

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

FORM 8-K

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

Date of Report (Date of earliest event reported) - July 28, 2020

Chubb Limited

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of Incorporation)

1-11778
(Commission
File Number)

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

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

On July 28, 2020, Chubb Limited issued a Press Release reporting its second quarter 2020 results and the availability of its second quarter 2020 Financial Supplement. The Press Release and the Financial Supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are hereby incorporated herein by reference.

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

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

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, Dated July 28, 2020, Reporting Second Quarter 2020 Results
99.2	Second Quarter 2020 Financial Supplement
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

SIGNATURES

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

Chubb Limited

By: /s/ Philip V. Bancroft

Philip V. Bancroft

Executive Vice President and Chief Financial Officer

DATE: July 28, 2020



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News Release

Chubb Reports Second Quarter Per Share Net Loss and Core Operating Loss of \$(0.73) and \$(0.56), Respectively, Including Net Catastrophe Losses of \$3.35 Per Share Versus \$0.48 Per Share Prior Year

- Net loss was \$(331) million versus net income of \$1,150 million prior year, and core operating loss was \$(254) million versus core operating income of \$1,195 million prior year.
- As previously announced, net catastrophe losses were \$1,510 million after tax, or \$3.35 per share, including COVID-19 catastrophe losses of \$1,157 million after tax, or \$2.56 per share. Unfavorable prior period development was \$52 million after tax, or \$0.11 per share, including \$205 million after tax, or \$0.45 per share, for U.S. child molestation claims, predominantly reviver statute-related.
- Consolidated net premiums written were \$8.4 billion, up 0.1%, or 1.9% in constant dollars. P&C net premiums written were \$7.7 billion, down 0.4%, or up 1.4% in constant dollars. Net premiums written in the quarter were reduced by \$191 million from COVID-19 exposure adjustments on in-force policies. Excluding the impact of COVID-19, P&C net premiums written were up 3.9% in constant dollars. This comprises 9.1% positive growth globally in commercial P&C lines and 6.3% negative growth in consumer lines, which includes accident and health (A&H), travel and personal lines.
- The P&C combined ratio was 112.3% compared with 90.1% prior year, including catastrophe losses of 23.9 percentage points compared with 3.8 percentage points prior year. The P&C current accident year combined ratio excluding catastrophe losses was 87.4% compared with 88.9% prior year. P&C current accident year underwriting income excluding catastrophe losses was \$947 million, up 16.3%.
- Pre-tax net investment income was \$827 million and adjusted net investment income was \$857 million.
- Pre-tax net realized and unrealized gains were \$3.6 billion, including \$3.2 billion in the investment portfolio.
- Book and tangible book value per share were up 4.9% and 7.2%, respectively, for the quarter.

ZURICH – July 28, 2020 – Chubb Limited (NYSE: CB) today reported a net loss for the quarter ended June 30, 2020 of \$(331) million, or \$(0.73) per share, compared with net income of \$1,150 million, or \$2.50 per share, for the same quarter last year. Core operating loss was \$(254) million, or \$(0.56) per share, compared with core operating income of \$1,195 million, or \$2.60 per share, for the same quarter last year. Book and tangible book value per share increased 4.9% and 7.2%, respectively, from March 31, 2020 and now stand at \$121.32 and \$77.49, respectively. Book value was favorably impacted by total after-tax net realized and unrealized gains of \$3.1 billion, including \$2.7 billion in the investment portfolio, due to a decline in interest

rates and a narrowing of credit spreads in the company's corporate bond portfolio, \$410 million of favorable foreign exchange, and a gain of \$110 million in the company's variable annuity reinsurance portfolio.

Chubb Limited
Second Quarter Summary
(in millions of U.S. dollars, except per share amounts)
(Unaudited)

				(Per Share) ⁽¹⁾		
	2020	2019	Change	2020	2019	Change
Net (loss) income	\$(331)	\$1,150	NM	\$(0.73)	\$2.50	NM
Amortization of fair value adjustment of acquired invested assets and long-term debt, and other, net of tax	19	35	(45.7)%	0.04	0.08	(50.0)%
Adjusted net realized (gains) losses, net of tax	58	10	NM	0.13	0.02	NM
Core operating (loss) income, net of tax	\$(254)	\$1,195	NM	\$(0.56)	\$2.60	NM

(1) Refer to page 13 for information on use of basic and diluted shares.

For the three months ended June 30, 2020 and 2019, the tax expenses (benefits) related to the table above were \$(5) million and \$(7) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt, and other; \$(11) million and \$(1) million, respectively, for adjusted net realized gains and losses; and \$(46) million and \$216 million, respectively, for core operating (loss) income.

For the six months ended June 30, 2020, net loss was \$(79) million, or \$(0.17) per share, compared with net income of \$2,190 million, or \$4.75 per share, for 2019. Core operating income was \$966 million, or \$2.13 per share, compared with \$2,365 million, or \$5.13 per share, for 2019. The P&C combined ratio was 101.0% compared to 89.6% prior year, and the current accident year P&C combined ratio excluding catastrophe losses was 87.5% compared to 88.7% prior year. Book and tangible book value per share decreased 0.9% and 0.8%, respectively, from December 31, 2019. Book value was adversely impacted by after-tax net realized and unrealized losses of \$525 million, including \$486 million from unfavorable foreign exchange and \$450 million from mark-to-market losses in the company's variable annuity reinsurance portfolio, partially offset by net realized and unrealized gains of \$473 million in the company's investment portfolio.

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

				(Per Share) (1)		
	2020	2019	Change	2020	2019	Change
Net (loss) income	\$(79)	\$2,190	NM	\$(0.17)	\$4.75	NM
Amortization of fair value adjustment of acquired invested assets and long-term debt, and other, net of tax	41	70	(41.4)%	0.09	0.15	(40.0)%
Adjusted net realized (gains) losses, net of tax	1,004	105	NM	2.22	0.23	NM
Use of weighted-average dilutive shares	—	—	—	(0.01)	—	—
Core operating income, net of tax	\$966	\$2,365	(59.2)%	\$2.13	\$5.13	(58.5)%

(1) Refer to page 13 for information on use of basic and diluted shares.

For the six months ended June 30, 2020 and 2019, the tax expenses (benefits) related to the table above were \$(10) million and \$(16) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt, and other; \$(28) million and \$(6) million, respectively, for adjusted net realized gains and losses; and \$191 million and \$418 million, respectively, for core operating income.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “It was a difficult quarter for Chubb as the COVID-19 global pandemic, an event of historic proportions, impacted both our earnings and growth, and overshadowed the core underlying strength and vitality of our company. The 112.3% P&C combined ratio and core operating loss of 56 cents per share were negatively impacted predominantly by an after-tax COVID-related charge of \$1.2 billion, which cost us essentially a quarter of our annual earnings and represents our best estimate of ultimate insurance losses resulting directly from the pandemic and consequent economic crises. Underlying our reported results, the P&C current accident year combined ratio excluding catastrophes was 87.4% versus 88.9% prior year, with current accident year underwriting income up 18% in constant dollars.

“Overall, P&C net premiums written grew 1.4% in the quarter in constant dollars, or about 4% after a one-time premium adjustment related to the COVID-19 economic impact as previously announced. We continued to capitalize on favorable commercial P&C underwriting conditions around the world in a number of important markets with adjusted net premiums written growing more than 9% in constant dollars. We are growing our exposures and market share, taking advantage of commercial P&C underwriting conditions where rates in many classes continued to rise in both North America and our international operations. These hard or hardening market conditions are spreading globally to more territories and classes at varying speeds, a rational response to prolonged overly competitive industry market conditions and the loss cost environment. Our consumer businesses, including accident and health, travel and personal lines, were heavily impacted given the pandemic’s effects on consumer activity, and net premiums declined over 6%.

“In sum, our company is very strong, operating at a high level around the globe, while our balance sheet is in excellent shape. I’m proud of all of my colleagues, especially our essential underwriting, claims and loss prevention teams, who never paused during the economic shutdown and height of the pandemic. They have and continue to serve our customers and distribution partners with distinction and represent the Chubb brand, which is all about service. I also want to thank our technology group which has kept us operating seamlessly during the work from home conditions.”

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

Chubb Limited (in millions of U.S. dollars except for percentages)	Q2 2020	Q2 2019	Change
<u>P&C</u>			
Net premiums written (increase of 1.4% in constant dollars)	\$ 7,736	\$ 7,764	(0.4)%
Net premiums written adjusted for COVID-19 exposures (increase of 3.9% in constant dollars)			2.1%
Underwriting (loss) income	\$ (929)	\$ 727	NM
Combined ratio	112.3%	90.1%	
Current accident year underwriting income excluding catastrophe losses	\$ 947	\$ 814	16.3%
Current accident year combined ratio excluding catastrophe losses	87.4%	88.9%	
<u>Global P&C (excludes Agriculture)</u>			
Net premiums written (increase of 1.6% in constant dollars)	\$ 7,275	\$ 7,298	(0.3)%
Net premiums written adjusted for COVID-19 exposures (increase of 4.2% in constant dollars)			2.3%
Underwriting (loss) income	\$ (960)	\$ 689	NM
Combined ratio	113.4%	90.1%	
Current accident year underwriting income excluding catastrophe losses	\$ 910	\$ 774	17.4%
Current accident year combined ratio excluding catastrophe losses	87.3%	88.8%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 461	\$ 466	(1.1)%
Underwriting income	\$ 31	\$ 38	(17.9)%
Combined ratio	91.8%	90.1%	
Current accident year underwriting income excluding catastrophe losses	\$ 37	\$ 40	(6.6)%
Current accident year combined ratio excluding catastrophe losses	90.2%	89.6%	

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Operating highlights for the quarter ended June 30, 2020 were as follows (continued):

- The impact of COVID-19 reduced P&C net premiums written in the quarter by \$191 million, including \$184 million of estimated exposure adjustments on in-force policies and \$7 million of return premiums in North America Personal P&C Insurance.
- Consolidated net premiums earned increased 3.0%, or 4.8% in constant dollars, and P&C net premiums earned increased 2.7%, or 4.6% in constant dollars.
- Total pre-tax and after-tax catastrophe losses were \$1,807 million (23.9 percentage points of the combined ratio) and \$1,510 million, respectively, compared with \$275 million (3.8 percentage points of the combined ratio) and \$221 million, respectively, last year.
- Total pre-tax and after-tax unfavorable prior period development were \$75 million (1.0 percentage point of the combined ratio) and \$52 million, respectively, compared with favorable prior period development of \$188 million (2.6 percentage points of the combined ratio) and \$152 million, respectively, last year. The current quarter included \$259 million pre-tax, and \$205 million after tax, for U.S. child molestation claims, predominantly reviver statute-related. Excluding this charge, favorable prior period development in the quarter was \$184 million pre-tax, with approximately 79% in long-tail lines, principally from accident years 2016 and prior, and 21% in short-tail lines.
- Pre-tax net investment income was \$827 million and adjusted net investment income was \$857 million, which was below the guidance range due to foreign exchange, lower rates on floating rate obligations and an acceleration of mortgage loan prepayments.
- Operating cash flow was \$1,985 million.
- Net loss reserves increased \$3.2 billion, or \$2.7 billion adjusted for foreign exchange, primarily reflecting the significant catastrophe loss events of \$1.8 billion in the period.

