,993	3,089	3,204	2,742	3,083	12,028	11,740
Net premiums earned	3,035	3,016	3,099	3,041	3,087	12,191	12,217
Losses and loss expenses	1,911	2,580	1,936	1,860	1,858	8,287	7,439
Policy acquisition costs (excluding amortization of acquired UPR intangible)	453	469	464	487	396	1,873	1,164
Amortization of acquired UPR intangible - Chubb Corp	—	—	—	—	78	—	859
Administrative expenses	253	256	241	231	285	981	1,125
Underwriting income (loss)	418	(289)	458	463	470	1,050	1,630
Net investment income	496	497	490	478	489	1,961	1,860
Other income (expense) - operating	(5)	4	4	(4)	(4)	(1)	2
Segment income	<u>\$ 909</u>	<u>\$ 212</u>	<u>\$ 952</u>	<u>\$ 937</u>	<u>\$ 955</u>	<u>\$ 3,010</u>	<u>\$ 3,492</u>
<b>Underwriting income - As If</b>							\$ 1,773
<b>Combined ratio</b>							
Loss and loss expense ratio	63.0%	85.5%	62.5%	61.2%	60.2%	68.0%	60.9%
Policy acquisition cost ratio	14.9%	15.5%	15.0%	16.0%	15.3%	15.4%	16.6%
Administrative expense ratio	8.3%	8.6%	7.7%	7.6%	9.3%	8.0%	9.2%
Combined ratio	<u>86.2%</u>	<u>109.6%</u>	<u>85.2%</u>	<u>84.8%</u>	<u>84.8%</u>	<u>91.4%</u>	<u>86.7%</u>
Combined ratio excluding catastrophe losses and PPD	87.3%	88.7%	86.1%	87.9%	88.9%	87.5%	89.4%
<b>Combined ratio - As If</b>							
Loss and loss expense ratio - As If							60.9%
Policy acquisition cost ratio - As If							15.5%
Administrative expense ratio - As If							9.3%
Combined ratio - As If							<u>85.7%</u>
<b>Combined ratio excluding catastrophe losses and PPD - As If</b>							88.4%
Catastrophe reinstatement premiums expensed - pre-tax	\$ (1)	\$ (3)	\$ —	\$ —	\$ —	\$ (4)	\$ —
Catastrophe losses - pre-tax	\$ 167	\$ 868	\$ 102	\$ 83	\$ 117	\$ 1,220	\$ 448
Favorable prior period development (PPD) - pre-tax (1)	\$ (200)	\$ (236)	\$ (131)	\$ (179)	\$ (245)	\$ (746)	\$ (778)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	64.1%	65.2%	63.4%	64.4%	64.4%	64.3%	63.7%
<b>% Change versus prior year period</b>							
Net premiums written	-2.9%	-0.6%	-1.3%	19.1%	97.9%	2.5%	105.4%
<b>Net premiums written excluding merger-related actions (2)</b>	-1.2%	1.2%	1.3%	22.8%	100.5%	4.8%	107.3%
Net premiums earned	-1.7%	-2.3%	-1.6%	5.0%	116.6%	-0.2%	116.9%
<b>Other ratios</b>							
Net premiums written/gross premiums written	73%	79%	79%	75%	75%	76%	78%
<b>Production by Size</b>							
<b>Net Premiums Written</b>							
Major Accounts & Specialty (3)	\$ 1,774	\$ 1,792	\$ 1,959	\$ 1,568	\$ 1,880	\$ 7,093	\$ 7,149
Commercial (3)	1,219	1,297	1,245	1,174	1,203	4,935	4,591
Total	<u>\$ 2,993</u>	<u>\$ 3,089</u>	<u>\$ 3,204</u>	<u>\$ 2,742</u>	<u>\$ 3,083</u>	<u>\$ 12,028</u>	<u>\$ 11,740</u>

- (1) For full year 2017, favorable prior period development is net of \$42 million of unfavorable net earned premium adjustments, \$6 million of unfavorable expense adjustments, and \$9 million of unfavorable reinstatement premium adjustments.
- (2) Q4 2017 and full year 2017 include the adverse impact of merger-related underwriting actions, respectively, as follows: Major Accounts & Specialty \$45 million and \$212 million; Commercial \$8 million and \$66 million.
- (3) Major Accounts & Specialty: principally large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts.

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

**North America Personal P&C Insurance**

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Gross premiums written	\$1,260	\$1,338	\$1,409	\$1,145	\$1,228	\$ 5,152	\$ 4,894
Net premiums written	1,100	1,194	1,255	984	1,040	4,533	4,153
Net premiums earned	1,103	1,117	1,093	1,086	1,074	4,399	4,319
Losses and loss expenses	887	1,062	683	633	642	3,265	2,558
Policy acquisition costs (excluding amortization of acquired UPR intangible)	226	226	230	217	174	899	474
Amortization of acquired UPR intangible - Chubb Corp	—	—	—	—	45	—	492
Administrative expenses	72	61	66	65	88	264	363
Underwriting income (loss)	(82)	(232)	114	171	125	(29)	432
Net investment income	58	57	56	55	52	226	207
Other expense - operating	(1)	(1)	(1)	(1)	—	(4)	(6)
Amortization expense of purchased intangibles	(4)	(4)	(5)	(3)	(3)	(16)	(19)
Segment income (loss)	<u>\$ (29)</u>	<u>\$ (180)</u>	<u>\$ 164</u>	<u>\$ 222</u>	<u>\$ 174</u>	<u>\$ 177</u>	<u>\$ 614</u>
<b>Underwriting income - As If Combined ratio</b>							<b>\$ 548</b>
Loss and loss expense ratio	80.4%	95.1%	62.4%	58.3%	59.7%	74.2%	59.2%
Policy acquisition cost ratio	20.5%	20.2%	21.1%	20.0%	20.4%	20.4%	22.4%
Administrative expense ratio	6.6%	5.5%	6.1%	5.9%	8.2%	6.1%	8.4%
Combined ratio	<u>107.5%</u>	<u>120.8%</u>	<u>89.6%</u>	<u>84.2%</u>	<u>88.3%</u>	<u>100.7%</u>	<u>90.0%</u>
Combined ratio excluding catastrophe losses and PPD	80.5%	77.5%	79.3%	78.3%	82.9%	78.9%	81.8%
<b>Combined ratio - As If</b>							<b>58.9%</b>
<b>Loss and loss expense ratio - As If</b>							<b>20.2%</b>
<b>Policy acquisition cost ratio - As If</b>							<b>8.5%</b>
<b>Administrative expense ratio - As If</b>							<b>87.6%</b>
<b>Combined ratio - As If</b>							<b>79.6%</b>
<b>Combined ratio excluding catastrophe losses and PPD - As If</b>							<b>\$ —</b>
Catastrophe reinstatement premiums expensed - pre-tax	\$ (19)	\$ (3)	\$ —	\$ —	\$ —	\$ (22)	\$ —
Catastrophe losses - pre-tax	\$ 278	\$ 448	\$ 77	\$ 68	\$ 51	\$ 871	\$ 326
Unfavorable (favorable) prior period development (PPD) - pre-tax	\$ 3	\$ 32	\$ 37	\$ (3)	\$ 7	\$ 69	\$ 27
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	54.0%	51.9%	52.1%	52.4%	54.3%	52.6%	51.0%
<b>% Change versus prior year period</b>							
Net premiums written	5.8%	18.0%	2.0%	13.0%	344.7%	9.1%	248.4%
<b>Net premiums written excluding merger-related actions (1)</b>	5.8%	4.8%	8.0%	18.8%	351.3%	8.8%	260.6%
Net premiums earned	2.6%	3.4%	-4.0%	6.0%	311.9%	1.9%	355.5%
<b>Other ratios</b>							
Net premiums written/gross premiums written	87%	89%	89%	86%	85%	88%	85%

(1) Net premiums written were adversely impacted by merger-related underwriting actions of \$126 million for full year 2017. In addition, full year 2016 included a one-time unearned premium reserve (UPR) transfer of \$128 million that reduced net premiums written in 2016.