Operating highlights for the six months ended June 30, 2020 were as follows:

Chubb Limited (in millions of U.S. dollars except for percentages)	YTD 2020	YTD 2019	Change
<u>Consolidated</u>			
Net premiums written (increase of 5.5% in constant dollars)	\$16,332	\$15,656	4.3%
<u>P&C</u>			
Net premiums written (increase of 5.1% in constant dollars)	\$15,068	\$14,498	3.9%
Net premiums written adjusted for COVID-19 exposures (increase of 6.4% in constant dollars)			5.3%
Underwriting (loss) income	\$(151)	\$1,439	NM
Combined ratio	101.0%	89.6%	
Current accident year underwriting income excluding catastrophe losses	\$1,844	\$1,572	17.3%
Current accident year combined ratio excluding catastrophe losses	87.5%	88.7%	

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

Chubb Limited

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

	Q2 2020	Q2 2019	Change
Total North America P&C Insurance			
Net premiums written	\$5,508	\$5,309	3.8%
Net premiums written adjusted for COVID-19 exposures			6.9%
Combined ratio	108.9%	87.7%	
Current accident year combined ratio excluding catastrophe losses	84.9%	86.5%	

North America Commercial P&C Insurance

Net premiums written	\$3,720	\$3,534	5.3%
Net premiums written adjusted for COVID-19 exposures			9.8%
Major accounts retail and excess and surplus (E&S) wholesale	\$2,350	\$2,187	7.5%
Major accounts retail and excess and surplus (E&S) wholesale adjusted for COVID-19 exposures			12.0%
Middle market and small commercial	\$1,370	\$1,347	1.6%
Middle market and small commercial adjusted for COVID-19 exposures			6.3%
Combined ratio	117.3%	86.5%	
Current accident year combined ratio excluding catastrophe losses	86.0%	87.9%	

North America Personal P&C Insurance

Net premiums written	\$1,327	\$1,309	1.4%
Net premiums written adjusted for COVID-19 exposures			2.0%
Combined ratio	88.8%	90.3%	
Current accident year combined ratio excluding catastrophe losses	79.6%	81.7%	

North America Agricultural Insurance

Net premiums written	\$461	\$466	(1.1)%
Combined ratio	91.8%	90.1%	
Current accident year combined ratio excluding catastrophe losses	90.2%	89.6%	

Overseas General Insurance

Net premiums written (decrease of 5.1% in constant dollars)	\$2,021	\$2,258	(10.5)%
Net premiums written adjusted for COVID-19 exposures (decrease of 4.0% in constant dollars)			(9.4)%
Combined ratio	107.1%	90.8%	
Current accident year combined ratio excluding catastrophe losses	90.7%	91.2%	

- North America Commercial P&C Insurance: The current accident year combined ratio excluding catastrophe losses decreased 1.9 percentage points, including a 0.6 percentage point decrease in the loss ratio and a 1.3 percentage points decrease in the expense ratio.
- North America Personal P&C Insurance: The current accident year combined ratio excluding catastrophe losses decreased 2.1 percentage points, including a 0.6 percentage point decrease in the loss ratio and a 1.5 percentage points decrease in the expense ratio.

- Overseas General Insurance: Net premiums written were \$2,021 million, down 10.5%, or 5.1% in constant dollars, due to the impact of COVID-19 which negatively impacted several lines, in particular P&C personal lines coverages and A&H and travel insurance.
- Global Reinsurance: Net premiums written were \$207 million, up 4.6%, or 4.9% in constant dollars, primarily reflecting new business written and positive rate increases. The combined ratio was 76.6% compared with 87.7% prior year. The current accident year combined ratio excluding catastrophe losses was 78.2%, compared with 81.7% prior year.
- Life Insurance: Net premiums written were \$619 million, up 7.0%, or 8.5% in constant dollars. Segment income was \$87 million, down \$9 million, primarily due to the impact of COVID-19 related catastrophe losses of \$6 million.

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

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

Chubb Limited will hold its second quarter earnings conference call on Wednesday, July 29, 2020 beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 800-458-4121 (within the United States) or 323-794-2093 (international), passcode 8265970. Please refer to the Chubb website under Events and Presentations for details. A replay of the call will be available until Wednesday, August 12, 2020 and the archived webcast will be available on our website for approximately one month. To listen to the replay, please [click here](#) to register and receive dial-in numbers.

About Chubb

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

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Regulation G - Non-GAAP Financial Measures

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

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

Net premiums written adjusted for COVID-19 exposures are net premiums written in Q2 2020 and YTD 2020 adjusted to exclude exposure adjustments on in-force policies in the North America Commercial P&C Insurance and Overseas General Insurance segments of \$184 million and, for the North America Personal P&C insurance segment, return premiums of \$7 million. We believe these measures are meaningful to evaluate trends in the underlying business on a comparable basis.

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets from the acquisition of The Chubb Corporation (Chubb Corp) of \$30 million in Q2 2020 and \$62 million for the six months ended June 30, 2020. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

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

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

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

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

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

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

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

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

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

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

NM - not meaningful comparison

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Cautionary Statement Regarding Forward-Looking Statements:

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

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

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

	June 30 2020	December 31 2019
Assets		
Investments	\$ 110,877	\$ 109,234
Cash	1,557	1,537
Insurance and reinsurance balances receivable	10,853	10,357
Reinsurance recoverable on losses and loss expenses	15,207	15,181
Goodwill and other intangible assets	21,093	21,359
Other assets	21,887	19,275
Total assets	<u>\$ 181,474</u>	<u>\$ 176,943</u>
Liabilities		
Unpaid losses and loss expenses	\$ 65,699	\$ 62,690
Unearned premiums	17,081	16,771
Other liabilities	43,934	42,151
Total liabilities	<u>\$ 126,714</u>	<u>\$ 121,612</u>
Shareholders' equity		
Total shareholders' equity	54,760	55,331
Total liabilities and shareholders' equity	<u>\$ 181,474</u>	<u>\$ 176,943</u>
Book value per common share	\$ 121.32	\$ 122.42
Tangible book value per common share	\$ 77.49	\$ 78.14
Book value per common share excluding cumulative translation losses ⁽¹⁾	\$ 126.45	\$ 126.71
Tangible book value per common share excluding cumulative translation losses ⁽¹⁾	\$ 80.99	\$ 81.16

(1) Cumulative translation losses were \$2.3 billion in 2020 (\$1.6 billion on tangible and \$0.7 billion on intangible net assets) and \$1.9 billion in 2019 (\$1.3 billion on tangible and \$0.6 billion on intangible net assets).

Chubb Limited**Summary Consolidated Financial Data**

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

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2020	2019	2020	2019
Gross premiums written	\$ 10,040	\$ 10,355	\$ 19,792	\$ 19,466
Net premiums written	8,355	8,343	16,332	15,656
Net premiums earned	8,128	7,891	15,922	15,028
Losses and loss expenses	6,577	4,715	11,062	8,813
Policy benefits	223	161	352	357
Policy acquisition costs	1,593	1,544	3,208	3,008
Administrative expenses	727	758	1,468	1,468
Net investment income	827	859	1,688	1,695
Net realized gains (losses)	30	(223)	(928)	(320)
Interest expense	128	140	260	280
Other income (expense):				
Gains (losses) from separate account assets	40	(3)	(16)	27
Other	(98)	233	(97)	242
Amortization of purchased intangibles	72	77	145	153
Chubb integration expenses	—	4	—	7
Income tax expense (benefit)	(62)	208	153	396
Net income (loss)	<u>\$ (331)</u>	<u>\$ 1,150</u>	<u>\$ (79)</u>	<u>\$ 2,190</u>
Earnings per share: ⁽¹⁾				
Net income (loss)	\$ (0.73)	\$ 2.50	\$ (0.17)	\$ 4.75
Core operating income (loss)	\$ (0.56)	\$ 2.60	\$ 2.13	\$ 5.13
Weighted average shares outstanding ⁽¹⁾	451.4	460.2	451.6	460.9

⁽¹⁾ In periods where core operating loss and net loss are recognized, inclusion of incremental dilution is anti-dilutive and therefore basic shares are used in the calculation of per share earnings. For the three and six months ended June 30, 2020, the effect of dilutive securities was 1,395,951 shares and 2,044,144 shares, respectively. Weighted-average shares outstanding used to calculate core operating income per share for the six months ended June 30, 2020 and earnings per share for the 2019 periods include the effect of dilutive securities.

P&C combined ratio

Loss and loss expense ratio	85.2%	61.7%	72.8%	60.6%
Policy acquisition cost ratio	18.5%	19.1%	19.3%	19.6%
Administrative expense ratio	8.6%	9.3%	8.9%	9.4%
P&C combined ratio	<u>112.3%</u>	<u>90.1%</u>	<u>101.0%</u>	<u>89.6%</u>
P&C underwriting income (loss)	\$ (929)	\$ 727	\$ (151)	\$ 1,439

CHUBB

Chubb Limited

Financial Supplement

for the Quarter Ended June 30, 2020

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

Cautionary Statement Regarding Forward-Looking Statements

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

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

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

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

	Three months ended June 30			Constant \$		Six months ended June 30			Constant \$	
	2020	2019	% Change	2019	% Change	2020	2019	% Change	2019	% Change
Gross premiums written	\$ 10,040	\$ 10,355	-3.0%	\$ 10,192	-1.5%	\$ 19,792	\$ 19,466	1.7%	\$ 19,274	2.7%
Net premiums written	\$ 8,355	\$ 8,343	0.1%	\$ 8,200	1.9%	\$ 16,332	\$ 15,656	4.3%	\$ 15,488	5.5%
P&C net premiums written	\$ 7,736	\$ 7,764	-0.4%	\$ 7,629	1.4%	\$ 15,068	\$ 14,498	3.9%	\$ 14,337	5.1%
P&C net premiums written adjusted for COVID-19 exposures (1)			2.1%		3.9%			5.3%		6.4%
Net premiums earned	\$ 8,128	\$ 7,891	3.0%	\$ 7,754	4.8%	\$ 15,922	\$ 15,028	5.9%	\$ 14,868	7.1%
Net investment income	\$ 827	\$ 859	-3.8%	\$ 851	-2.9%	\$ 1,688	\$ 1,695	-0.4%	\$ 1,686	0.1%
Adjusted net investment income	\$ 857	\$ 902	-5.0%	\$ 894	-4.2%	\$ 1,750	\$ 1,784	-1.9%	\$ 1,775	-1.4%
P&C underwriting income (loss)	\$ (929)	\$ 727	NM	\$ 714	NM	\$ (151)	\$ 1,439	NM	\$ 1,424	NM
Agriculture underwriting income	\$ 31	\$ 38	-17.9%	\$ 38	-17.9%	\$ 45	\$ 111	-59.2%	\$ 111	-59.2%
Global P&C (excludes Agriculture) underwriting income (loss)	\$ (960)	\$ 689	NM	\$ 676	NM	\$ (196)	\$ 1,328	NM	\$ 1,313	NM
Core operating income (loss)	\$ (254)	\$ 1,195	NM	\$ 1,179	NM	\$ 966	\$ 2,365	-59.2%	\$ 2,347	-58.8%
Net income (loss)	\$ (331)	\$ 1,150	NM			\$ (79)	\$ 2,190	NM		
Operating cash flow	\$ 1,985	\$ 1,386				\$ 3,697	\$ 2,708			
P&C combined ratio										
Loss and loss expense ratio	85.2%	61.7%				72.8%	60.6%			
Policy acquisition cost and administrative expense ratio	27.1%	28.4%				28.2%	29.0%			
Combined ratio	112.3%	90.1%				101.0%	89.6%			
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)										
CAY loss and loss expense ratio ex Cats	60.4%	60.5%				59.3%	59.6%			
CAY policy acquisition cost and administrative expense ratio ex Cats	27.0%	28.4%				28.2%	29.1%			

CAY combined ratio ex Cats	87.4%	88.9%		87.5%	88.7%	
Global P&C						
CAY combined ratio ex Cats						
CAY loss and loss expense ratio ex Cats	59.3%	59.4%		58.6%	58.9%	
CAY policy acquisition cost and administrative expense ratio ex Cats	28.0%	29.4%		28.8%	29.8%	
CAY combined ratio ex Cats	87.3%	88.8%		87.4%	88.7%	
ROE	-2.5%	8.7%		-0.3%	8.4%	
Core operating return on equity (ROE)	-2.0%	9.3%		3.7%	9.2%	
Core operating return on tangible equity (ROTE)	-3.2%	15.2%		6.0%	15.2%	
Effective tax rate (2)	15.8%	15.3%		206.8%	15.3%	
Core operating effective tax rate (2)	15.3%	15.3%		16.5%	15.0%	
Earnings per share (3)						
Net income (loss)	\$ (0.73)	\$ 2.50	NM	\$ (0.17)	\$ 4.75	NM
Core operating income (loss)	\$ (0.56)	\$ 2.60	NM	\$ 2.13	\$ 5.13	-58.5%
Weighted average basic common shares outstanding	451.4	457.2		451.6	458.0	
Weighted average diluted common shares outstanding	452.8	460.2		453.7	460.9	
	June 30 2020	March 31 2020	% Change 2Q-20 vs. 1Q-20	December 31 2019	% Change 2Q-20 vs. 4Q-19	
Book value per common share	\$ 121.32	\$ 115.62	4.9%	\$ 122.42	-0.9%	
Tangible book value per common share	\$ 77.49	\$ 72.27	7.2%	\$ 78.14	-0.8%	

- (1) Q2 and YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million of exposure adjustments on in-force policies and \$7 million of return premiums in North America Personal P&C Insurance.
- (2) Q2 2020 effective tax rate reflects an income tax benefit.
- (3) In periods where core operating loss and net loss are recognized, inclusion of incremental dilution is anti-dilutive and therefore basic shares are used in the calculation of per share earnings. For the three and six months ended June 30, 2020, the effect of dilutive securities was 1,395,951 shares and 2,044,144 shares, respectively. Weighted-average shares outstanding used to calculate core operating income per share for the six months ended June 30, 2020 and earnings per share for the 2019 periods include the effect of dilutive securities.

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

Consolidated Statements of Operations

	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$10,040	\$9,752	\$9,934	\$10,724	\$10,355	\$19,792	\$19,466	\$40,124
Net premiums written	8,355	7,977	7,997	8,622	8,343	16,332	15,656	32,275
Net premiums earned	8,128	7,794	7,935	8,327	7,891	15,922	15,028	31,290
Adjusted losses and loss expenses (1)	6,578	4,487	4,865	5,066	4,708	11,065	8,807	18,738
Realized (gains) losses on crop derivatives	1	2	—	14	(7)	3	(6)	8
Losses and loss expenses	6,577	4,485	4,865	5,052	4,715	11,062	8,813	18,730
Adjusted policy benefits (2)	183	185	201	165	164	368	330	696
Gains (losses) from fair value changes in separate account liabilities	(40)	56	(24)	7	3	16	(27)	(44)
Policy benefits	223	129	225	158	161	352	357	740
Policy acquisition costs	1,593	1,615	1,542	1,603	1,544	3,208	3,008	6,153
Administrative expenses	727	741	810	752	758	1,468	1,468	3,030
Adjusted net investment income (3)	857	893	893	910	902	1,750	1,784	3,587
Amortization expense of fair value adjustment on acquired invested assets	(30)	(32)	(35)	(37)	(43)	(62)	(89)	(161)
Net investment income	827	861	858	873	859	1,688	1,695	3,426
Adjusted realized gains (losses) (4)	31	(956)	(55)	(141)	(230)	(925)	(326)	(522)
Realized gains (losses) on crop derivatives	(1)	(2)	—	(14)	7	(3)	6	(8)
Net realized gains (losses)	30	(958)	(55)	(155)	(223)	(928)	(320)	(530)
Adjusted interest expense (5)	134	137	140	143	145	271	290	573
Amortization benefit of fair value adjustment on acquired long term debt	(6)	(5)	(6)	(5)	(5)	(11)	(10)	(21)
Interest expense	128	132	134	138	140	260	280	552
Gains (losses) from fair value changes in separate account assets	40	(56)	24	(7)	(3)	(16)	27	44
Net realized gains (losses) related to unconsolidated entities	(100)	(7)	227	41	219	(107)	215	483
Other income (expense) - operating	2	8	19	23	14	10	27	69
Other income (expense)	(58)	(55)	270	57	230	(113)	269	596
Amortization expense of purchased intangibles	72	73	76	76	77	145	153	305
Chubb integration expenses	—	—	14	2	4	—	7	23
Income tax expense (benefit)	(62)	215	169	230	208	153	396	795
Net income (loss)	<u>\$ (331)</u>	<u>\$ 252</u>	<u>\$1,173</u>	<u>\$ 1,091</u>	<u>\$ 1,150</u>	<u>\$ (79)</u>	<u>\$ 2,190</u>	<u>\$ 4,454</u>

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

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

Chubb Limited P&C Underwriting Results

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
P&C underwriting income (loss) (Including Corporate and excluding Life Insurance)								
Gross premiums written	\$9,387	\$9,069	\$9,282	\$10,082	\$9,743	\$18,456	\$18,243	\$ 37,607
Net premiums written	7,736	7,332	7,375	8,010	7,764	15,068	14,498	29,883
Net premiums earned	7,520	7,163	7,322	7,729	7,320	14,683	13,896	28,947
Adjusted losses and loss expenses	6,407	4,285	4,689	4,876	4,519	10,692	8,416	17,981
Policy acquisition costs	1,397	1,435	1,376	1,427	1,394	2,832	2,730	5,533
Administrative expenses	645	665	724	672	680	1,310	1,311	2,707
P&C underwriting income (loss)	\$ (929)	\$ 778	\$ 533	\$ 754	\$ 727	\$ (151)	\$ 1,439	\$ 2,726
P&C CAY underwriting income ex Cats	\$ 947	\$ 897	\$ 730	\$ 819	\$ 814	\$ 1,844	\$ 1,572	\$ 3,121
% Change versus prior year period								
Net premiums written	-0.4%	8.9%	9.0%	6.2%	4.2%	3.9%	3.6%	5.6%
Net premiums written adjusted for COVID-19 exposures (1)	2.1%					5.3%		
Net premiums earned	2.7%	8.9%	6.3%	5.0%	2.9%	5.7%	2.2%	4.0%
Net premiums written constant \$	1.4%	9.3%	9.8%	7.2%	6.0%	5.1%	5.6%	7.0%
Net premiums written adjusted for COVID-19 exposures (1)	3.9%					6.4%		
Net premiums earned constant \$	4.6%	9.3%	7.1%	6.1%	4.9%	6.8%	4.2%	5.4%
P&C combined ratio								
Loss and loss expense ratio	85.2%	59.8%	64.0%	63.1%	61.7%	72.8%	60.6%	62.1%
Policy acquisition cost ratio	18.5%	20.0%	18.8%	18.4%	19.1%	19.3%	19.6%	19.1%
Administrative expense ratio	8.6%	9.3%	9.9%	8.7%	9.3%	8.9%	9.4%	9.4%
Combined ratio	112.3%	89.1%	92.7%	90.2%	90.1%	101.0%	89.6%	90.6%
CAY P&C combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	60.4%	58.2%	61.3%	62.4%	60.5%	59.3%	59.6%	60.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	27.0%	29.3%	28.7%	27.1%	28.4%	28.2%	29.1%	28.4%
CAY combined ratio ex Cats	87.4%	87.5%	90.0%	89.5%	88.9%	87.5%	88.7%	89.2%
Other ratios								
Net premiums written/gross premiums written	82%	81%	79%	79%	80%	82%	79%	79%
Expense ratio	27.1%	29.3%	28.7%	27.1%	28.4%	28.2%	29.0%	28.5%
Expense ratio excluding A&H	25.2%	27.5%	26.6%	25.1%	26.3%	26.3%	27.1%	26.4%
Catastrophe reinstatement premiums (expensed) collected—pre-tax	\$ (20)	\$ —	\$ (14)	\$ 2	\$ —	\$ (20)	\$ —	\$ (12)
Catastrophe losses—pre-tax (2)	\$ 1,781	\$ 237	\$ 416	\$ 234	\$ 275	\$ 2,018	\$ 525	\$ 1,175
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 75	\$ (118)	\$ (233)	\$ (167)	\$ (188)	\$ (43)	\$ (392)	\$ (792)
Impact of catastrophe losses on P&C combined ratio—								
Unfavorable	23.9%	3.3%	5.9%	3.0%	3.8%	13.8%	3.8%	4.1%
Impact of PPD on P&C combined ratio—Unfavorable (favorable)								
	1.0%	-1.7%	-3.2%	-2.3%	-2.6%	-0.3%	-2.9%	-2.7%
Impact of Cats and PPD on P&C combined ratio—								
Unfavorable	24.9%	1.6%	2.7%	0.7%	1.2%	13.5%	0.9%	1.4%

- (1) Q2 and YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million of exposure adjustments on in-force policies and \$7 million of return premiums in North America Personal P&C Insurance.
- (2) Q2 and YTD 2020 represents P&C catastrophe losses only and excludes \$6 million related to the COVID-19 losses included in the Life Insurance segment. Refer to page 5 for additional information on our catastrophe losses.

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

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

Global P&C (Including Corporate and excluding Agriculture)

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Global P&C underwriting income (loss)								
Gross premiums written	\$8,735	\$8,849	\$9,000	\$8,810	\$9,101	\$17,584	\$17,382	\$35,192
Net premiums written	7,275	7,175	7,099	7,072	7,298	14,450	13,902	28,073
Net premiums earned	7,144	7,069	6,901	6,788	6,942	14,213	13,463	27,152
Adjusted losses and loss expenses	6,094	4,220	4,236	3,996	4,210	10,314	8,133	16,365
Policy acquisition costs	1,368	1,424	1,382	1,371	1,367	2,792	2,696	5,449
Administrative expenses	642	661	727	668	676	1,303	1,306	2,701
Global P&C underwriting income (loss)	<u>\$ (960)</u>	<u>\$ 764</u>	<u>\$ 556</u>	<u>\$ 753</u>	<u>\$ 689</u>	<u>\$ (196)</u>	<u>\$ 1,328</u>	<u>\$ 2,637</u>
Global P&C CAY underwriting income ex Cats	\$ 910	\$ 889	\$ 789	\$ 797	\$ 774	\$ 1,799	\$ 1,518	\$ 3,104
% Change versus prior year period								
Net premiums written	-0.3%	8.6%	8.0%	6.2%	3.3%	3.9%	3.0%	5.0%
Net premiums written adjusted for COVID-19 exposures (1)	2.3%					5.3%		
Net premiums earned	2.9%	8.4%	5.0%	4.4%	2.7%	5.6%	2.0%	3.3%
Net premiums written constant \$	1.6%	9.1%	8.9%	7.3%	5.3%	5.2%	5.0%	6.6%
Net premiums written adjusted for COVID-19 exposures (1)	4.2%					6.6%		
Net premiums earned constant \$	4.9%	8.8%	5.8%	5.6%	4.7%	6.8%	4.0%	4.9%
Combined ratio								
Loss and loss expense ratio	85.3%	59.7%	61.4%	58.9%	60.6%	72.6%	60.4%	60.3%
Policy acquisition cost ratio	19.1%	20.2%	20.0%	20.2%	19.7%	19.6%	20.0%	20.1%
Administrative expense ratio	9.0%	9.3%	10.5%	9.8%	9.8%	9.2%	9.7%	9.9%
Combined ratio	<u>113.4%</u>	<u>89.2%</u>	<u>91.9%</u>	<u>88.9%</u>	<u>90.1%</u>	<u>101.4%</u>	<u>90.1%</u>	<u>90.3%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	59.3%	57.9%	58.1%	58.5%	59.4%	58.6%	58.9%	58.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	28.0%	29.5%	30.5%	29.8%	29.4%	28.8%	29.8%	30.0%
CAY combined ratio ex Cats	<u>87.3%</u>	<u>87.4%</u>	<u>88.6%</u>	<u>88.3%</u>	<u>88.8%</u>	<u>87.4%</u>	<u>88.7%</u>	<u>88.6%</u>
Other ratios								
Net premiums written/gross premiums written	83%	81%	79%	80%	80%	82%	80%	80%
Expense ratio	28.1%	29.5%	30.5%	30.0%	29.5%	28.8%	29.7%	30.0%
Expense ratio excluding A&H	26.2%	27.7%	28.6%	28.0%	27.4%	26.9%	27.8%	28.0%
Catastrophe reinstatement premiums (expensed)								
collected—pre-tax	\$ (20)	\$ —	\$ (14)	\$ 2	\$ —	\$ (20)	\$ —	\$ (12)
Catastrophe losses—pre-tax	\$1,775	\$ 229	\$ 415	\$ 231	\$ 273	\$ 2,004	\$ 521	\$ 1,167
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 75	\$ (104)	\$ (196)	\$ (185)	\$ (188)	\$ (29)	\$ (331)	\$ (712)

(1) Q2 and YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million of exposure adjustments on in-force policies and \$7 million of return premiums in North America Personal P&C Insurance.

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

Chubb Limited Catastrophe Loss Charges—Q2 2020

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Life Insurance	Total Consolidated excluding Reinstatement premiums	Reinstatement premiums expensed	Total Consolidated including Reinstatement premiums
Catastrophe Loss									
Charges by Event—									
Net									
COVID-19	\$ 973	\$ —	\$ —	\$ 360	\$ 10	\$ 6	\$ 1,349	\$ (16)	\$ 1,365
U.S. Flooding, Hail, Tornadoes, and Wind Events	179	109	6	2	3	—	299	(4)	303
Civil unrest	118	—	—	12	—	—	130	—	130
Other	—	—	—	9	—	—	9	—	9
Total	\$ 1,270	\$ 109	\$ 6	\$ 383	\$ 13	\$ 6	\$ 1,787		
Reinstatement premiums expensed	(3)	(1)	—	(16)	—	—		\$ (20)	
Total before income tax	\$ 1,273	\$ 110	\$ 6	\$ 399	\$ 13	\$ 6			\$ 1,807
Income tax benefit									297
Total after income tax									\$ 1,510

Note: The above table represents catastrophe loss estimates for events that occurred in the current calendar year only (i.e., loss events occurring during the second quarter of 2020 and changes to catastrophe loss estimates that occurred in Q1 2020). Changes in catastrophe loss estimates in the current calendar year that relate to loss events that occurred in previous calendar years are considered prior period development and are excluded from the table above.