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

**North America Agricultural Insurance**

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Gross premiums written	\$ 276	\$ 1,303	\$ 569	\$ 167	\$ 266	\$ 2,315	\$ 2,187
Net premiums written	126	926	403	61	40	1,516	1,328
Net premiums earned	252	898	344	14	147	1,508	1,316
Adjusted losses and loss expenses (1)	60	764	292	(73)	(38)	1,043	898
Policy acquisition costs	6	49	27	(1)	6	81	83
Administrative expenses	(4)	(1)	2	(5)	(5)	(8)	(6)
Underwriting income	190	86	23	93	184	392	341
Net investment income	7	6	6	6	5	25	20
Other expense - operating	(1)	—	(1)	—	(1)	(2)	(1)
Amortization expense of purchased intangibles	(7)	(8)	(7)	(7)	(7)	(29)	(29)
Segment income	<u>\$ 189</u>	<u>\$ 84</u>	<u>\$ 21</u>	<u>\$ 92</u>	<u>\$ 181</u>	<u>\$ 386</u>	<u>\$ 331</u>
<b>Combined ratio</b>							
Loss and loss expense ratio					-		
	23.7%	85.1%	85.2%	NM	26.0%	69.2%	68.3%
Policy acquisition cost ratio	2.4%	5.4%	7.7%	NM	3.9%	5.4%	6.3%
Administrative expense ratio	-1.7%	-0.1%	0.4%	NM	-3.3%	-0.6%	-0.5%
Combined ratio	<u>24.4%</u>	<u>90.4%</u>	<u>93.3%</u>	<u>NM</u>	<u>25.4%</u>	<u>74.0%</u>	<u>74.1%</u>
Combined ratio excluding catastrophe losses and PPD					-		
	40.0%	90.3%	91.1%	74.6%	10.9%	81.5%	78.9%
Catastrophe losses - pre-tax	\$ —	\$ 5	\$ 8	\$ 5	\$ 2	\$ 18	\$ 19
Favorable prior period development (PPD) - pre-tax (2)	\$ (36)	\$ (4)	\$ —	\$ (79)	\$ (20)	\$ (119)	\$ (72)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>					-		
	36.9%	84.9%	83.0%	75.8%	16.9%	76.2%	72.4%
<b>% Change versus prior year period</b>							
Net premiums written					-		
	214.3%	9.0%	7.7%	-4.6%	71.6%	14.2%	-1.3%
Net premiums earned					-		
	72.3%	9.6%	5.4%	41.6%	39.1%	14.6%	-3.6%
<b>Other ratios</b>							
Net premiums written/gross premiums written	46%	71%	71%	37%	15%	66%	61%

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

(2) For Q4 2017, favorable prior period development is net of \$5 million unfavorable net earned premium adjustments and \$7 million of favorable profit-sharing commissions. For full year 2017, favorable prior period development is net of \$66 million of unfavorable net earned premium adjustments and \$11 million of favorable profit-sharing commissions.

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

**Overseas General Insurance**

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Gross premiums written	\$2,639	\$2,377	\$2,464	\$2,662	\$2,542	\$ 10,142	\$ 9,935
Net premiums written	2,172	1,963	2,006	2,200	2,112	8,341	8,124
Net premiums earned	2,113	2,064	2,018	1,936	2,050	8,131	8,132
Losses and loss expenses	965	1,281	964	1,071	1,052	4,281	4,005
Policy acquisition costs (excluding amortization of acquired UPR intangible)	568	569	555	529	529	2,221	1,928
Amortization of acquired UPR intangible - Chubb Corp	—	—	—	—	21	—	208
Administrative expenses	248	246	243	245	256	982	1,057
Underwriting income (loss)	332	(32)	256	91	192	647	934
Net investment income	150	164	148	148	155	610	600
Other income (expense) - operating	(10)	10	3	1	(5)	4	11
Amortization expense of purchased intangibles	(12)	(11)	(11)	(11)	(12)	(45)	(48)
Segment income	<u>\$ 460</u>	<u>\$ 131</u>	<u>\$ 396</u>	<u>\$ 229</u>	<u>\$ 330</u>	<u>\$ 1,216</u>	<u>\$ 1,497</u>
<b>Underwriting income - As If</b>							\$ 908
<b>Combined ratio</b>							
Loss and loss expense ratio	45.7%	62.1%	47.8%	55.3%	51.3%	52.6%	49.3%
Policy acquisition cost ratio	26.9%	27.6%	27.5%	27.3%	26.9%	27.3%	26.3%
Administrative expense ratio	11.7%	11.9%	12.0%	12.7%	12.4%	12.1%	12.9%
Combined ratio	<u>84.3%</u>	<u>101.6%</u>	<u>87.3%</u>	<u>95.3%</u>	<u>90.6%</u>	<u>92.0%</u>	<u>88.5%</u>
Combined ratio excluding catastrophe losses and PPD	90.3%	90.6%	91.2%	92.1%	91.2%	91.0%	91.5%
<b>Combined ratio - As If</b>							
<b>Loss and loss expense ratio - As If</b>							49.3%
<b>Policy acquisition cost ratio - As If</b>							26.6%
<b>Administrative expense ratio - As If</b>							13.0%
<b>Combined ratio - As If</b>							<u>88.9%</u>
<b>Combined ratio excluding catastrophe losses and PPD - As If</b>							91.9%
Catastrophe reinstatement premiums (expenses) collected - pre-tax	\$ 5	\$ (9)	\$ —	\$ —	\$ —	\$ (4)	\$ —
Catastrophe losses - pre-tax	\$ (55)	\$ 326	\$ 10	\$ 50	\$ 72	\$ 331	\$ 183
Unfavorable (favorable) prior period development (PPD) - pre-tax	\$ (68)	\$ (108)	\$ (88)	\$ 12	\$ (85)	\$ (252)	\$ (423)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	51.6%	51.3%	51.6%	52.1%	51.9%	51.7%	52.2%
<b>% Change versus prior year period</b>							
Net premiums written	2.8%	1.2%	-1.2%	7.8%	33.2%	2.7%	22.5%
<b>Net premiums written excluding merger-related actions (1)</b>	6.5%	2.7%	0.7%	13.9%	35.7%	5.9%	23.9%
Net premiums earned	3.1%	1.4%	-3.6%	-0.9%	30.2%	0.0%	25.7%
Net premiums written constant \$	0.1%	1.2%	0.3%	9.4%	34.7%	2.7%	28.3%
Net premiums earned constant \$	0.2%	0.9%	-2.3%	-0.3%	31.4%	-0.4%	31.0%
<b>Other ratios</b>							
Net premiums written/gross premiums written	82%	83%	81%	83%	83%	82%	82%

(1) Net premiums written were adversely impacted by merger-related underwriting actions of \$20 million in Q4 2017 and \$131 million for full year 2017, and by accounting policy alignment of \$53 million in Q4 2016 and \$126 million for full year 2016.

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

**Overseas General Insurance - Production by Region**

	4Q-17	4Q-16	% Change 4Q-17 vs. 4Q-16	Constant \$ 4Q-16 (1)	CS % Change ex Merger Actions (2) 4Q-17 vs. 4Q-16	Full Year 2017	Full Year 2016	% Change 2017 vs 2016	Constant \$ 2016 (1)	CS % Change ex Merger Actions (2) 2017 vs 2016
<b>Gross premiums written</b>										
Europe	\$1,081	\$1,052	2.8%	\$ 1,093	-0.4%	\$ 4,308	\$ 4,284	0.6%	\$ 4,201	4.1%
Latin America	727	677	7.4%	697	8.8%	2,585	2,468	4.7%	2,536	7.0%
Asia	758	740	2.4%	745	6.8%	2,937	2,852	3.0%	2,867	4.9%
Other (3)	73	73	0.0%	74	-1.4%	312	331	-5.7%	331	-5.7%
Total	<u>\$2,639</u>	<u>\$2,542</u>	3.8%	<u>\$ 2,609</u>	4.0%	<u>\$ 10,142</u>	<u>\$ 9,935</u>	2.1%	<u>\$ 9,935</u>	4.7%
<b>Net premiums written</b>										
Europe	\$ 834	\$ 809	3.1%	\$ 845	-0.4%	\$ 3,281	\$ 3,227	1.7%	\$ 3,162	5.8%
Latin America	589	557	5.7%	572	8.4%	2,108	1,992	5.8%	2,044	9.4%
Asia	665	663	0.3%	667	5.2%	2,596	2,537	2.3%	2,549	4.9%
Other (3)	84	83	1.2%	86	-2.3%	356	368	-3.3%	366	-2.7%
Total	<u>\$2,172</u>	<u>\$2,112</u>	2.8%	<u>\$ 2,170</u>	3.5%	<u>\$ 8,341</u>	<u>\$ 8,124</u>	2.7%	<u>\$ 8,121</u>	6.0%

(1) Prior periods on a constant dollar basis.

(2) Gross premiums written and net premiums written were adversely impacted by merger-related underwriting actions of \$20 million each in Q4 2017, and by \$124 million and \$131 million, respectively, for full year 2017. Additionally, gross premiums written and net premiums written were adversely impacted by accounting policy alignment of \$53 million each in Q4 2016, and by \$126 million each for full year 2016.