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

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

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

	2Q-20	2Q-19	% Change	Constant \$ % Change	CS adjusted for COVID-19 exposures % Change (1)	YTD 2020	YTD 2019	% Change	Constant \$ % Change	CS adjusted for COVID-19 exposures % Change (1)
Net premiums written										
Commercial multiple peril (2)	\$ 267	\$ 254	5.3%	5.3%	7.3%	\$ 508	\$ 473	7.5%	7.5%	8.6%
Commercial casualty Workers'	1,478	1,472	0.4%	1.2%	5.2%	2,819	2,672	5.5%	6.0%	8.2%
compensation (3)	467	482	-3.1%	-3.1%	22.0%	1,053	1,075	-2.1%	-2.1%	9.2%
Professional liability	997	909	9.7%	11.4%	11.4%	1,909	1,695	12.6%	13.7%	13.7%
Surety	117	156	-25.2%	-21.5%	-21.5%	267	308	-13.5%	-11.0%	-11.0%
Property and other short-tail lines	1,344	1,186	13.4%	16.0%	16.0%	2,678	2,343	14.3%	16.3%	16.3%
Total Commercial P&C	4,670	4,459	4.7%	6.2%	10.3%	9,234	8,566	7.8%	8.8%	10.9%
Agriculture	461	466	-1.1%	-1.1%	-1.1%	618	596	3.8%	3.8%	3.8%
Personal automobile	353	473	-25.3%	-19.7%	-18.0%	794	894	-11.2%	-8.5%	-7.6%
Personal homeowners	980	968	1.3%	1.7%	1.7%	1,753	1,711	2.5%	2.7%	2.7%
Personal other	402	383	4.8%	7.6%	7.6%	820	751	9.2%	11.3%	11.3%
Total Personal lines	1,735	1,824	-4.9%	-2.3%	-1.9%	3,367	3,356	0.4%	1.7%	1.9%
Total Property and Casualty lines	6,866	6,749	1.7%	3.4%	6.3%	13,219	12,518	5.6%	6.6%	8.2%
Global A&H lines (4)	951	1,130	-15.9%	-13.5%	-13.5%	2,018	2,203	-8.4%	-6.7%	-6.7%
Reinsurance lines	207	197	4.6%	4.9%	4.9%	425	399	6.5%	6.4%	6.4%
Life	331	267	24.2%	27.0%	27.0%	670	536	25.1%	26.5%	26.5%
Total consolidated	<u>\$8,355</u>	<u>\$8,343</u>	0.1%	1.9%	4.2%	<u>\$16,332</u>	<u>\$15,656</u>	4.3%	5.5%	6.7%

- (1) Q2 and YTD 2020 net premiums written were adversely impacted by COVID-19 including \$184 million of exposure adjustments on in-force policies and \$7 million of return premiums in North America Personal P&C Insurance.
- (2) Commercial multiple peril represents retail package business (property and general liability).
- (3) Q2 and YTD 2020 net premiums written includes \$116 million related to a structured transaction written in the quarter, that covers previously incurred losses, which contributed 23.9% to the Q2 2020 growth.
- (4) For purposes of this schedule only, A&H results from our Combined North America and International businesses, normally included in the Life Insurance and Overseas General Insurance segments, respectively, as well as the A&H results of our North America Commercial P&C segment, are included in Global A&H lines above.

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

Q2 2020	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,720	\$ 1,327	\$ 461	\$ 2,021	\$ 207	\$ —	\$ 7,736	\$ 619	\$ 8,355
Net premiums earned	3,595	1,192	376	2,194	163	—	7,520	608	8,128
Adjusted losses and loss expenses	3,498	762	313	1,485	73	276	6,407	171	6,578
Adjusted policy benefits	—	—	—	—	—	—	—	183	183
Policy acquisition costs	471	231	29	624	42	—	1,397	196	1,593
Administrative expenses	249	66	3	241	9	77	645	82	727
Underwriting income (loss)	(623)	133	31	(156)	39	(353)	(929)	(24)	(953)
Adjusted net investment income	507	65	7	124	51	8	762	95	857
Other income (expense)—operating	(4)	(1)	(1)	(8)	8	(9)	(15)	17	2
Amortization expense of purchased intangibles	—	(3)	(6)	(11)	—	(51)	(71)	(1)	(72)
Segment income (loss)	\$ (120)	\$ 194	\$ 31	\$ (51)	\$ 98	\$ (405)	\$ (253)	\$ 87	\$ (166)
Adjusted interest expense						(134)			(134)
Income tax benefit						46			46
Core operating loss						(493)			(254)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$5 million tax benefit						(19)			(19)
Adjusted net realized gains (losses), net of \$11 million tax benefit (1)						(58)			(58)
Net loss						\$ (570)			\$ (331)
Combined ratio	117.3%	88.8%	91.8%	107.1%	76.6%		112.3%		
CAY combined ratio ex Cats	86.0%	79.6%	90.2%	90.7%	78.2%		87.4%		

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

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

YTD 2020	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 6,972	\$ 2,434	\$ 618	\$ 4,619	\$ 425	\$ —	\$15,068	\$ 1,264	\$ 16,332
Net premiums earned	6,971	2,392	470	4,501	349	—	14,683	1,239	15,922
Adjusted losses and loss expenses	5,679	1,445	378	2,743	160	287	10,692	373	11,065
Adjusted policy benefits	—	—	—	—	—	—	—	368	368
Policy acquisition costs	963	476	40	1,266	87	—	2,832	376	3,208
Administrative expenses	508	134	7	499	19	143	1,310	158	1,468
Underwriting income (loss)	(179)	337	45	(7)	83	(430)	(151)	(36)	(187)
Adjusted net investment income	1,023	131	16	269	105	16	1,560	190	1,750
Other income (expense)—operating	(1)	(3)	(1)	(12)	23	(25)	(19)	29	10
Amortization expense of purchased intangibles	—	(6)	(13)	(23)	—	(101)	(143)	(2)	(145)
Segment income (loss)	\$ 843	\$ 459	\$ 47	\$ 227	\$ 211	\$ (540)	\$ 1,247	\$ 181	\$ 1,428
Adjusted interest expense						(271)			(271)
Income tax expense						(191)			(191)
Core operating income (loss)						(1,002)			966
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$10 million tax benefit						(41)			(41)
Adjusted net realized gains (losses), net of \$28 million tax benefit (1)						(1,004)			(1,004)
Net loss						\$ (2,047)			\$ (79)
Combined ratio	102.6%	85.9%	90.4%	100.2%	76.3%		101.0%		
CAY combined ratio ex Cats	86.2%	80.4%	90.4%	90.2%	79.2%		87.5%		

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

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

Q2 2019	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,534	\$ 1,309	\$ 466	\$ 2,258	\$ 197	\$ —	\$ 7,764	\$ 579	\$ 8,343
Net premiums earned	3,390	1,168	378	2,225	159	—	7,320	571	7,891
Adjusted losses and loss expenses	2,214	747	309	1,125	90	34	4,519	189	4,708
Adjusted policy benefits	—	—	—	—	—	—	—	164	164
Policy acquisition costs	459	237	27	629	42	—	1,394	150	1,544
Administrative expenses	259	71	4	265	7	74	680	78	758
Underwriting income (loss)	458	113	38	206	20	(108)	727	(10)	717
Adjusted net investment income	521	64	4	151	55	10	805	97	902
Other income (expense)—operating	(2)	(1)	(1)	(3)	15	(4)	4	10	14
Amortization expense of purchased intangibles	—	(3)	(7)	(12)	—	(54)	(76)	(1)	(77)
Segment income (loss)	<u>\$ 977</u>	<u>\$ 173</u>	<u>\$ 34</u>	<u>\$ 342</u>	<u>\$ 90</u>	<u>\$ (156)</u>	<u>\$ 1,460</u>	<u>\$ 96</u>	<u>\$ 1,556</u>
Adjusted interest expense							(145)		(145)
Income tax expense							(216)		(216)
Core operating income (loss)							(517)		1,195
Chubb integration expenses, net of \$1 million tax benefit							(3)		(3)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$6 million tax benefit							(32)		(32)
Adjusted net realized gains (losses), net of \$1 million tax benefit (1)							(10)		(10)
Net income (loss)							<u>\$ (562)</u>		<u>\$ 1,150</u>
Combined ratio	86.5%	90.3%	90.1%	90.8%	87.7%		90.1%		
CAY combined ratio ex Cats	87.9%	81.7%	89.6%	91.2%	81.7%		88.9%		

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

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

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
YTD 2019									
Net premiums written	\$ 6,485	\$ 2,365	\$ 596	\$ 4,653	\$ 399	\$ —	\$14,498	\$ 1,158	\$ 15,656
Net premiums earned	6,475	2,322	433	4,339	327	—	13,896	1,132	15,028
Adjusted losses and loss expenses	4,187	1,504	283	2,231	166	45	8,416	391	8,807
Adjusted policy benefits	—	—	—	—	—	—	—	330	330
Policy acquisition costs	918	468	34	1,225	85	—	2,730	278	3,008
Administrative expenses	499	139	5	514	17	137	1,311	157	1,468
Underwriting income (loss)	871	211	111	369	59	(182)	1,439	(24)	1,415
Adjusted net investment income	1,031	128	14	295	111	19	1,598	186	1,784
Other income (expense)—operating	3	(1)	(1)	(7)	24	(11)	7	20	27
Amortization expense of purchased intangibles	—	(6)	(14)	(23)	—	(109)	(152)	(1)	(153)
Segment income (loss)	\$ 1,905	\$ 332	\$ 110	\$ 634	\$ 194	\$ (283)	\$ 2,892	\$ 181	\$ 3,073
Adjusted interest expense						(290)			(290)
Income tax expense						(418)			(418)
Core operating income (loss)						(991)			2,365
Chubb integration expenses, net of \$2 million tax benefit							(5)		(5)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$14 million tax benefit							(65)		(65)
Adjusted net realized gains (losses), net of \$6 million tax benefit (1)							(105)		(105)
Net income (loss)							\$ (1,166)		\$ 2,190
Combined ratio	86.5%	90.9%	74.5%	91.5%	82.1%		89.6%		
CAY combined ratio ex Cats	87.8%	81.4%	88.5%	91.3%	81.6%		88.7%		

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

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

North America Commercial P&C Insurance

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$4,401	\$4,211	\$4,576	\$4,533	\$4,518	\$8,612	\$8,495	\$ 17,604
Net premiums written	3,720	3,252	3,438	3,452	3,534	6,972	6,485	13,375
Net premiums earned	3,595	3,376	3,262	3,185	3,390	6,971	6,475	12,922
Losses and loss expenses	3,498	2,181	1,968	2,051	2,214	5,679	4,187	8,206
Policy acquisition costs	471	492	454	459	459	963	918	1,831
Administrative expenses	249	259	273	256	259	508	499	1,028
Underwriting income (loss)	(623)	444	567	419	458	(179)	871	1,857
Net investment income	507	516	519	532	521	1,023	1,031	2,082
Other income (expense)—operating	(4)	3	(1)	1	(2)	(1)	3	3
Segment income (loss)	<u>\$ (120)</u>	<u>\$ 963</u>	<u>\$ 1,085</u>	<u>\$ 952</u>	<u>\$ 977</u>	<u>\$ 843</u>	<u>\$ 1,905</u>	<u>\$ 3,942</u>
CAY underwriting income ex Cats	\$ 504	\$ 457	\$ 445	\$ 398	\$ 410	\$ 961	\$ 786	\$ 1,629
Combined ratio								
Loss and loss expense ratio	97.3%	64.6%	60.3%	64.4%	65.3%	81.5%	64.7%	63.5%
Policy acquisition cost ratio	13.1%	14.6%	13.9%	14.4%	13.6%	13.8%	14.1%	14.2%
Administrative expense ratio	6.9%	7.6%	8.4%	8.1%	7.6%	7.3%	7.7%	7.9%
Combined ratio	<u>117.3%</u>	<u>86.8%</u>	<u>82.6%</u>	<u>86.9%</u>	<u>86.5%</u>	<u>102.6%</u>	<u>86.5%</u>	<u>85.6%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	66.1%	64.2%	64.0%	65.5%	66.7%	65.2%	65.9%	65.3%
CAY policy acquisition cost and administrative expense ratio ex Cats	19.9%	22.3%	22.4%	22.1%	21.2%	21.0%	21.9%	22.1%
CAY combined ratio ex Cats	<u>86.0%</u>	<u>86.5%</u>	<u>86.4%</u>	<u>87.6%</u>	<u>87.9%</u>	<u>86.2%</u>	<u>87.8%</u>	<u>87.4%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ (3)	\$ —	\$ —	\$ —	\$ —	\$ (3)	\$ —	\$ —
Catastrophe losses—pre-tax	\$ 1,270	\$ 118	\$ 102	\$ 88	\$ 137	\$ 1,388	\$ 231	\$ 421
Favorable prior period development (PPD)—pre-tax	\$ (146)	\$ (105)	\$ (224)	\$ (109)	\$ (185)	\$ (251)	\$ (316)	\$ (649)
% Change versus prior year period								
Net premiums written	5.3%	10.2%	9.4%	7.9%	6.0%	7.5%	5.6%	7.1%
Net premiums written adjusted for COVID-19 exposures (1)	9.8%					10.0%		
Net premiums earned	6.1%	9.4%	6.0%	5.5%	3.4%	7.7%	2.7%	4.2%
Other ratios								
Net premiums written/gross premiums written	85%	77%	75%	76%	78%	81%	76%	76%
Production by Size—Net premiums written (2)								
Major Accounts & Specialty	\$2,350	\$1,874	\$2,049	\$2,043	\$2,187	\$4,224	\$3,899	\$ 7,991
Commercial	1,370	1,378	1,389	1,409	1,347	2,748	2,586	5,384
Total	<u>\$3,720</u>	<u>\$3,252</u>	<u>\$3,438</u>	<u>\$3,452</u>	<u>\$3,534</u>	<u>\$6,972</u>	<u>\$6,485</u>	<u>\$ 13,375</u>

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

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

North America Personal P&C Insurance

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$ 1,511	\$ 1,265	\$ 1,349	\$ 1,422	\$ 1,483	\$ 2,776	\$ 2,690	\$ 5,461
Net premiums written	1,327	1,107	1,171	1,251	1,309	2,434	2,365	4,787
Net premiums earned	1,192	1,200	1,185	1,187	1,168	2,392	2,322	4,694
Losses and loss expenses	762	683	865	674	747	1,445	1,504	3,043
Policy acquisition costs	231	245	240	240	237	476	468	948
Administrative expenses	66	68	75	72	71	134	139	286
Underwriting income	133	204	5	201	113	337	211	417
Net investment income	65	66	64	66	64	131	128	258
Other income (expense)—operating	(1)	(2)	(1)	(1)	(1)	(3)	(1)	(3)
Amortization expense of purchased intangibles	(3)	(3)	(3)	(3)	(3)	(6)	(6)	(12)
Segment income	\$ 194	\$ 265	\$ 65	\$ 263	\$ 173	\$ 459	\$ 332	\$ 660
CAY underwriting income ex Cats	\$ 242	\$ 226	\$ 223	\$ 222	\$ 214	\$ 468	\$ 431	\$ 876
Combined ratio								
Loss and loss expense ratio	63.8%	57.0%	73.0%	56.9%	64.0%	60.4%	64.7%	64.8%
Policy acquisition cost ratio	19.4%	20.4%	20.3%	20.2%	20.2%	19.9%	20.2%	20.2%
Administrative expense ratio	5.6%	5.6%	6.3%	6.0%	6.1%	5.6%	6.0%	6.1%
Combined ratio	88.8%	83.0%	99.6%	83.1%	90.3%	85.9%	90.9%	91.1%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	54.7%	55.1%	55.1%	55.1%	55.3%	54.9%	55.2%	55.1%
CAY policy acquisition cost and administrative expense ratio ex Cats	24.9%	26.1%	26.3%	26.2%	26.4%	25.5%	26.2%	26.3%
CAY combined ratio ex Cats	79.6%	81.2%	81.4%	81.3%	81.7%	80.4%	81.4%	81.4%
Catastrophe reinstatement premiums expensed—pre-tax	\$ (1)	\$ —	\$ (11)	\$ —	\$ —	\$ (1)	\$ —	\$ (11)
Catastrophe losses—pre-tax	\$ 109	\$ 21	\$ 214	\$ 83	\$ 117	\$ 130	\$ 246	\$ 543
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (1)	\$ 1	\$ (7)	\$ (62)	\$ (16)	\$ —	\$ (26)	\$ (95)
% Change versus prior year period								
Net premiums written	1.4%	4.8%	9.2%	2.7%	-2.0%	2.9%	-0.7%	2.4%
Net premiums written adjusted for COVID-19 exposures (1)	2.0%	5.1%	4.6%	3.9%	2.4%	3.4%	2.4%	3.3%
Net premiums earned	2.1%	3.9%	4.8%	1.7%	1.1%	3.0%	1.2%	2.2%
Other ratios								
Net premiums written/gross premiums written	88%	88%	87%	88%	88%	88%	88%	88%

(1) Q2 and YTD 2020 net premiums written were adversely impacted by \$7 million of return premiums related to COVID-19. For Q1 2020, YTD 2020 and the 2019 periods, net premiums written were also adjusted for certain items, including additional reinsurance, as applicable. Refer to the Non-GAAP financial measures section for additional details.

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

North America Agricultural Insurance

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$ 652	\$ 220	\$ 282	\$ 1,272	\$ 642	\$ 872	\$ 861	\$ 2,415
Net premiums written	461	157	276	938	466	618	596	1,810
Net premiums earned	376	94	421	941	378	470	433	1,795
Adjusted losses and loss expenses (1)	313	65	453	880	309	378	283	1,616
Policy acquisition costs	29	11	(6)	56	27	40	34	84
Administrative expenses	3	4	(3)	4	4	7	5	6
Underwriting income (loss)	31	14	(23)	1	38	45	111	89
Net investment income	7	9	8	8	4	16	14	30
Other income (expense)—operating	(1)	—	—	—	(1)	(1)	(1)	(1)
Amortization expense of purchased intangibles	(6)	(7)	(7)	(7)	(7)	(13)	(14)	(28)
Segment income (loss)	\$ 31	\$ 16	\$ (22)	\$ 2	\$ 34	\$ 47	\$ 110	\$ 90
CAY underwriting income (loss) ex Cats	\$ 37	\$ 8	\$ (59)	\$ 22	\$ 40	\$ 45	\$ 54	\$ 17
Combined ratio								
Loss and loss expense ratio	83.1%	69.6%	107.6%	93.5%	81.9%	80.4%	65.5%	90.1%
Policy acquisition cost ratio	7.8%	11.1%	-1.5%	6.0%	7.3%	8.5%	7.9%	4.7%
Administrative expense ratio	0.9%	4.1%	-0.7%	0.4%	0.9%	1.5%	1.1%	0.3%
Combined ratio	91.8%	84.8%	105.4%	99.9%	90.1%	90.4%	74.5%	95.1%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	81.5%	76.2%	113.6%	91.3%	81.4%	80.4%	79.5%	93.5%
CAY policy acquisition cost and administrative expense ratio ex Cats	8.7%	14.7%	0.3%	6.4%	8.2%	10.0%	9.0%	5.6%
CAY combined ratio ex Cats	90.2%	90.9%	113.9%	97.7%	89.6%	90.4%	88.5%	99.1%
Catastrophe losses—pre-tax	\$ 6	\$ 8	\$ 1	\$ 3	\$ 2	\$ 14	\$ 4	\$ 8
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ —	\$ (14)	\$ (37)	\$ 18	\$ —	\$ (14)	\$ (61)	\$ (80)
% Change versus prior year period								
Net premiums written	-1.1%	21.2%	40.4%	6.2%	20.1%	3.8%	20.1%	14.8%
Net premiums earned	-0.5%	71.8%	32.4%	9.8%	7.7%	8.6%	9.8%	14.4%
Other ratios								
Net premiums written/gross premiums written	71%	71%	98%	74%	73%	71%	69%	75%

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

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

Overseas General Insurance

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$2,561	\$3,131	\$ 2,964	\$ 2,705	\$2,863	\$5,692	\$ 5,739	\$ 11,408
Net premiums written	2,021	2,598	2,381	2,228	2,258	4,619	4,653	9,262
Net premiums earned	2,194	2,307	2,287	2,256	2,225	4,501	4,339	8,882
Losses and loss expenses	1,485	1,258	1,221	1,154	1,125	2,743	2,231	4,606
Policy acquisition costs	624	642	646	630	629	1,266	1,225	2,501
Administrative expenses	241	258	262	257	265	499	514	1,033
Underwriting income (loss)	(156)	149	158	215	206	(7)	369	742
Net investment income	124	145	145	148	151	269	295	588
Other income (expense)—operating	(8)	(4)	(2)	(3)	(3)	(12)	(7)	(12)
Amortization expense of purchased intangibles	(11)	(12)	(11)	(11)	(12)	(23)	(23)	(45)
Segment income (loss)	\$ (51)	\$ 278	\$ 290	\$ 349	\$ 342	\$ 227	\$ 634	\$ 1,273
CAY underwriting income ex Cats	\$ 207	\$ 235	\$ 202	\$ 225	\$ 195	\$ 442	\$ 379	\$ 806
Combined ratio								
Loss and loss expense ratio	67.7%	54.5%	53.3%	51.1%	50.6%	61.0%	51.4%	51.9%
Policy acquisition cost ratio	28.4%	27.8%	28.3%	28.0%	28.3%	28.1%	28.2%	28.1%
Administrative expense ratio	11.0%	11.2%	11.5%	11.4%	11.9%	11.1%	11.9%	11.6%
Combined ratio	107.1%	93.5%	93.1%	90.5%	90.8%	100.2%	91.5%	91.6%
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	51.6%	50.8%	51.5%	50.7%	51.1%	51.2%	51.2%	51.2%
CAY policy acquisition cost and administrative expense ratio ex Cats	39.1%	39.0%	39.7%	39.3%	40.1%	39.0%	40.1%	39.7%
CAY combined ratio ex Cats	90.7%	89.8%	91.2%	90.0%	91.2%	90.2%	91.3%	90.9%
Catastrophe reinstatement premiums expensed—pre-tax	\$ (16)	\$ —	\$ (4)	\$ —	\$ —	\$ (16)	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 383	\$ 90	\$ 83	\$ 35	\$ 9	\$ 473	\$ 34	\$ 152
Favorable prior period development (PPD)—pre-tax	\$ (36)	\$ (4)	\$ (43)	\$ (25)	\$ (20)	\$ (40)	\$ (24)	\$ (92)
% Change versus prior year period								
Net premiums written	-10.5%	8.5%	6.3%	7.1%	2.7%	-0.7%	1.5%	4.0%
Net premiums written adjusted for COVID-19 exposures (1)	-9.4%					-0.2%		
Net premiums earned	-1.5%	9.2%	4.6%	4.6%	3.0%	3.7%	1.7%	3.1%
Net premiums written constant \$	-5.1%	9.7%	8.8%	10.7%	8.5%	2.7%	7.2%	8.4%
Net premiums written adjusted for COVID-19 exposures (1)	-4.0%					3.2%		
Net premiums earned constant \$	4.2%	10.5%	6.9%	8.0%	9.2%	7.4%	7.8%	7.6%
Other ratios								
Net premiums written/gross premiums written	79%	83%	80%	82%	79%	81%	81%	81%
Production by Region—Net premiums written								
	2Q-20	2Q-19	% Change	Constant \$ % Change	YTD 2020	YTD 2019	% Change	Constant \$ % Change
Europe	\$ 851	\$ 810	5.0%	7.7%	\$2,079	\$1,916	8.5%	10.3%
Latin America	389	573	-32.2%	-20.8%	972	1,106	-12.1%	-4.0%
Asia	721	792	-9.0%	-6.3%	1,409	1,461	-3.6%	-1.7%
Other (2)	60	83	-27.1%	-24.6%	159	170	-6.6%	-4.8%
Total	\$2,021	\$2,258	-10.5%	-5.1%	\$4,619	\$4,653	-0.7%	2.7%