(3) 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**

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Gross premiums written	\$ 104	\$ 202	\$ 228	\$ 212	\$ 115	\$ 746	\$ 739
Net premiums written	105	191	190	199	114	685	676
Net premiums earned	162	185	168	189	167	704	710
Losses and loss expenses	126	295	46	94	100	561	325
Policy acquisition costs	40	43	43	51	45	177	187
Administrative expenses	11	11	12	10	12	44	52
Underwriting income (loss)	(15)	(164)	67	34	10	(78)	146
Net investment income	66	80	65	62	64	273	263
Other income (expense) - operating	(1)	3	(1)	—	1	1	4
Segment income (loss)	<u>\$ 50</u>	<u>\$ (81)</u>	<u>\$ 131</u>	<u>\$ 96</u>	<u>\$ 75</u>	<u>\$ 196</u>	<u>\$ 413</u>
<b>Combined ratio</b>							
Loss and loss expense ratio	78.9%	158.2%	27.8%	49.6%	59.7%	79.8%	45.7%
Policy acquisition cost ratio	24.4%	23.4%	25.7%	26.8%	26.6%	25.1%	26.3%
Administrative expense ratio	6.9%	5.8%	6.7%	5.7%	7.7%	6.3%	7.5%
Combined ratio	<u>110.2%</u>	<u>187.4%</u>	<u>60.2%</u>	<u>82.1%</u>	<u>94.0%</u>	<u>111.2%</u>	<u>79.5%</u>
Combined ratio excluding catastrophe losses and PPD	81.4%	82.2%	77.0%	77.0%	78.8%	79.2%	78.6%
Catastrophe reinstatement premiums collected - pre-tax	\$ —	\$ 37	\$ —	\$ —	\$ 1	\$ 37	\$ 7
Catastrophe losses - pre-tax	\$ 42	\$ 268	\$ 3	\$ —	\$ 27	\$ 313	\$ 91
Unfavorable (favorable) prior period development (PPD) - pre-tax (1)	\$ 5	\$ (41)	\$ (31)	\$ 8	\$ —	\$ (59)	\$ (78)
<b>Loss and loss expense ratio excluding catastrophe losses and PPD</b>	50.1%	46.5%	44.4%	43.2%	44.2%	46.0%	45.0%
<b>% Change versus prior year period</b>							
Net premiums written as reported	-8.2%	47.1%	17.7%	-0.9%	4.0%	1.4%	-18.4%
<b>Net premiums written excluding merger-related actions (2)</b>	-8.2%	47.1%	17.7%	4.1%	4.0%	2.9%	-16.5%
Net premiums earned as reported	-3.4%	20.4%	-9.6%	-6.4%	16.9%	-0.7%	-16.5%
Net premiums written constant \$	-9.3%	47.9%	16.5%	0.2%	6.5%	2.2%	-17.1%
Net premiums earned constant \$	-5.1%	20.0%	-8.1%	-5.5%	15.6%	-0.4%	-15.3%
<b>Other ratios</b>							
Net premiums written/gross premiums written	100%	95%	83%	94%	99%	92%	91%

(1) For full year 2017, favorable prior period development includes \$4 million of favorable net earned premium adjustments.

(2) Net premiums written were adversely impacted by merger-related underwriting actions of \$10 million for full year 2017.

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

**Life Insurance**

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Gross premiums written	\$ 586	\$ 568	\$ 557	\$ 550	\$ 577	\$ 2,261	\$ 2,242
Net premiums written	555	539	523	524	549	2,141	2,124
Net premiums earned	553	527	515	506	534	2,101	2,055
Losses and loss expenses	183	181	182	193	165	739	663
Policy benefits (1)	176	169	163	168	161	676	588
(Gains) losses from fair value changes in separate account assets (1)	(27)	(24)	(16)	(30)	11	(97)	(11)
Policy acquisition costs	154	132	130	114	123	530	509
Administrative expenses	77	77	77	72	81	303	307
Net investment income	83	78	77	75	76	313	283
Life Insurance underwriting income (2) (3)	73	70	56	64	69	263	282
Other expense - operating	(3)	(5)	(4)	(1)	(8)	(13)	(16)
Amortization expense of purchased intangibles	—	(1)	—	(1)	(1)	(2)	(3)
Segment income	<u>\$ 70</u>	<u>\$ 64</u>	<u>\$ 52</u>	<u>\$ 62</u>	<u>\$ 60</u>	<u>\$ 248</u>	<u>\$ 263</u>
<b>% Change versus prior year period</b>							
Net premiums written	1.2%	1.1%	-0.7%	1.6%	6.5%	0.8%	6.3%
<b>Net premiums written excluding merger-related underwriting actions (4)</b>	1.9%	2.9%	0.8%	4.7%	6.5%	2.5%	6.3%
Net premiums earned	3.5%	2.8%	0.8%	1.6%	5.7%	2.2%	5.6%
Net premiums written constant \$	0.3%	1.1%	-1.0%	0.9%	6.9%	0.3%	8.5%
Net premiums earned constant \$	2.3%	2.8%	0.5%	0.7%	6.0%	1.6%	7.8%

- (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.
- (3) Life Insurance underwriting income on an "As If" basis is the same as reported Life Insurance underwriting income shown above.
- (4) Net premiums written were adversely impacted by merger-related actions of \$4 million in Q4 2017 and \$37 million for full year 2017.

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

	4Q-17	Constant \$ 4Q-16 (6)	Constant \$ % Change 4Q-17 vs. 4Q-16 (6)	Full Year 2017	Constant \$ Full Year 2016 (6)	Constant \$ % Change 2017 vs. 2016 (6)
International life insurance net premiums written	\$ 224	\$ 225	-0.6%	\$ 824	\$ 845	-2.5%
International life insurance deposits (5)	388	264	47.2%	1,436	1,031	39.4%
Total international life insurance net premiums written and deposits	<u>\$ 612</u>	<u>\$ 489</u>	25.2%	<u>\$ 2,260</u>	<u>\$ 1,876</u>	20.5%

- (5) 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.
- (6) Prior periods on a constant dollar basis.



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

**Corporate**

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—
Adjusted losses and loss expenses (1)	140	89	45	11	105	285	192
Policy acquisition costs	—	—	—	—	—	—	—
Adjusted administrative expenses (1)	80	64	65	58	81	267	273
Underwriting loss	(220)	(153)	(110)	(69)	(186)	(552)	(465)
Adjusted net investment income	13	11	13	12	4	49	25
Other expense - operating (2)	(61)	(6)	(14)	(7)	(4)	(88)	(10)
Adjusted interest expense (1)	(168)	(162)	(160)	(166)	(167)	(656)	(646)
Amortization (expense) benefit of purchased intangibles (3)	(43)	(41)	(42)	(42)	20	(168)	80
Pension curtailment benefit (1)	—	—	—	—	113	—	113
2017 tax reform transition benefit	450	—	—	—	—	450	—
Income tax (expense) benefit ex 2017 tax reform transition benefit	(131)	61	(223)	(191)	(272)	(484)	(991)
Core operating loss	(160)	(290)	(536)	(463)	(492)	(1,449)	(1,894)
Chubb integration and related expenses, net of tax	(57)	(36)	(50)	(74)	(94)	(217)	(356)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(41)	(50)	(52)	(55)	(66)	(198)	(244)
Adjusted net realized gains (losses), net of tax (4)	142	76	227	47	487	492	19
Net loss	<u>\$ (116)</u>	<u>\$ (300)</u>	<u>\$ (411)</u>	<u>\$ (545)</u>	<u>\$ (165)</u>	<u>\$ (1,372)</u>	<u>\$ (2,475)</u>
Unfavorable prior period development (PPD) - pre-tax	\$ 138	\$ 87	\$ 43	\$ 10	\$ 105	\$ 278	\$ 189

- (1) See Non-GAAP financial measures.  
(2) Q4 2017 includes a \$50 million contribution to the Chubb Charitable Foundation.  
(3) Related to the acquisition of The Chubb Corporation.  
(4) 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	
<b>Balance at December 31, 2015</b>	<b>\$37,303</b>	<b>\$10,741</b>	<b>\$26,562</b>	
Losses and loss expenses incurred	4,663	989	3,674	
Losses and loss expenses paid	(4,692)	(1,143)	(3,549)	97%
Acquired reserve (Legacy Chubb)	22,878	1,515	21,363	
Other (incl. foreign exch. revaluation)	54	25	29	
<b>Balance at March 31, 2016</b>	<b>\$60,206</b>	<b>\$12,127</b>	<b>\$48,079</b>	
Losses and loss expenses incurred	5,239	985	4,254	
Losses and loss expenses paid	(4,708)	(752)	(3,956)	93%
Other (incl. foreign exch. revaluation)	82	36	46	
<b>Balance at June 30, 2016</b>	<b>\$60,819</b>	<b>\$12,396</b>	<b>\$48,423</b>	
Losses and loss expenses incurred	5,335	1,066	4,269	
Losses and loss expenses paid	(4,612)	(782)	(3,830)	90%
Other (incl. foreign exch. revaluation)	(195)	(4)	(191)	
<b>Balance at September 30, 2016</b>	<b>\$61,347</b>	<b>\$12,676</b>	<b>\$48,671</b>	
Losses and loss expenses incurred	4,960	1,105	3,855	
Losses and loss expenses paid	(5,425)	(1,045)	(4,380)	114%
Other (incl. foreign exch. revaluation)	(342)	(28)	(314)	
<b>Balance at December 31, 2016</b>	<b>\$60,540</b>	<b>\$12,708</b>	<b>\$47,832</b>	
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	
<b>Balance at March 31, 2017</b>	<b>\$60,579</b>	<b>\$12,811</b>	<b>\$47,768</b>	
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	
<b>Balance at June 30, 2017</b>	<b>\$60,394</b>	<b>\$12,485</b>	<b>\$47,909</b>	
Losses and loss expenses incurred	8,410	2,163	6,247	
Losses and loss expenses paid	(5,207)	(909)	(4,298)	69% (1)
Other (incl. foreign exch. revaluation)	556	131	425	
<b>Balance at September 30, 2017</b>	<b>\$64,153</b>	<b>\$13,870</b>	<b>\$50,283</b>	
Losses and loss expenses incurred	5,755	1,483	4,272	
Losses and loss expenses paid	(6,419)	(1,298)	(5,121)	120% (2)
Other (incl. foreign exch. revaluation)	(310)	(41)	(269)	
<b>Balance at December 31, 2017</b>	<b>\$63,179</b>	<b>\$14,014</b>	<b>\$49,165</b>	
Add net recoverable on paid losses	—	1,020	(1,020)	
<b>Balance including net recoverable on paid losses</b>	<b>\$63,179</b>	<b>\$15,034</b>	<b>\$48,145</b>	

- (1) The losses and loss expenses incurred increased \$2.1 billion in Q3 2017, reflecting the significant catastrophe events in the period and resulting in the 69% net paid to incurred ratio for Q3 2017.
- (2) The 120% net paid to incurred ratio for Q4 2017 reflects the catastrophe loss payments, the seasonality of the crop payments, large losses in the quarter and favorable prior period development. Excluding these items, the paid to incurred ratio is 91%.