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

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

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

Global Reinsurance

	<u>2Q-20</u>	<u>1Q-20</u>	<u>4Q-19</u>	<u>3Q-19</u>	<u>2Q-19</u>	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>Full Year 2019</u>
Gross premiums written	\$ 262	\$ 242	\$ 111	\$ 150	\$ 237	\$ 504	\$ 458	\$ 719
Net premiums written	207	218	109	141	197	425	399	649
Net premiums earned	163	186	167	160	159	349	327	654
Losses and loss expenses	73	87	107	79	90	160	166	352
Policy acquisition costs	42	45	42	42	42	87	85	169
Administrative expenses	9	10	9	9	7	19	17	35
Underwriting income	39	44	9	30	20	83	59	98
Net investment income	51	54	54	55	55	105	111	220
Other income (expense)—operating	8	15	18	16	15	23	24	58
Segment income	<u>\$ 98</u>	<u>\$ 113</u>	<u>\$ 81</u>	<u>\$ 101</u>	<u>\$ 90</u>	<u>\$ 211</u>	<u>\$ 194</u>	<u>\$ 376</u>
CAY underwriting income ex Cats	<u>\$ 36</u>	<u>\$ 37</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 30</u>	<u>\$ 73</u>	<u>\$ 61</u>	<u>\$ 117</u>
Combined ratio								
Loss and loss expense ratio	45.5%	46.5%	64.2%	49.6%	55.9%	46.0%	50.6%	53.9%
Policy acquisition cost ratio	25.5%	24.5%	24.7%	26.2%	26.9%	25.0%	26.1%	25.7%
Administrative expense ratio	5.6%	5.1%	5.7%	5.3%	4.9%	5.3%	5.4%	5.4%
Combined ratio	<u>76.6%</u>	<u>76.1%</u>	<u>94.6%</u>	<u>81.1%</u>	<u>87.7%</u>	<u>76.3%</u>	<u>82.1%</u>	<u>85.0%</u>
CAY combined ratio ex Cats								
CAY loss and loss expense ratio ex Cats	46.8%	50.4%	52.5%	49.9%	49.7%	48.7%	50.1%	50.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	<u>31.4%</u>	<u>29.6%</u>	<u>30.8%</u>	<u>32.2%</u>	<u>32.0%</u>	<u>30.5%</u>	<u>31.5%</u>	<u>31.5%</u>
CAY combined ratio ex Cats	<u>78.2%</u>	<u>80.0%</u>	<u>83.3%</u>	<u>82.1%</u>	<u>81.7%</u>	<u>79.2%</u>	<u>81.6%</u>	<u>82.1%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ —	\$ —	\$ 1	\$ 2	\$ —	\$ —	\$ —	\$ 3
Catastrophe losses—pre-tax	\$ 13	\$ —	\$ 16	\$ 25	\$ 10	\$ 13	\$ 10	\$ 51
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (16)	\$ (7)	\$ 4	\$ (25)	\$ —	\$ (23)	\$ (8)	\$ (29)
% Change versus prior year period								
Net premiums written as reported	4.6%	8.4%	-6.0%	14.0%	0.2%	6.5%	2.3%	-3.2%
Net premiums earned as reported	2.9%	10.4%	-5.8%	1.9%	-5.0%	6.8%	-2.5%	-2.3%
Net premiums written constant \$	4.9%	7.9%	-4.8%	12.8%	1.3%	6.4%	3.8%	-1.7%
Net premiums earned constant \$	4.0%	10.2%	-5.0%	3.1%	-3.5%	7.2%	-0.5%	-0.8%
Other ratios								
Net premiums written/gross premiums written	79%	90%	99%	94%	83%	84%	87%	90%

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

Life Insurance

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$ 653	\$ 683	\$ 652	\$ 642	\$ 612	\$ 1,336	\$ 1,223	\$ 2,517
Net premiums written	619	645	622	612	579	1,264	1,158	2,392
Net premiums earned	608	631	613	598	571	1,239	1,132	2,343
Losses and loss expenses (1)	171	202	176	190	189	373	391	757
Adjusted policy benefits (1)	183	185	201	165	164	368	330	696
Policy acquisition costs	196	180	166	176	150	376	278	620
Administrative expenses	82	76	86	80	78	158	157	323
Net investment income	95	95	95	92	97	190	186	373
Life Insurance underwriting income (2)	71	83	79	79	87	154	162	320
Other income (expense)—operating	17	12	11	17	10	29	20	48
Amortization expense of purchased intangibles	(1)	(1)	—	(1)	(1)	(2)	(1)	(2)
Segment income	\$ 87	\$ 94	\$ 90	\$ 95	\$ 96	\$ 181	\$ 181	\$ 366
% Change versus prior year period								
Net premiums written	7.0%	11.4%	6.9%	8.5%	2.5%	9.2%	3.0%	5.3%
Net premiums earned	6.5%	12.6%	6.6%	8.7%	3.4%	9.5%	3.6%	5.6%
Net premiums written constant \$	8.5%	11.3%	6.8%	9.1%	4.3%	9.9%	4.7%	6.4%
Net premiums earned constant \$	8.0%	12.5%	6.5%	9.3%	5.2%	10.2%	5.4%	6.6%

(1) Q2 and YTD 2020 includes pre-tax catastrophe losses of \$6 million related to COVID-19.

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

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

	2Q-20	2Q-19	% Change	Constant \$ % Change	YTD 2020	YTD 2019	% Change	Constant \$ % Change
International life insurance net premiums written	\$ 290	\$ 229	26.6%	29.9%	\$ 585	\$ 456	28.2%	29.8%
International life insurance deposits (3)	309	369	-16.1%	-16.9%	752	690	9.1%	8.0%
Total international life insurance net premiums written and deposits	\$ 599	\$ 598	0.3%	0.6%	\$ 1,337	\$ 1,146	16.7%	16.6%
International life insurance segment income	\$ 37	\$ 42	-8.9%	-7.5%	\$ 82	\$ 76	9.0%	10.0%

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

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

Corporate

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—	—
Losses and loss expenses (1)	276	11	75	38	34	287	45	158
Policy acquisition costs	—	—	—	—	—	—	—	—
Administrative expenses	77	66	108	74	74	143	137	319
Underwriting loss	(353)	(77)	(183)	(112)	(108)	(430)	(182)	(477)
Adjusted net investment income	8	8	8	9	10	16	19	36
Other income (expense)—operating	(9)	(16)	(6)	(7)	(4)	(25)	(11)	(24)
Adjusted interest expense	(134)	(137)	(140)	(143)	(145)	(271)	(290)	(573)
Amortization expense of purchased intangibles	(51)	(50)	(55)	(54)	(54)	(101)	(109)	(218)
Income tax (expense) benefit	46	(237)	(173)	(219)	(216)	(191)	(418)	(810)
Core operating loss	(493)	(509)	(549)	(526)	(517)	(1,002)	(991)	(2,066)
Chubb integration expenses, net of tax	—	—	(12)	(2)	(3)	—	(5)	(19)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(19)	(22)	(25)	(24)	(32)	(41)	(65)	(114)
Adjusted net realized gains (losses), net of tax (2)	(58)	(946)	170	(119)	(10)	(1,004)	(105)	(54)
Net loss	<u>\$(570)</u>	<u>\$(1,477)</u>	<u>\$(416)</u>	<u>\$(671)</u>	<u>\$(562)</u>	<u>\$(2,047)</u>	<u>\$(1,166)</u>	<u>\$(2,253)</u>
Unfavorable prior period development (PPD)—pre-tax (1)	\$ 274	\$ 11	\$ 74	\$ 36	\$ 33	\$ 285	\$ 43	\$ 153

(1) Q2 and YTD 2020 includes \$254 million of unfavorable PPD for legacy exposures for U.S. child molestation claims, predominantly reviver statute-related. Excluded from this amount is \$5 million recorded in the North America Commercial P&C Insurance segment.

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

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

	Unpaid Losses			Net Paid to Incurred Ratio
	Gross	Ceded	Net	
Balance at December 31, 2018	\$62,960	\$14,689	\$48,271	
Losses and loss expenses incurred	5,261	1,163	4,098	
Losses and loss expenses paid	(5,197)	(1,178)	(4,019)	98%
Other (incl. foreign exch. revaluation)	119	33	86	
Balance at March 31, 2019	\$63,143	\$14,707	\$48,436	
Losses and loss expenses incurred	5,758	1,043	4,715	
Losses and loss expenses paid	(5,581)	(1,489)	(4,092)	87%
Other (incl. foreign exch. revaluation)	(115)	(28)	(87)	
Balance at June 30, 2019	\$63,205	\$14,233	\$48,972	
Losses and loss expenses incurred	6,783	1,731	5,052	
Losses and loss expenses paid	(6,751)	(1,568)	(5,183)	103%
Other (incl. foreign exch. revaluation)	(225)	(64)	(161)	
Balance at September 30, 2019	\$63,012	\$14,332	\$48,680	
Losses and loss expenses incurred	5,855	990	4,865	
Losses and loss expenses paid	(6,382)	(1,203)	(5,179)	106%
Other (incl. foreign exch. revaluation)	205	62	143	
Balance at December 31, 2019	\$62,690	\$14,181	\$48,509	
Losses and loss expenses incurred	5,569	1,084	4,485	
Losses and loss expenses paid	(5,345)	(1,090)	(4,255)	95%
Other (incl. foreign exch. revaluation)	(700)	(135)	(565)	
Balance at March 31, 2020	\$62,214	\$14,040	\$48,174	
Losses and loss expenses incurred	7,825	1,248	6,577	
Losses and loss expenses paid	(4,874)	(1,024)	(3,850)	59% (1)
Other (incl. foreign exch. revaluation)	534	97	437	
Balance at June 30, 2020	\$65,699	\$14,361	\$51,338	
Add net recoverable on paid losses	—	846	(846)	
Balance including net recoverable on paid losses	\$65,699	\$15,207	\$50,492	

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

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

Net Reinsurance Recoverable by Division

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

(1) The provision for uncollectible reinsurance is based on a default analysis applied to gross reinsurance, net of usable collateral of approximately \$3.9 billion.

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

	June 30 2020		March 31 2020		December 31 2019	
Market Value						
Fixed maturities available for sale	\$ 86,712		\$ 81,523		\$ 85,488	
Fixed maturities held to maturity	12,620		12,468		13,005	
Short-term investments	4,003		3,586		4,291	
Total fixed maturities	<u>\$ 103,335</u>		<u>\$ 97,577</u>		<u>\$ 102,784</u>	
Asset Allocation by Market Value						
U.S. Treasury / Agency	\$ 4,190	4%	\$ 4,296	4%	\$ 4,630	5%
Corporate and asset-backed securities	36,345	35%	32,990	33%	34,259	33%
Mortgage-backed securities	20,529	20%	20,252	21%	21,588	21%
Municipal	12,291	12%	12,266	13%	12,824	12%
Non-U.S.	25,977	25%	24,187	25%	25,192	25%
Short-term investments	4,003	4%	3,586	4%	4,291	4%
Total fixed maturities	<u>\$ 103,335</u>	<u>100%</u>	<u>\$ 97,577</u>	<u>100%</u>	<u>\$ 102,784</u>	<u>100%</u>
Credit Quality by Market Value						
AAA	\$ 15,411	15%	\$ 14,577	15%	\$ 15,714	15%
AA	35,600	35%	35,437	36%	37,504	37%
A	19,703	19%	18,375	19%	19,236	19%
BBB	15,690	15%	13,617	14%	13,650	13%
BB	9,302	9%	8,661	9%	9,474	9%
B	7,124	7%	6,487	7%	6,897	7%
Other	505	0%	423	0%	309	0%
Total fixed maturities	<u>\$ 103,335</u>	<u>100%</u>	<u>\$ 97,577</u>	<u>100%</u>	<u>\$ 102,784</u>	<u>100%</u>
Cost/Amortized Cost, net						
Fixed maturities available for sale (1)	\$ 82,671		\$ 80,776		\$ 82,580	
Fixed maturities held to maturity (1)	11,845		12,022		12,581	
Short-term investments (1)	4,002		3,582		4,291	
Subtotal fixed maturities	<u>98,518</u>		<u>96,380</u>		<u>99,452</u>	
Equity securities	2,394		2,068		812	
Other investments	5,923		6,075		6,062	
Total investment portfolio	<u>\$ 106,835</u>		<u>\$ 104,523</u>		<u>\$ 106,326</u>	
Avg. duration of fixed maturities	4.0 years		3.9 years		3.8 years	
Avg. market yield of fixed maturities	2.2%		3.0%		2.7%	
Avg. credit quality	A/Aa		A/Aa		A/Aa	
Avg. yield on invested assets (2)	3.3%		3.4%		3.4%	

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

(2) Calculated using adjusted net investment income.

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

Mortgage-backed Fixed Income Portfolio

Mortgage-backed securities

	S&P Credit Rating					
	AAA	AA	A	BBB	BB and below	Total
Market Value at June 30, 2020						
Agency residential mortgage-backed securities (RMBS)	\$ 127	\$ 16,748	\$ —	\$ —	\$ —	\$ 16,875
Non-agency RMBS	155	34	73	13	9	284
Commercial mortgage-backed securities	2,935	287	135	11	2	3,370
Total mortgage-backed securities at market value	\$ 3,217	\$ 17,069	\$ 208	\$ 24	\$ 11	\$ 20,529

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

Market Value at June 30, 2020

	S&P Credit Rating				
	Investment Grade				
	AAA	AA	A	BBB	Total
Asset-backed	\$ 3,142	\$ 438	\$ 48	\$ 71	\$ 3,699
Banks	—	21	2,567	1,497	4,085
Basic Materials	—	—	90	269	359
Communications	—	150	517	1,204	1,871
Consumer, Cyclical	—	272	540	707	1,519
Consumer, Non-Cyclical	64	673	1,513	1,692	3,942
Diversified Financial Services	7	205	417	398	1,027
Energy	—	72	203	711	986
Industrial	—	14	826	902	1,742
Utilities	—	3	1,023	561	1,587
All Others	213	339	1,686	1,158	3,396
Total	\$ 3,426	\$ 2,187	\$ 9,430	\$ 9,170	\$ 24,213

Market Value at June 30, 2020

	S&P Credit Rating			
	Below Investment Grade			
	BB	B	CCC	Total
Asset-backed	\$ 1	\$ 17	\$ 5	\$ 23
Banks	—	—	—	—
Basic Materials	377	239	4	620
Communications	853	769	54	1,676
Consumer, Cyclical	1,090	992	61	2,143
Consumer, Non-Cyclical	1,214	1,472	103	2,789
Diversified Financial Services	194	86	7	287
Energy	703	325	12	1,040
Industrial	739	718	22	1,479
Utilities	352	27	7	386
All Others	905	726	58	1,689
Total	\$ 6,428	\$ 5,371	\$ 333	\$ 12,132

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

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

Non-U.S. Government Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Republic of Korea	\$ —	\$ 1,082	\$ —	\$ —	\$ —	\$ 1,082
Canada	876	—	—	—	—	876
United Kingdom	—	872	—	—	—	872
Province of Ontario	—	—	659	—	—	659
Kingdom of Thailand	—	—	616	—	—	616
Federative Republic of Brazil	—	—	—	—	569	569
Province of Quebec	—	525	—	—	—	525
United Mexican States	—	—	—	431	—	431
Commonwealth of Australia	399	—	3	—	—	402
Socialist Republic of Vietnam	—	—	—	—	373	373
Other Non-U.S. Government Securities	887	1,588	1,084	893	883	5,335
Total	\$ 2,162	\$ 4,067	\$ 2,362	\$ 1,324	\$ 1,825	\$ 11,740

Non-U.S. Corporate Securities

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
United Kingdom	\$ 73	\$ 73	\$ 784	\$ 918	\$ 417	\$ 2,265
Canada	116	265	445	585	396	1,807
France	8	46	673	368	54	1,149
United States (1)	—	—	204	255	588	1,047
Australia	103	203	328	220	21	875
Netherlands	50	80	240	150	105	625
Japan	—	10	513	83	—	606
Germany	67	37	107	283	44	538
Switzerland	55	4	253	196	28	536
China	—	—	269	91	70	430
Other Non-U.S. Corporate Securities	365	419	1,008	1,604	963	4,359
Total	\$ 837	\$ 1,137	\$ 4,824	\$ 4,753	\$ 2,686	\$ 14,237

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

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

Fixed Maturity Investment Portfolio

Top 10 Global Corporate Exposures

	<u>June 30, 2020</u>	<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 765	A-
2	Bank of America Corp	656	A-
3	JP Morgan Chase & Co	639	A-
4	Comcast Corp	485	A-
5	Morgan Stanley	451	BBB+
6	Citigroup Inc	440	BBB+
7	HSBC Holdings Plc	406	A-
8	Verizon Communications Inc	393	BBB+
9	AT&T Inc	378	BBB
10	Goldman Sachs Group Inc	351	BBB+

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

	Three months ended June 30, 2020								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
Fixed income investments (1)	\$ (19)	\$ —	\$ (19)	\$ 3,281	\$ (524)	\$ 2,757	\$ 3,262	\$ (524)	\$ 2,738
Public equity:									
Realized gains (losses)									
on sales	187	(39)	148	—	—	—	187	(39)	148
Mark-to-market	(39)	11	(28)	—	—	—	(39)	11	(28)
Private equity:									
Realized gains (losses)									
on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	(200)	11	(189)	—	—	—	(200)	11	(189)
Total investment portfolio	(71)	(17)	(88)	3,281	(524)	2,757	3,210	(541)	2,669
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	110	—	110	—	—	—	110	—	110
Foreign exchange	(61)	20	(41)	445	6	451	384	26	410
Partially-owned entities (3)	(7)	—	(7)	—	—	—	(7)	—	(7)
Other	(40)	8	(32)	(22)	5	(17)	(62)	13	(49)
Net gains (losses)	\$ (69)	\$ 11	\$ (58)	\$ 3,704	\$ (513)	\$ 3,191	\$ 3,635	\$ (502)	\$ 3,133

- (1) The quarter includes realized gains on fixed income derivatives of \$14 million, realized gains related to the adoption of new accounting guidance that required the acceleration of certain mark-to-market losses on fixed maturities, previously classified as unrealized gains, as realized gains of \$104 million, and impairment of \$31 million for fixed maturities written to market entering default and our intent to sell certain securities during the quarter.
- (2) The quarter includes \$103 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

	Three months ended June 30, 2019								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
Fixed income investments (4)	\$ (160)	\$ —	\$ (160)	\$ 1,240	\$ (221)	\$ 1,019	\$ 1,080	\$ (221)	\$ 859
Public equity (4):									
Realized gains (losses)									
on sales	23	(5)	18	—	—	—	23	(5)	18
Mark-to-market	(27)	6	(21)	—	—	—	(27)	6	(21)
Private equity:									
Realized gains (losses)									
on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	240	(3)	237	—	—	—	240	(3)	237
Total investment portfolio	76	(2)	74	1,240	(221)	1,019	1,316	(223)	1,093
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (5)	(85)	—	(85)	—	—	—	(85)	—	(85)
Foreign exchange	(11)	4	(7)	(97)	2	(95)	(108)	6	(102)
Partially-owned entities (6)	9	(1)	8	—	—	—	9	(1)	8
Other	—	—	—	(18)	3	(15)	(18)	3	(15)
Net gains (losses)	\$ (11)	\$ 1	\$ (10)	\$ 1,125	\$ (216)	\$ 909	\$ 1,114	\$ (215)	\$ 899

- (4) The quarter includes pre-tax realized losses on derivatives of: \$172 million in fixed income and \$9 million in public equity. Other-than-temporary impairments for the quarter in realized losses were \$13 million pre-tax for fixed maturities.
- (5) The quarter includes \$20 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (6) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

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

	Six months ended June 30, 2020								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (1)	\$ (365)	\$ 40	\$ (325)	\$ 1,121	\$ (240)	\$ 881	\$ 756	\$ (200)	\$ 556
Public equity (1):									
Realized gains (losses) on sales	205	(42)	163	—	—	—	205	(42)	163
Mark-to-market	(44)	3	(41)	—	—	—	(44)	3	(41)
Private equity:									
Realized gains (losses) on sales	—	—	—	—	—	—	—	—	—
Mark-to-market	(207)	2	(205)	—	—	—	(207)	2	(205)
Total investment portfolio	(411)	3	(408)	1,121	(240)	881	710	(237)	473
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (2)	(450)	—	(450)	—	—	—	(450)	—	(450)
Foreign exchange	(129)	17	(112)	(414)	40	(374)	(543)	57	(486)
Partially-owned entities (3)	(2)	—	(2)	—	—	—	(2)	—	(2)
Other	(40)	8	(32)	(36)	8	(28)	(76)	16	(60)
Net gains (losses)	<u>\$ (1,032)</u>	<u>\$ 28</u>	<u>\$ (1,004)</u>	<u>\$ 671</u>	<u>\$ (192)</u>	<u>\$ 479</u>	<u>\$ (361)</u>	<u>\$ (164)</u>	<u>\$ (525)</u>

- (1) Year to date includes pre-tax realized gains on equity derivatives of \$42 million, realized losses on fixed income derivatives of \$13 million, realized losses related to the adoption of new accounting guidance that required the acceleration of certain mark-to-market losses on fixed maturities, previously classified as unrealized losses, as realized losses of \$46 million, and impairments of \$152 million related to certain securities the company intended to sell and securities written to market entering default.
- (2) Year to date includes \$22 million of gains on applicable hedges. These gains are both pre-tax and after-tax.
- (3) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

	Six months ended June 30, 2019								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (4)	\$ (311)	\$ 8	\$ (303)	\$ 3,129	\$ (551)	\$ 2,578	\$ 2,818	\$ (543)	\$ 2,275
Public equity (4):									
Realized gains (losses) on sales	1	—	1	—	—	—	1	—	1
Mark-to-market	30	(4)	26	—	—	—	30	(4)	26
Private equity:									
Realized gains (losses) on sales	(2)	—	(2)	—	—	—	(2)	—	(2)
Mark-to-market	193	2	195	—	—	—	193	2	195
Total investment portfolio	(89)	6	(83)	3,129	(551)	2,578	3,040	(545)	2,495
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (5)	(34)	—	(34)	—	—	—	(34)	—	(34)
Foreign exchange	2	1	3	50	(5)	45	52	(4)	48
Partially-owned entities (6)	10	(1)	9	—	—	—	10	(1)	9
Other	—	—	—	(45)	9	(36)	(45)	9	(36)
Net gains (losses)	<u>\$ (111)</u>	<u>\$ 6</u>	<u>\$ (105)</u>	<u>\$ 3,134</u>	<u>\$ (547)</u>	<u>\$ 2,587</u>	<u>\$ 3,023</u>	<u>\$ (541)</u>	<u>\$ 2,482</u>

- (4) Year to date includes pre-tax realized losses on derivatives of: \$279 million in fixed income and \$32 million in public equity. Year to date other-than-temporary impairments in realized losses were \$26 million pre-tax for fixed maturities.
- (5) Year to date includes \$83 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (6) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.

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

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

Note: As of June 30, 2020, there was \$2.0 billion usage of credit facilities on total capacity of \$4.0 billion.

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

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
Numerator				
Core operating income (loss) to common shares	\$ (254)	\$ 1,195	\$ 966	\$ 2,365
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(24)	(38)	(51)	(79)
Tax benefit on amortization adjustment	5	6	10	14
Chubb integration expenses, pre-tax	—	(4)	—	(7)
Tax benefit on Chubb integration expenses	—	1	—	2
Adjusted net realized gains (losses), pre-tax	(69)	(11)	(1,032)	(111)
Tax (expense) benefit on adjusted net realized gains (losses)	11	1	28	6
Net income (loss)	<u>\$ (331)</u>	<u>\$ 1,150</u>	<u>\$ (79)</u>	<u>\$ 2,190</u>
Rollforward of Common Shares Outstanding				
Shares—beginning of period	451,367,782	458,179,205	451,971,567	459,203,378
Repurchase of shares	—	(2,584,466)	(2,266,150)	(5,338,220)
Shares issued, excluding option exercises	(64,658)	55,208	1,027,562	1,223,084
Issued for option exercises	56,899	427,872	627,044	989,577
Shares—end of period	<u>451,360,023</u>	<u>456,077,819</u>	<u>451,360,023</u>	<u>456,077,819</u>
Denominator				
Weighted average shares outstanding (1)	451,402,807	457,224,455	451,635,733	458,010,447
Effect of other dilutive securities (2)	—	2,945,237	—	2,863,109
Adj. wtd. avg. shares outstanding and assumed conversions	<u>451,402,807</u>	<u>460,169,692</u>	<u>451,635,733</u>	<u>460,873,556</u>
Basic earnings per share				
Core operating income (loss)	\$ (0.56)	\$ 2.61	\$ 2.14	\$ 5.16
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.04)	(0.07)	(0.09)	(0.14)
Chubb integration expenses, net of tax	—	(0.01)	—	(0.01)
Adjusted net realized gains (losses), net of tax	(0.13)	(0.01)	(2.22)	(0.23)
Net income (loss)	<u>\$ (0.73)</u>	<u>\$ 2.52</u>	<u>\$ (0.17)</u>	<u>\$ 4.78</u>
Diluted earnings per share				
Core operating income (loss) (2)	\$ (0.56)	\$ 2.60	\$ 2.13	\$ 5.13
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(0.04)	(0.07)	(0.09)	(0.14)
Chubb integration expenses, net of tax	—	(0.01)	—	(0.01)
Adjusted net realized gains (losses), net of tax	(0.13)	(0.02)	(2.22)	(0.23)
Use of weighted-average dilutive shares	—	—	0.01	—
Net income (loss) (2)	<u>\$ (0.73)</u>	<u>\$ 2.50</u>	<u>\$ (0.17)</u>	<u>\$ 4.75</u>

- (1) Includes unvested restricted stock units that are not included in common shares outstanding as the shares are not issued until time of vesting, but are eligible to receive dividends (participating securities).
- (2) In periods where core operating loss and net loss are recognized, inclusion of incremental dilution is anti-dilutive and therefore basic shares are used in the calculation of per share earnings. For the three and six months ended June 30, 2020, the effect of dilutive securities was 1,395,951 shares and 2,044,144 shares, respectively. Weighted-average shares outstanding used to calculate core operating income per share for the six months ended June 30, 2020 and earnings per share for the 2019 periods include the effect of dilutive securities.