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

**Net Reinsurance Recoverable by Division**

	<u>December 31</u> 2017	<u>September 30</u> 2017	<u>June 30</u> 2017	<u>March 31</u> 2017	<u>December 31</u> 2016
<b>Reinsurance recoverable on paid losses and loss expenses</b>					
Active operations	\$ 808	\$ 760	\$ 690	\$ 793	\$ 686
Brandywine and Other Run-off	286	264	275	256	274
Total	<u>\$ 1,094</u>	<u>\$ 1,024</u>	<u>\$ 965</u>	<u>\$ 1,049</u>	<u>\$ 960</u>
<b>Reinsurance recoverable on unpaid losses and loss expenses</b>					
Active operations	\$ 12,992	\$ 12,844	\$11,536	\$ 11,799	\$ 11,632
Brandywine and Other Run-off	1,269	1,269	1,192	1,255	1,285
Total	<u>\$ 14,261</u>	<u>\$ 14,113</u>	<u>\$12,728</u>	<u>\$ 13,054</u>	<u>\$ 12,917</u>
<b>Gross reinsurance recoverable</b>					
Active operations	\$ 13,800	\$ 13,604	\$12,226	\$ 12,592	\$ 12,318
Brandywine and Other Run-off	1,555	1,533	1,467	1,511	1,559
Total	<u>\$ 15,355</u>	<u>\$ 15,137</u>	<u>\$13,693</u>	<u>\$ 14,103</u>	<u>\$ 13,877</u>
<b>Provision for uncollectible reinsurance (1)</b>					
Active operations	\$ (183)	\$ (195)	\$ (192)	\$ (191)	\$ (159)
Brandywine and Other Run-off	(138)	(143)	(143)	(143)	(141)
Total	<u>\$ (321)</u>	<u>\$ (338)</u>	<u>\$ (335)</u>	<u>\$ (334)</u>	<u>\$ (300)</u>
<b>Net reinsurance recoverable</b>					
Active operations	\$ 13,617	\$ 13,409	\$12,034	\$ 12,401	\$ 12,159
Brandywine and Other Run-off	1,417	1,390	1,324	1,368	1,418
Total	<u>\$ 15,034</u>	<u>\$ 14,799</u>	<u>\$13,358</u>	<u>\$ 13,769</u>	<u>\$ 13,577</u>

(1) The provision for uncollectible reinsurance is based on a default analysis applied to gross reinsurance, net of usable collateral of approximately \$3.6 billion.

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

	December 31 2017		September 30 2017		June 30 2017		March 31 2017		December 31 2016			
<b>Market Value</b>												
Fixed maturities available for sale (1)	\$	78,939	\$	83,686	\$	81,645	\$	80,806	\$	80,115		
Fixed maturities held to maturity (1)		14,474		10,365		10,560		10,604		10,670		
Short-term investments		3,561		2,991		2,651		2,780		3,002		
Total fixed maturities	\$	<u>96,974</u>	\$	<u>97,042</u>	\$	<u>94,856</u>	\$	<u>94,190</u>	\$	<u>93,787</u>		
<b>Asset Allocation by Market Value</b>												
Treasury	\$	4,049	4%	\$	3,607	4%	\$	3,117	3%	\$	2,843	3%
Agency		564	1%		596	1%		632	1%		664	1%
Corporate and asset-backed		27,215	28%		27,815	29%		28,064	30%		27,582	30%
Mortgage-backed		18,032	19%		16,669	17%		15,777	17%		15,500	16%
Municipal		20,766	21%		21,621	22%		22,263	23%		22,803	24%
Non-U.S.		22,787	23%		23,743	24%		22,352	23%		22,018	23%
Short-term investments		3,561	4%		2,991	3%		2,780	3%		3,002	3%
Total fixed maturities	\$	<u>96,974</u>	<u>100%</u>	\$	<u>97,042</u>	<u>100%</u>	\$	<u>94,856</u>	<u>100%</u>	\$	<u>94,190</u>	<u>100%</u>
<b>Credit Quality by Market Value</b>												
AAA	\$	15,512	16%	\$	15,411	16%	\$	15,411	16%	\$	15,523	16%
AA		37,407	39%		36,947	38%		36,107	38%		35,866	39%
A		18,369	19%		18,427	19%		18,011	19%		17,700	19%
BBB		12,377	13%		12,862	13%		12,513	13%		12,524	13%
BB		7,941	8%		7,421	8%		7,151	8%		7,203	8%
B		5,135	5%		5,694	6%		5,390	6%		5,087	5%
Other		233	0%		280	0%		273	0%		287	0%
Total fixed maturities	\$	<u>96,974</u>	<u>100%</u>	\$	<u>97,042</u>	<u>100%</u>	\$	<u>94,856</u>	<u>100%</u>	\$	<u>94,190</u>	<u>100%</u>
<b>Cost/Amortized Cost</b>												
Fixed maturities available for sale	\$	77,835		\$	82,254		\$	80,363		\$	79,957	
Fixed maturities held to maturity		14,335			10,160			10,371			10,519	
Short-term investments		3,561			2,991			2,651			2,780	
Subtotal fixed maturities		<u>95,731</u>			<u>95,405</u>			<u>93,385</u>			<u>93,256</u>	
Equity securities		737			723			697			699	
Other investments		4,417			4,429			4,410			4,271	
Total investment portfolio	\$	<u>100,885</u>		\$	<u>100,557</u>		\$	<u>98,492</u>		\$	<u>98,226</u>	
Avg. duration of fixed maturities		4.2 years			4.2 years			4.2 years			4.2 years	
Avg. market yield of fixed maturities		2.9%			2.7%			2.7%			2.8%	
Avg. credit quality		A/Aa			A/Aa			A/Aa			A/Aa	
Avg. yield on invested assets (1)		3.5%			3.5%			3.4%			3.4%	

- (1) During Q4 2017, as part of on-going portfolio management, approximately \$4 billion of fixed income securities were transferred from available for sale to held to maturity.
- (2) 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	
<b>Mortgage-backed securities</b>						
<b>Market Value at December 31, 2017</b>						
Agency residential mortgage-backed (RMBS)	\$ —	\$14,876	\$ —	\$ —	\$ —	\$14,876
Non-agency RMBS	11	10	72	16	26	135
Commercial mortgage-backed	2,858	118	45	—	—	3,021
<b>Total mortgage-backed securities at market value</b>	<b>\$2,869</b>	<b>\$15,004</b>	<b>\$ 117</b>	<b>\$ 16</b>	<b>\$ 26</b>	<b>\$18,032</b>

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

	S&P Credit Rating				
	Investment Grade				
	AAA	AA	A	BBB	Total
<b>Market Value at December 31, 2017</b>					
Asset-backed	\$ 749	\$ 65	\$ 15	\$ 16	\$ 845
Banks	—	17	1,806	1,425	3,248
Basic Materials	—	—	101	213	314
Communications	—	163	284	1,278	1,725
Consumer, Cyclical	—	236	512	768	1,516
Consumer, Non-Cyclical	109	527	1,716	1,303	3,655
Diversified Financial Services	7	14	478	217	716
Energy	—	50	76	571	697
Industrial	—	28	775	546	1,349
Utilities	—	22	943	354	1,319
All Others	164	403	954	713	2,234
<b>Total</b>	<b>\$1,029</b>	<b>\$ 1,525</b>	<b>\$7,660</b>	<b>\$7,404</b>	<b>\$ 17,618</b>

	S&P Credit Rating			
	Below Investment Grade			
	BB	B	CCC	Total
<b>Market Value at December 31, 2017</b>				
Asset-backed	\$ 3	\$ 2	\$ 9	\$ 14
Banks	—	—	—	—
Basic Materials	312	111	1	424
Communications	863	742	2	1,607
Consumer, Cyclical	1,180	574	65	1,819
Consumer, Non-Cyclical	850	1,175	35	2,060
Diversified Financial Services	193	116	11	320
Energy	538	216	4	758
Industrial	566	509	20	1,095
Utilities	234	84	3	321
All Others	728	438	13	1,179
<b>Total</b>	<b>\$ 5,467</b>	<b>\$3,967</b>	<b>\$ 163</b>	<b>\$ 9,597</b>

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

**Non-U.S. Fixed Income Portfolio**

December 31, 2017

	<b>Market Value by S&amp;P Credit Rating</b>					<b>Total</b>
	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>BB and below</b>	
<b>Non-U.S. Government Securities</b>						
United Kingdom	\$ —	\$ 1,387	\$ —	\$ —	\$ —	\$ 1,387
Republic of Korea	—	1,056	—	—	—	1,056
Canada	933	—	—	—	—	933
Federative Republic of Brazil	—	—	—	—	741	741
Province of Ontario	—	9	637	—	—	646
United Mexican States	—	—	424	112	—	536
Province of Quebec	—	507	—	—	—	507
Kingdom of Thailand	—	—	462	—	—	462
Federal Republic of Germany	424	—	—	—	—	424
French Republic	—	326	—	—	—	326
Other Non-U.S. Government Securities	974	1,099	908	543	973	4,497
<b>Total</b>	<b>\$ 2,331</b>	<b>\$ 4,384</b>	<b>\$ 2,431</b>	<b>\$ 655</b>	<b>\$ 1,714</b>	<b>\$ 11,515</b>

	<b>Market Value by S&amp;P Credit Rating</b>					<b>Total</b>
	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>BB and below</b>	
<b>Non-U.S. Corporate Securities</b>						
United Kingdom	\$ 136	\$ 86	\$ 600	\$ 911	\$ 246	\$ 1,979
Canada	89	163	373	469	319	1,413
United States (1)	3	26	188	328	415	960
France	10	31	494	262	32	829
Netherlands	76	11	366	196	124	773
Australia	96	146	347	151	18	758
Germany	155	47	117	215	27	561
Switzerland	39	19	123	153	22	356
Japan	—	35	270	10	4	319
China	—	1	254	46	11	312
Other Non-U.S. Corporate Securities	374	353	902	877	506	3,012
<b>Total</b>	<b>\$ 978</b>	<b>\$ 918</b>	<b>\$ 4,034</b>	<b>\$ 3,618</b>	<b>\$ 1,724</b>	<b>\$ 11,272</b>

(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>December 31, 2017</u>	<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 579	A
2	JP Morgan Chase & Co	465	A-
3	Anheuser-Busch InBev NV	439	A-
4	Goldman Sachs Group Inc	437	BBB+
5	AT&T Inc	406	BBB+
6	General Electric Co	376	A
7	Verizon Communications Inc	345	BBB+
8	Morgan Stanley	335	BBB+
9	Bank of America Corp	320	A-
10	Citigroup Inc	312	BBB+

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

	Three months ended December 31, 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	\$ (48)	\$ 20	\$ (28)	\$ (276)	\$ 65	\$ (211)	\$ (324)	\$ 85	\$ (239)
Fixed income derivatives	13	1	14	—	—	—	13	1	14
Public equity	6	(4)	2	9	(1)	8	15	(5)	10
Private equity	122	(10)	112	8	2	10	130	(8)	122
Total investment portfolio (1)	93	7	100	(259)	66	(193)	(166)	73	(93)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	7	—	7	—	—	—	7	—	7
Foreign exchange	26	(5)	21	(430)	19	(411)	(404)	14	(390)
Partially-owned entities (3)	—	—	—	—	—	—	—	—	—
Other (4)	(4)	18	14	102	(24)	78	98	(6)	92
Net gains (losses)	<u>\$ 122</u>	<u>\$ 20</u>	<u>\$ 142</u>	<u>\$ (587)</u>	<u>\$ 61</u>	<u>\$ (526)</u>	<u>\$ (465)</u>	<u>\$ 81</u>	<u>\$ (384)</u>

- (1) Other-than-temporary impairments for the quarter in realized gains (losses) include \$8 million for fixed maturities, \$1 million for public equity and \$1 million for private equity.
- (2) The quarter includes \$92 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (4) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.

	Three months ended December 31, 2016								
	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	\$ (7)	\$ (15)	\$ (22)	\$(2,154)	\$ 641	\$ (1,513)	\$ (2,161)	\$ 626	\$ (1,535)
Fixed income derivatives	52	(18)	34	—	—	—	52	(18)	34
Public equity	5	3	8	—	2	2	5	5	10
Private equity	155	(15)	140	24	—	24	179	(15)	164
Total investment portfolio (5)	205	(45)	160	(2,130)	643	(1,487)	(1,925)	598	(1,327)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (6)	275	—	275	—	—	—	275	—	275
Foreign exchange	72	1	73	(423)	48	(375)	(351)	49	(302)
Partially-owned entities (7)	—	—	—	(2)	—	(2)	(2)	—	(2)
Other (8)	(19)	(2)	(21)	537	(184)	353	518	(186)	332
Net gains (losses)	<u>\$ 533</u>	<u>\$ (46)</u>	<u>\$ 487</u>	<u>\$ (2,018)</u>	<u>\$ 507</u>	<u>\$ (1,511)</u>	<u>\$ (1,485)</u>	<u>\$ 461</u>	<u>\$ (1,024)</u>

- (5) Other-than-temporary impairments for the quarter in realized gains (losses) include \$4 million for fixed maturities, \$1 million for public equity and \$7 million for private equity.
- (6) The quarter includes \$48 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (7) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (8) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.



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

	Year ended December 31, 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	\$ (31)	\$ 18	\$ (13)	\$ 537	\$ (210)	\$ 327	\$ 506	\$ (192)	\$ 314
Fixed income derivatives	(11)	14	3	—	—	—	(11)	14	3
Public equity	16	(5)	11	88	(26)	62	104	(31)	73
Private equity	401	(52)	349	8	(5)	3	409	(57)	352
Total investment portfolio (1)	375	(25)	350	633	(241)	392	1,008	(266)	742
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	103	—	103	—	—	—	103	—	103
Foreign exchange	36	—	36	471	5	476	507	5	512
Partially-owned entities (3)	(6)	2	(4)	—	—	—	(6)	2	(4)
Other (4)	(11)	18	7	(16)	5	(11)	(27)	23	(4)
Net gains (losses)	<u>\$ 497</u>	<u>\$ (5)</u>	<u>\$ 492</u>	<u>\$ 1,088</u>	<u>\$ (231)</u>	<u>\$ 857</u>	<u>\$ 1,585</u>	<u>\$ (236)</u>	<u>\$ 1,349</u>

- (1) Full year other-than-temporary impairments in realized gains (losses) include \$23 million for fixed maturities, \$10 million for public equity and \$12 million for private equity.
- (2) Full year includes \$261 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (4) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.

	Year ended December 31, 2016								
	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	\$ (163)	\$ (17)	\$ (180)	\$ 83	\$ 108	\$ 191	\$ (80)	\$ 91	\$ 11
Fixed income derivatives	(33)	(4)	(37)	—	—	—	(33)	(4)	(37)
Public equity	44	(11)	33	52	(8)	44	96	(19)	77
Private equity	228	(24)	204	(49)	—	(49)	179	(24)	155
Total investment portfolio (5)	76	(56)	20	86	100	186	162	44	206
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (6)	(83)	—	(83)	—	—	—	(83)	—	(83)
Foreign exchange	118	(11)	107	(154)	30	(124)	(36)	19	(17)
Partially-owned entities (7)	(5)	1	(4)	(2)	—	(2)	(7)	1	(6)
Other (8)	(19)	(2)	(21)	545	(184)	361	526	(186)	340
Net gains (losses)	<u>\$ 87</u>	<u>\$ (68)</u>	<u>\$ 19</u>	<u>\$ 475</u>	<u>\$ (54)</u>	<u>\$ 421</u>	<u>\$ 562</u>	<u>\$ (122)</u>	<u>\$ 440</u>

- (5) Full year other-than-temporary impairments in realized gains (losses) include \$81 million for fixed maturities, \$8 million for public equity and \$14 million for private equity.
- (6) Full year includes \$136 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (7) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (8) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.

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

	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016	Legacy ACE December 31 2015
<b>Financial Debt:</b>						
Total short-term debt	\$ 1,013	\$ 1,020	\$ 922	\$ 300	\$ 500	\$ —
Total long-term debt <sup>(1)</sup>	11,556	11,559	11,667	12,300	12,610	9,389
Total financial debt	\$ 12,569	\$ 12,579	\$12,589	\$ 12,600	\$ 13,110	\$ 9,389
<b>Hybrid debt:</b>						
Total trust preferred securities	308	308	308	308	308	307
Total	\$ 12,877	\$ 12,887	\$12,897	\$ 12,908	\$ 13,418	\$ 9,696
<b>Capitalization:</b>						
Shareholders' equity	\$ 51,172	\$ 50,471	\$50,349	\$ 49,224	\$ 48,275	\$ 29,135
Hybrid debt	308	308	308	308	308	307
Financial debt	12,569	12,579	12,589	12,600	13,110	9,389
Total capitalization	\$ 64,049	\$ 63,358	\$63,246	\$ 62,132	\$ 61,693	\$ 38,831
<b>Leverage ratios (based on total capital):</b>						
Hybrid debt	0.5%	0.5%	0.5%	0.5%	0.5%	0.8%
Financial debt	19.6%	19.9%	19.9%	20.3%	21.3%	24.2%
Total hybrid & financial debt	20.1%	20.4%	20.4%	20.8%	21.8%	25.0%

Note: As of December 31, 2017, there was \$0.3 billion usage of credit facilities on a total commitment of \$1.0 billion.

- (1) In connection with our acquisition of The Chubb Corporation, we assumed \$3.3 billion par value of Legacy Chubb's debt, fair valued at \$3.8 billion for purchase accounting purposes. This included \$1 billion of junior subordinated capital securities.

**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 December 31		Year ended December 31	
	2017	2016	2017	2016
<b>Numerator</b>				
Core operating income to common shares	\$ 1,489	\$ 1,283	\$ 3,784	\$ 4,716
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(64)	(88)	(283)	(345)
Tax benefit on amortization adjustment	23	22	85	101
Chubb integration and related expenses, pre-tax	(77)	(131)	(310)	(499)
Tax benefit on Chubb integration and related expenses	20	37	93	143
Adjusted net realized gains (losses), pre-tax	122	533	497	87
Tax (expense) benefit on adjusted net realized gains (losses)	20	(46)	(5)	(68)
Net income	<u>\$ 1,533</u>	<u>\$ 1,610</u>	<u>\$ 3,861</u>	<u>\$ 4,135</u>
<b>Rollforward of Common Shares Outstanding</b>				
Shares - beginning of period	464,158,519	465,286,110	465,968,716	324,563,441
Share Issuance for Chubb Acquisition	—	—	—	136,950,381
Repurchase of shares	(833,599)	—	(5,866,612)	—
Shares issued, excluding option exercises	158,819	221,688	2,098,446	2,725,945
Issued for option exercises	349,440	460,918	1,632,629	1,728,949
Shares - end of period	<u>463,833,179</u>	<u>465,968,716</u>	<u>463,833,179</u>	<u>465,968,716</u>
<b>Denominator</b>				
Weighted average shares outstanding (2)	465,429,008	468,258,439	467,145,716	462,519,789
Effect of other dilutive securities	4,055,746	3,354,791	4,051,185	3,429,610
Adj. wtd. avg. shares outstanding and assumed conversions	<u>469,484,754</u>	<u>471,613,230</u>	<u>471,196,901</u>	<u>465,949,399</u>
<b>Basic earnings per share</b>				
Core operating income	\$ 3.20	\$ 2.74	\$ 8.10	\$ 10.20
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.14)	(0.42)	(0.53)
Chubb integration and related expenses, net of tax	(0.12)	(0.20)	(0.47)	(0.77)
Adjusted net realized gains (losses), net of tax	0.30	1.04	1.05	0.04
Net income	<u>\$ 3.29</u>	<u>\$ 3.44</u>	<u>\$ 8.26</u>	<u>\$ 8.94</u>
<b>Diluted earnings per share</b>				
Core operating income	\$ 3.17	\$ 2.72	\$ 8.03	\$ 10.12
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax (1)	(0.09)	(0.14)	(0.42)	(0.52)
Chubb integration and related expenses, net of tax	(0.12)	(0.20)	(0.46)	(0.76)
Adjusted net realized gains (losses), net of tax	0.31	1.03	1.04	0.03
Net income	<u>\$ 3.27</u>	<u>\$ 3.41</u>	<u>\$ 8.19</u>	<u>\$ 8.87</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**

	December 31 2017	September 30 2017	June 30 2017	March 31 2017	December 31 2016
Shareholders' equity	\$ 51,172	\$ 50,471	\$ 50,349	\$ 49,224	\$ 48,275
Less: goodwill and other intangible assets, net of tax <sup>(1)</sup>	20,621	20,274	19,994	20,013	20,019
Numerator for tangible book value per share	<u>\$ 30,551</u>	<u>\$ 30,197</u>	<u>\$ 30,355</u>	<u>\$ 29,211</u>	<u>\$ 28,256</u>
Book value - % change over prior quarter	1.4%	0.2%	2.3%	2.0%	-0.2%
Tangible book value - % change over prior quarter	1.2%	-0.5%	3.9%	3.4%	0.8%
Denominator	<u>463,833,179</u>	<u>464,158,519</u>	<u>465,375,141</u>	<u>467,223,019</u>	<u>465,968,716</u>
Book value per common share	\$ 110.32	\$ 108.74	\$ 108.19	\$ 105.35	\$ 103.60
Tangible book value per common share	\$ 65.87	\$ 65.06	\$ 65.23	\$ 62.52	\$ 60.64
<b>Reconciliation of Book Value</b>					
Shareholders' equity, beginning of quarter	\$ 50,471	\$ 50,349	\$ 49,224	\$ 48,275	\$ 48,372
Core operating income (loss)	1,489	(60)	1,180	1,175	1,283
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax <sup>(2)</sup>	(41)	(50)	(52)	(55)	(66)
Chubb integration and related expenses, net of tax	(57)	(36)	(50)	(74)	(94)
Adjusted net realized gains (losses), net of tax <sup>(3)</sup>	142	76	227	47	487
Net unrealized gains (losses) on the investment portfolio	(193)	92	286	207	(1,487)
Repurchase of shares	(123)	(232)	(335)	(140)	—
Dividend declared on common shares	(330)	(331)	(332)	(324)	(324)
Cumulative translation	(411)	658	98	131	(375)
Postretirement benefit liability	78	(51)	(14)	(24)	353
Other <sup>(4)</sup>	147	56	117	6	126
	<u>\$ 51,172</u>	<u>\$ 50,471</u>	<u>\$ 50,349</u>	<u>\$ 49,224</u>	<u>\$ 48,275</u>

- (1) The December 31, 2017 balance reflects the reduction of the deferred tax liability on our intangible assets of \$743 million related to the U.S. Tax Reform, principally offset by foreign exchange and intangible amortization in the quarter.
- (2) Related to the acquisition of The Chubb Corporation.
- (3) Includes net realized gains (losses) related to unconsolidated entities.
- (4) Other primarily includes proceeds from exercise of stock options and stock compensation.

**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 and adjusted administrative expenses are non-GAAP financial measures that exclude the one-time curtailment benefit related to the harmonization of the company's U.S. pension plans. During the fourth quarter of 2016, the company harmonized and amended several U.S. retirement programs to create a unified retirement savings program which resulted in the one-time pension curtailment benefit. The portion of the benefit related to claims staff is excluded from adjusted losses and loss expenses with the remainder excluded from adjusted administrative expenses. We believe that excluding the impact of the one-time pension curtailment benefit 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 this item. Adjusted losses and loss expenses also 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.

In presenting our segment income 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 adjusted 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 adjusted administrative expenses in the ratio numerator. A reconciliation of combined ratio to P&C combined ratio is provided on page 34.

P&C combined ratio excluding the impact of catastrophe losses and prior period development (PPD) and the P&C loss and loss expense ratio excluding the impact of catastrophe losses and PPD are non-GAAP financial measures. The loss ratio numerator includes adjusted losses and loss expenses and excludes catastrophe losses and PPD. The combined ratio numerator includes adjusted losses and loss expenses, policy acquisition costs, and adjusted administrative expenses. The denominator for both ratios 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 earned premiums when calculating the ratios. We believe that excluding the impact of catastrophe losses and PPD provides a better evaluation of our underwriting performance and enhances the understanding of the trends in our property & casualty business that may be obscured by these items.

P&C 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 P&C 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 of acquired invested assets. Adjusted interest expense is interest expense excluding the amortization of the fair value adjustment of acquired debt and the interest expense on the \$5.3 billion senior notes issued in November 2015 until the closing of the Chubb Corp acquisition on January 14, 2016. We believe that excluding these items are meaningful in order to present the underlying economics of the company's 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 and related 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 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 and related expenses due to the size and complexity of this acquisition. These integration and related expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration and related 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, as well. We believe this presentation enhances the understanding of our results of operations by highlighting the underlying profitability of our insurance business. Core operating income (loss) should not be viewed as a substitute for net income (loss) determined in accordance with GAAP.

Core operating effective tax rate is a non-GAAP financial measure. The numerator excludes tax on adjusted net realized gains (losses), tax on net realized gains (losses) included in other income (expense) related to partially owned entities, tax on Chubb integration and related 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 excludes these same items, before tax. Core operating effective tax rate should not be viewed as a substitute for effective tax rate determined in accordance with GAAP.

Tangible book value per common share is a non-GAAP financial measure and 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. A reconciliation of tangible book value per share is provided on page 30. In addition, we disclose per share measures that exclude the impact of foreign currency fluctuations during 2016 in order to adjust for the distortive effects of fluctuations in exchange rates.

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.

2016 "As If" company measures presented throughout this section are prepared inclusive of the first 14 days of January 2016 prior to the acquisition close and exclusive of the impact of the unearned premium reserves intangible amortization and the elimination of the historical policy acquisition costs as a result of purchase accounting in order to present the underlying profitability of our insurance business. We believe these non-GAAP measures provide visibility into our results and trends in our business by allowing for a better assessment and comparability to our historical results. These measures are consistent with how management evaluates results.

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 underwriting actions, including exiting certain types of business that do not meet our underwriting standards or adhere to our risk diversification strategy. We also exclude a merger-related accounting policy alignment adjustment and a one-time unearned premium reserve (UPR) transfer in 2016. 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)  
(Unaudited)

**Regulation G - Non-GAAP Financial Measures (continued)**

**Core operating income (loss)**

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

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Net income (loss), as reported	\$1,533	\$ (70)	\$1,305	\$1,093	\$1,610	\$ 3,861	\$ 4,135
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax (1)	(64)	(68)	(72)	(79)	(88)	(283)	(345)
Tax benefit on amortization adjustment	23	18	20	24	22	85	101
Chubb integration and related expenses, pre tax	(77)	(50)	(72)	(111)	(131)	(310)	(499)
Tax benefit on Chubb integration and related expenses	20	14	22	37	37	93	143
Adjusted net realized gains (losses)	—	(5)	103	(7)	371	91	(140)
Net realized gains (losses) related to unconsolidated entities (2)	122	89	143	52	162	406	227
Tax (expense) benefit on adjusted net realized gains (losses)	20	(8)	(19)	2	(46)	(5)	(68)
Core operating income (loss)	<u>\$1,489</u>	<u>\$ (60)</u>	<u>\$1,180</u>	<u>\$1,175</u>	<u>\$1,283</u>	<u>\$ 3,784</u>	<u>\$ 4,716</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).

The following table presents the reconciliation of Net income (loss) to P&C and Global P&C Underwriting income (loss):

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Net income (loss)	\$1,533	\$ (70)	\$1,305	\$1,093	\$1,610	\$ 3,861	\$ 4,135
Income tax expense (benefit)	(382)	(85)	200	128	259	(139)	815
Net realized (gains) losses related to unconsolidated entities	(122)	(89)	(143)	(52)	(162)	(406)	(227)
Adjusted realized (gains) losses	—	5	(103)	7	(371)	(91)	140
Amortization of fair value adjustment of acquired invested assets and long-term debt	64	68	72	79	88	283	345
Chubb integration and related expenses	77	50	72	111	131	310	499
Adjusted interest expense	168	162	160	166	167	656	646
Pension curtailment benefit	—	—	—	—	(113)	—	(113)
Consolidated segment income	1,338	41	1,563	1,532	1,609	4,474	6,240
Less: Life Insurance segment income	70	64	52	62	60	248	263
P&C segment income (loss)	1,268	(23)	1,511	1,470	1,549	4,226	5,977
Less: amortization expense of purchased intangibles (excluding Life Insurance)	66	64	65	63	2	258	16
Less: other (income) expense - operating (excluding Life Insurance)	79	(10)	10	11	13	90	—
Less: adjusted net investment income (excluding Life Insurance)	(790)	(815)	(778)	(761)	(769)	(3,144)	(2,975)
P&C Underwriting income (loss) (Including Corporate and excluding Life Insurance)	623	(784)	808	783	795	1,430	3,018
Less: Agricultural Insurance Underwriting income	190	86	23	93	184	392	341
Global P&C Underwriting income (loss) (Including Corporate and excluding Agriculture)	<u>\$ 433</u>	<u>\$ (870)</u>	<u>\$ 785</u>	<u>\$ 690</u>	<u>\$ 611</u>	<u>\$ 1,038</u>	<u>\$ 2,677</u>

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

**Regulation G - Non-GAAP Financial Measures (continued)**

**Core operating ROE**

Core operating return on equity (ROE) or ROE calculated using core operating income (loss): The ROE numerator includes income adjusted to exclude after-tax adjusted net realized gains (losses), Chubb integration and related 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. In addition, for 2016, the denominator was adjusted to account for the weighted-average impact of the \$15,527 million issuance of common shares and equity awards related to The Chubb Corp acquisition on January 14, 2016. 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.

	4Q-17	4Q-16	Full Year 2017	Full Year 2016
Net income	\$ 1,533	\$ 1,610	\$ 3,861	\$ 4,135
Core operating income	\$ 1,489	\$ 1,283	\$ 3,784	\$ 4,716
Equity - beginning of period, as reported	\$50,471	\$48,372	\$ 48,275	\$ 29,135
Add: weighted average impact of equity issuance	—	—	—	14,931
Less: unrealized gains (losses) on investments, net of deferred tax	1,643	2,547	1,058	874
Equity - beginning of period, as adjusted	\$48,828	\$45,825	\$ 47,217	\$ 43,192
Equity - end of period, as reported	\$51,172	\$48,275	\$ 51,172	\$ 48,275
Less: weighted average impact of equity issuance	—	—	—	596
Less: unrealized gains (losses) on investments, net of deferred tax	1,450	1,058	1,450	1,058
Equity - end of period, as adjusted	\$49,722	\$47,217	\$ 49,722	\$ 46,621
Weighted average equity, as reported	\$50,822	\$48,324	\$ 49,724	\$ 45,873
Weighted average equity, as adjusted	\$49,275	\$46,521	\$ 48,470	\$ 44,907
ROE	12.1%	13.3%	7.8%	9.0%
Core operating ROE	12.1%	11.0%	7.8%	10.5%

**Core operating effective tax rate**

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

	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	Full Year 2017	Full Year 2016
Tax expense (benefit), as reported	\$ (382)	\$ (85)	\$ 200	\$ 128	\$ 259	\$ (139)	\$ 815
Tax benefit on amortization of fair value of acquired invested assets and debt (1)	(23)	(18)	(20)	(24)	(22)	(85)	(101)
Tax benefit on Chubb integration and related expenses	(20)	(14)	(22)	(37)	(37)	(93)	(143)
Tax expense (benefit) on adjusted net realized gains (losses)	(20)	8	19	(2)	46	5	68
Tax expense (benefit), adjusted	\$ (319)	\$ (61)	\$ 223	\$ 191	\$ 272	\$ 34	\$ 991
Income (loss) before tax, as reported	\$1,151	\$ (155)	\$1,505	\$1,221	\$1,869	\$ 3,722	\$ 4,950
Less: amortization of fair value of acquired invested assets and debt (1)	(64)	(68)	(72)	(79)	(88)	(283)	(345)
Less: Chubb integration and related expenses	(77)	(50)	(72)	(111)	(131)	(310)	(499)
Less: adjusted realized gains (losses)	—	(5)	103	(7)	371	91	(140)
Less: realized gains (losses) related to unconsolidated entities	122	89	143	52	162	406	227
Core operating income (loss) before tax	\$1,170	\$ (121)	\$1,403	\$1,366	\$1,555	\$ 3,818	\$ 5,707
Effective tax rate	-33.1%	54.7%	13.3%	10.5%	13.8%	-3.7%	16.5%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt (1)	3.7%	8.6%	0.6%	1.0%	0.5%	2.3%	0.8%
Adjustment for tax impact of Chubb integration and related expenses	3.8%	6.6%	0.8%	1.7%	1.0%	2.6%	1.1%
Adjustment for tax impact of adjusted net realized gains (losses)	-1.6%	19.0%	1.3%	0.8%	2.3%	-0.3%	-1.0%
Core operating effective tax rate	-27.2%	50.9%	16.0%	14.0%	17.6%	0.9%	17.4%

(1) Related to the acquisition of The Chubb Corporation



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

**Regulation G - Non-GAAP Financial Measures (continued)**

**Chubb integration and related expenses, net of tax**

Chubb integration and related expenses is a non-GAAP financial measure and includes 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. Chubb integration and related expenses also include interest expense on the \$5.3 billion senior notes issued in November 2015. We exclude Chubb integration expenses related to The Chubb Corp acquisition from core operating income (loss) due to the size and complexity of this acquisition. We exclude the pre-acquisition interest expense from core operating income (loss) because the operations for which the debt was issued were not part of our operating activities prior to the completion of the acquisition. Effective with the close of The Chubb Corp acquisition (January 14, 2016), the interest on this debt was considered a cost of our operations and is included within core operating income (loss). These integration and related expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration and related expenses facilitate the comparison of our financial results to our historical operating results. The following table presents the reconciliation of Chubb integration expenses on a GAAP basis to Chubb integration and related expenses.

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Chubb integration expenses, net of tax	\$ 57	\$ 36	\$ 50	\$ 74	\$ 94	\$ 217	\$ 352
Add: pre-acquisition interest expense related to \$5.3 billion senior notes, net of tax	—	—	—	—	—	—	4
Chubb integration and related expenses, net of tax	57	36	50	74	94	217	356
Tax benefit	20	14	22	37	37	93	143
Chubb integration and related expenses, pre-tax	<u>\$ 77</u>	<u>\$ 50</u>	<u>\$ 72</u>	<u>\$ 111</u>	<u>\$ 131</u>	<u>\$ 310</u>	<u>\$ 499</u>

**P&C combined ratio**

The following table presents the reconciliation of combined ratio to 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 P&C combined ratio also excludes the one-time pension curtailment benefit of \$113 million recognized in the fourth quarter of 2016. We believe that excluding the impact of the one-time pension curtailment 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 this item.

	<u>4Q-17</u>	<u>3Q-17</u>	<u>2Q-17</u>	<u>1Q-17</u>	<u>4Q-16</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
Combined ratio	90.7%	110.7%	88.0%	87.5%	86.0%	94.7%	88.3%
Less: impact of pension curtailment benefit	0.0%	0.0%	0.0%	0.0%	1.7%	0.0%	0.4%
Add: impact of gains and losses on crop derivatives	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%
P&C combined ratio	90.7%	110.8%	88.0%	87.5%	87.8%	94.7%	88.7%

**Chubb Limited**  
**Non-GAAP Financial Measures - 5**  
(in millions of U.S. dollars, except share and per share data)  
(Unaudited)

**Regulation G - Non-GAAP Financial Measures (continued)**

The following presents the reconciliation of earnings per share to earnings per share, including the 14 day stub period for full year 2016:

Numerator	Full Year 2016	Denominator	Full Year 2016
Core operating income as reported	\$ 4,716	Weighted average shares outstanding and assumed conversions	465,949,399
Add: 14-day stub period income		Impact of shares issued in connection with Chubb Corp acquisition	5,030,548
Underwriting income	44	As If adjusted weighted average shares outstanding	470,979,947
Net investment income	45	<b>Diluted earnings per share, including 14 day stub period</b>	
Interest expense	(9)	Core operating income per share	\$ 10.14
Income tax expense	(20)	Net income per share	\$ 8.91
Total 14-day stub period income	60		
As If core operating income, including 14 day stub period	<u>\$ 4,776</u>		
Net income as reported	\$ 4,135		
Add: 14-day stub period income from above	60		
As If net income, including 14 day stub period	<u>\$ 4,195</u>		

The following tables present the reconciliation of reported underwriting income (loss) for each segment to underwriting income (loss) on an "As If" basis.

	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
<b>Full Year 2016</b>									
Underwriting income (loss)	\$ 1,630	\$ 432	\$ 341	\$ 934	\$ 146	\$ (465)	\$ 3,018	\$ (1)	\$ 3,017
Add: Pre-acquisition underwriting income (loss) (14 days prior to close)	13	30	—	4	—	(3)	44	—	44
Less: amortization of acquired UPR intangible - Chubb Corp	859	492	—	208	—	—	1,559	—	1,559
Add: elimination of DAC benefit - Chubb Corp	(729)	(406)	—	(238)	—	—	(1,373)	—	(1,373)
Underwriting income (loss) - As If	<u>\$ 1,773</u>	<u>\$ 548</u>	<u>\$ 341</u>	<u>\$ 908</u>	<u>\$ 146</u>	<u>\$ (468)</u>	<u>\$ 3,248</u>	<u>\$ (1)</u>	<u>\$ 3,247</u>

References to Core operating income excluding normalized Catastrophe losses (Cats) and one-time tax reform benefit, are prepared excluding any impact of the catastrophe losses above normal level due to the significant size and number of these events in the third quarter of 2017 which could obscure the underlying operating results, as well as excluding the one-time 2017 tax reform transition benefit. We believe that these measures provide a better evaluation of our operating performance and enhances the understanding of the trends in our property and casualty business.

The following table presents the reconciliation of Core operating income and Core operating income w/Normalized Catastrophe losses and excluding one-time tax reform benefit:

	Full Year 2017
Core operating income (refer to page 32)	\$ 3,784
Add: Actual catastrophe losses above normal levels	1,455
Core operating income w/Normalized Cats	5,239
Less: 2017 tax reform transition benefit	450
Core operating income w/Normalized Cats and excluding one-time tax reform benefit	<u>\$ 4,789</u>
% decline	<u>-21%</u>

**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**

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.

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

		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
<b>Q4 2017</b>								
<b>Numerator</b>								
<b>Losses and loss expenses</b>								
Losses and loss expenses	<b>A</b>	\$ 1,911	\$ 887	\$ 60	\$ 965	\$ 126	\$ 140	\$4,089
Catastrophe losses		(167)	(278)	—	55	(42)	—	(432)
<b>PPD and related adjustments</b>								
PPD, net of related adjustments - favorable (unfavorable)		200	(3)	36	68	(5)	(138)	158
Net earned premium adjustments on PPD - unfavorable (favorable)		—	—	5	—	—	—	5
Expense adjustments - unfavorable (favorable)		—	—	(7)	—	—	—	(7)
PPD - gross of related adjustments - favorable (unfavorable)		200	(3)	34	68	(5)	(138)	156
<b>Loss and loss expense ex CATs and PPD</b>	<b>B</b>	<u>\$ 1,944</u>	<u>\$ 606</u>	<u>\$ 94</u>	<u>\$ 1,088</u>	<u>\$ 79</u>	<u>\$ 2</u>	<u>\$3,813</u>
<b>Policy acquisition costs and administrative expenses</b>								
Policy acquisition costs and administrative expenses	<b>C</b>	\$ 706	\$ 298	\$ 2	\$ 816	\$ 51	\$ 80	\$1,953
Expense adjustments - favorable (unfavorable)		—	—	7	—	—	—	7
Policy acquisition costs and administrative expenses, adjusted	<b>D</b>	<u>\$ 706</u>	<u>\$ 298</u>	<u>\$ 9</u>	<u>\$ 816</u>	<u>\$ 51</u>	<u>\$ 80</u>	<u>\$1,960</u>
<b>Denominator</b>								
<b>Net premiums earned</b>	<b>E</b>	\$ 3,035	\$ 1,103	\$ 252	\$ 2,113	\$ 162		\$6,665
Reinstatement premiums (collected) expensed on catastrophe losses		1	19	—	(5)	—		15
Net earned premium adjustments on PPD - unfavorable (favorable)		—	—	5	—	—		5
<b>Net premiums earned excluding adjustments</b>	<b>F</b>	<u>\$ 3,036</u>	<u>\$ 1,122</u>	<u>\$ 257</u>	<u>\$ 2,108</u>	<u>\$ 162</u>		<u>\$6,685</u>
<b>Combined ratio</b>								
Losses and loss expense ratio	<b>A/E</b>	63.0%	80.4%	23.7%	45.7%	78.9%		61.4%
Policy acquisition costs and administrative expense ratio	<b>C/E</b>	23.2%	27.1%	0.7%	38.6%	31.3%		29.3%
Combined ratio		<u>86.2%</u>	<u>107.5%</u>	<u>24.4%</u>	<u>84.3%</u>	<u>110.2%</u>		<u>90.7%</u>
<b>Combined ratio, adjusted for CATs and PPD</b>								
Loss and loss expense ratio, adjusted	<b>B/F</b>	64.1%	54.0%	36.9%	51.6%	50.1%		57.1%
Policy acquisition costs and administrative expense ratio, adjusted	<b>D/F</b>	23.2%	26.5%	3.1%	38.7%	31.3%		29.3%
Combined ratio, adjusted for CATs and PPD		<u>87.3%</u>	<u>80.5%</u>	<u>40.0%</u>	<u>90.3%</u>	<u>81.4%</u>		<u>86.4%</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 - 7**  
(in millions of U.S. dollars, except ratios)  
(Unaudited)

**Regulation G - Non-GAAP Financial Measures (continued)**

**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.

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

		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
<b>Full Year 2017</b>								
<b>Numerator</b>								
<b>Losses and loss expenses</b>								
Losses and loss expenses	A	\$ 8,287	\$ 3,265	\$ 1,043	\$ 4,281	\$ 561	\$ 285	\$17,722
Catastrophe losses		(1,220)	(871)	(18)	(331)	(313)	—	(2,753)
<b>PPD and related adjustments</b>								
PPD, net of related adjustments - favorable (unfavorable)		746	(69)	119	252	59	(278)	829
Net earned premium adjustments on PPD - unfavorable (favorable)		42	—	66	—	(4)	—	104
Expense adjustments - unfavorable (favorable)		6	—	(11)	—	—	—	(5)
Reinstatement premiums expensed on PPD		9	—	—	—	—	—	9
PPD - gross of related adjustments - favorable (unfavorable)		803	(69)	174	252	55	(278)	937
<b>Loss and loss expense ex CATs and PPD</b>	B	<u>\$ 7,870</u>	<u>\$ 2,325</u>	<u>\$ 1,199</u>	<u>\$ 4,202</u>	<u>\$ 303</u>	<u>\$ 7</u>	<u>\$15,906</u>
<b>Policy acquisition costs and administrative expenses</b>								
Policy acquisition costs and administrative expenses	C	\$ 2,854	\$ 1,163	\$ 73	\$ 3,203	\$ 221	\$ 267	\$ 7,781
Expense adjustments - favorable (unfavorable)		(6)	—	11	—	—	—	5
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,848</u>	<u>\$ 1,163</u>	<u>\$ 84</u>	<u>\$ 3,203</u>	<u>\$ 221</u>	<u>\$ 267</u>	<u>\$ 7,786</u>
<b>Denominator</b>								
<b>Net premiums earned</b>								
Reinstatement premiums (collected) expensed on catastrophe losses		4	22	—	4	(37)		(7)
Net earned premium adjustments on PPD - unfavorable (favorable)		42	—	66	—	(4)		104
Reinstatement premiums expensed on PPD		9	—	—	—	—		9
<b>Net premiums earned excluding adjustments</b>	F	<u>\$ 12,246</u>	<u>\$ 4,421</u>	<u>\$ 1,574</u>	<u>\$ 8,135</u>	<u>\$ 663</u>		<u>\$27,039</u>
<b>Combined ratio</b>								
Losses and loss expense ratio	A/E	68.0%	74.2%	69.2%	52.6%	79.8%		65.8%
Policy acquisition costs and administrative expense ratio	C/E	23.4%	26.5%	4.8%	39.4%	31.4%		28.9%
Combined ratio		<u>91.4%</u>	<u>100.7%</u>	<u>74.0%</u>	<u>92.0%</u>	<u>111.2%</u>		<u>94.7%</u>
<b>Combined ratio, adjusted for CATs and PPD</b>								
Loss and loss expense ratio, adjusted	B/F	64.3%	52.6%	76.2%	51.7%	46.0%		58.8%
Policy acquisition costs and administrative expense ratio, adjusted	D/F	23.2%	26.3%	5.3%	39.3%	33.2%		28.8%
Combined ratio, adjusted for CATs and PPD		<u>87.5%</u>	<u>78.9%</u>	<u>81.5%</u>	<u>91.0%</u>	<u>79.2%</u>		<u>87.6%</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 both the life business and the one-time pension curtailment benefit in Q4 2016 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 and related 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 and related 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.

**NM:** Not meaningful.

**Chubb integration and related expenses:** Chubb integration expenses comprise legal and professional fees and all other costs directly related to the integration activities of the Chubb Corp acquisition including the pre-acquisition interest expense on the \$5.3 billion senior notes issued in November 2015. The pre-acquisition interest expense is included in core operating income subsequent to January 14th, 2016, the date of the acquisition close. 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.