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

Reconciliation of Book Value per Common Share

	June 30 2020	March 31 2020	December 31 2019	June 30 2019
Shareholders' equity	\$ 54,760	\$ 52,188	\$ 55,331	\$ 53,802
Less: goodwill and other intangible assets, net of tax	19,783	19,569	20,012	20,170
Numerator for tangible book value per share	<u>\$ 34,977</u>	<u>\$ 32,619</u>	<u>\$ 35,319</u>	<u>\$ 33,632</u>
Book value—% change over prior quarter	4.9%	-5.7%	1.4%	2.8%
Tangible book value—% change over prior quarter	7.2%	-7.6%	2.2%	4.2%
Denominator	<u>451,360,023</u>	<u>451,367,782</u>	<u>451,971,567</u>	<u>456,077,819</u>
Book value per common share	\$ 121.32	\$ 115.62	\$ 122.42	\$ 117.97
Tangible book value per common share	\$ 77.49	\$ 72.27	\$ 78.14	\$ 73.74
Reconciliation of Book Value				
Shareholders' equity, beginning of quarter (1)	\$ 52,188	\$ 55,259	\$ 54,572	\$ 52,355
Core operating income (loss)	(254)	1,220	1,040	1,195
Amortization of fair value adjustment of acquired invested assets and long-term debt	(19)	(22)	(25)	(32)
Chubb integration expenses	—	—	(12)	(3)
Adjusted net realized gains (losses) (2)	(58)	(946)	170	(10)
Net unrealized gains (losses) on investments	2,757	(1,876)	(70)	1,019
Repurchase of shares	—	(326)	(310)	(376)
Dividend declared on common shares	(353)	(340)	(340)	(344)
Cumulative translation gains (losses)	451	(825)	177	(95)
Postretirement benefit liability	(17)	(11)	(9)	(15)
Other (3)	65	55	138	108
	<u>\$ 54,760</u>	<u>\$ 52,188</u>	<u>\$ 55,331</u>	<u>\$ 53,802</u>

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

Chubb Limited
Non-GAAP Financial Measures
(Unaudited)

Regulation G—Non-GAAP Financial Measures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Net premiums written metrics adjusted for COVID-19 exposures are net premiums written in Q2 2020 and YTD 2020 adjusted to exclude exposure adjustments on in-force policies in the North America Commercial P&C Insurance and Overseas General Insurance segments of \$184 million and, for the North America Personal P&C insurance segment, return premiums of \$7 million. For the North America Personal P&C insurance segment for all periods presented, net premiums written adjusted for COVID-19 exposures also excludes reinstatement premiums, additional reinsurance, accounting actions in 2019 and unearned premium reserve (UPR) transfer. We believe these measures are meaningful to evaluate trends in the underlying business on a comparable basis.

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating effective tax rate

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

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Tax expense (benefit), as reported	\$ (62)	\$ 215	\$ 169	\$ 230	\$ 208	\$ 153	\$ 396	\$ 795
Less: tax benefit on amortization of fair value of acquired invested assets and debt	(5)	(5)	(4)	(8)	(6)	(10)	(14)	(26)
Less: tax benefit on Chubb integration expenses	—	—	(2)	—	(1)	—	(2)	(4)
Less: tax expense (benefit) on adjusted net realized gains (losses)	(11)	(17)	2	19	(1)	(28)	(6)	15
Tax expense (benefit), adjusted	\$ (46)	\$ 237	\$ 173	\$ 219	\$ 216	\$ 191	\$ 418	\$ 810
Income (loss) before tax, as reported	\$(393)	\$ 467	\$1,342	\$1,321	\$1,358	\$ 74	\$2,586	\$ 5,249
Less: amortization of fair value of acquired invested assets and debt	(24)	(27)	(29)	(32)	(38)	(51)	(79)	(140)
Less: Chubb integration expenses	—	—	(14)	(2)	(4)	—	(7)	(23)
Less: adjusted realized gains (losses)	31	(956)	(55)	(141)	(230)	(925)	(326)	(522)
Less: realized gains (losses) related to unconsolidated entities	(100)	(7)	227	41	219	(107)	215	483
Core operating income (loss) before tax	\$(300)	\$1,457	\$1,213	\$1,455	\$1,411	\$1,157	\$2,783	\$ 5,451
Effective tax rate	15.8%	46.0%	12.6%	17.4%	15.3%	206.8%	15.3%	15.1%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt	-0.4%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%
Adjustment for tax impact of Chubb integration expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjustment for tax impact of adjusted net realized gains (losses)	-0.1%	-29.7%	1.6%	-2.5%	-0.1%	190.4%	-0.4%	-0.3%
Core operating effective tax rate	15.3%	16.3%	14.2%	15.1%	15.3%	16.5%	15.0%	14.9%

Core operating income

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

	2Q-20	1Q-20	4Q-19	3Q-19	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Net income (loss), as reported	\$ (331)	\$ 252	\$1,173	\$1,091	\$1,150	\$ (79)	\$2,190	\$ 4,454
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax	(24)	(27)	(29)	(32)	(38)	(51)	(79)	(140)
Tax benefit on amortization adjustment	5	5	4	8	6	10	14	26
Chubb integration expenses, pre-tax	—	—	(14)	(2)	(4)	—	(7)	(23)
Tax benefit on Chubb integration expenses	—	—	2	—	1	—	2	4
Adjusted realized gains (losses), pre-tax	31	(956)	(55)	(141)	(230)	(925)	(326)	(522)
Net realized gains (losses) related to unconsolidated entities, pre-tax (1)	(100)	(7)	227	41	219	(107)	215	483
Tax (expense) benefit on adjusted net realized gains (losses)	11	17	(2)	(19)	1	28	6	(15)
Core operating income (loss)	\$ (254)	\$1,220	\$1,040	\$1,236	\$1,195	\$ 966	\$2,365	\$ 4,641
Catastrophe losses—after-tax	\$1,510	\$ 199	\$ 353	\$ 191	\$ 221	\$1,709	\$ 422	\$ 966
Unfavorable (favorable) prior period development (PPD)—after-tax	\$ 52	\$ (94)	\$ (199)	\$ (112)	\$ (152)	\$ (42)	\$ (313)	\$ (624)
Core operating income (loss) per share	\$ (0.56)	\$ 2.68	\$ 2.28	\$ 2.70	\$ 2.60	\$ 2.13	\$ 5.13	\$ 10.11
Impact of Cats on Core operating income per share—Unfavorable	\$ (3.35)	\$ (0.44)	\$ (0.77)	\$ (0.41)	\$ (0.48)	\$ (3.77)	\$ (0.92)	\$ (2.11)
Impact of PPD on Core operating income per share—Favorable (unfavorable)	\$ (0.11)	\$ 0.21	\$ 0.43	\$ 0.24	\$ 0.33	\$ 0.10	\$ 0.68	\$ 1.36
Impact of Cats and PPD on Core operating income per share— Unfavorable	\$ (3.46)	\$ (0.23)	\$ (0.34)	\$ (0.17)	\$ (0.15)	\$ (3.67)	\$ (0.24)	\$ (0.75)

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

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

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

	2Q-20	2Q-19	YTD 2020	YTD 2019	Full Year 2019
Net income (loss)	\$ (331)	\$ 1,150	\$ (79)	\$ 2,190	\$ 4,454
Core operating income (loss)	\$ (254)	\$ 1,195	\$ 966	\$ 2,365	\$ 4,641
Equity—beginning of period, as reported (1)	\$52,188	\$52,355	\$55,259	\$50,300	\$ 50,300
Less: unrealized gains (losses) on investments, net of deferred tax	667	1,014	2,543	(545)	(545)
Equity—beginning of period, as adjusted	\$51,521	\$51,341	\$52,716	\$50,845	\$ 50,845
Less: goodwill and other intangible assets, net of tax	\$19,569	\$20,070	\$20,012	\$20,054	\$ 20,054
Equity—beginning of period, as adjusted ex goodwill and other intangible assets	\$31,952	\$31,271	\$32,704	\$30,791	\$ 30,791
Equity—end of period, as reported	\$54,760	\$53,802	\$54,760	\$53,802	\$ 55,331
Less: unrealized gains (losses) on investments, net of deferred tax	3,424	2,033	3,424	2,033	2,543
Equity—end of period, as adjusted	\$51,336	\$51,769	\$51,336	\$51,769	\$ 52,788
Less: goodwill and other intangible assets, net of tax	19,783	20,170	19,783	20,170	20,012
Equity—end of period, as adjusted ex goodwill and other intangible assets	\$31,553	\$31,599	\$31,553	\$31,599	\$ 32,776
Weighted average equity, as reported	\$53,474	\$53,079	\$55,010	\$52,051	\$ 52,816
Weighted average equity, as adjusted	\$51,429	\$51,555	\$52,026	\$51,307	\$ 51,817
Weighted average equity, as adjusted ex goodwill and other intangible assets	\$31,753	\$31,435	\$32,129	\$31,195	\$ 31,784
ROE	-2.5%	8.7%	-0.3%	8.4%	8.4%
Core operating ROE	-2.0%	9.3%	3.7%	9.2%	9.0%
Core operating ROTE	-3.2%	15.2%	6.0%	15.2%	14.6%
Private equities realized gains (losses), after-tax (2)	\$ (189)	\$ 237	\$ (205)	\$ 193	\$ 434
Impact of Private equities if included in Core operating ROE—Favorable (unfavorable) (2)	1.5 pts	1.8 pts	-0.8 pt	0.8 pt	0.8 pt

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

	June 30 2020	March 31 2020	December 31 2019	QTD % Change	YTD % Change
Book value	\$ 54,760	\$ 52,188	\$ 55,331		
Less: unrealized gains (losses) on investments, net of deferred tax	3,424	667	2,543		
Book value excluding mark-to-market	51,336	51,521	52,788		
Less: goodwill and other intangible assets, net of tax	19,783	19,569	20,012		
Tangible book value excluding mark-to-market	\$ 31,553	\$ 31,952	\$ 32,776		
Denominator	451,360,023	451,367,782	451,971,567		
Book value per share excluding mark-to-market	\$ 113.74	\$ 114.14	\$ 116.80	-0.4%	-2.6%
Tangible book value per share excluding mark-to-market	\$ 69.90	\$ 70.79	\$ 72.52	-1.3%	-3.6%

(1) January 1, 2020 included a \$72 million after-tax reduction to beginning equity principally related to the adoption of the current expected credit loss accounting guidance.

(2) We record the change in the fair value mark and gains (losses) on sales of private equity funds as realized gains (losses) instead of investment income.

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio

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

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

Q2 2020		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 3,498	\$ 762	\$ 312	\$ 1,485	\$ 73	\$ 276	\$ 6,406
Realized (gains) losses on crop derivatives		—	—	1	—	—	—	1
Adjusted losses and loss expenses	A	<u>\$ 3,498</u>	<u>\$ 762</u>	<u>\$ 313</u>	<u>\$ 1,485</u>	<u>\$ 73</u>	<u>\$ 276</u>	<u>\$ 6,407</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(1,273)	(110)	(6)	(399)	(13)	—	(1,801)
Reinstatement premiums collected (expensed) on catastrophe losses		(3)	(1)	—	(16)	—	—	(20)
Catastrophe losses, gross of related adjustments		<u>(1,270)</u>	<u>(109)</u>	<u>(6)</u>	<u>(383)</u>	<u>(13)</u>	<u>—</u>	<u>(1,781)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		146	1	—	36	16	(274)	(75)
Net premiums earned adjustments on PPD—unfavorable (favorable)		4	—	—	—	—	—	4
Expense adjustments—unfavorable (favorable)		1	—	—	—	—	—	1
PPD reinstatement premiums—unfavorable (favorable)		—	—	—	—	(1)	—	(1)
PPD, gross of related adjustments—favorable (unfavorable)		151	1	—	36	15	(274)	(71)
CAY loss and loss expense ex Cats	B	<u>\$ 2,379</u>	<u>\$ 654</u>	<u>\$ 307</u>	<u>\$ 1,138</u>	<u>\$ 75</u>	<u>\$ 2</u>	<u>\$ 4,555</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 720	\$ 297	\$ 32	\$ 865	\$ 51	\$ 77	\$ 2,042
Expense adjustments—favorable (unfavorable)		(1)	—	—	—	—	—	(1)
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 719</u>	<u>\$ 297</u>	<u>\$ 32</u>	<u>\$ 865</u>	<u>\$ 51</u>	<u>\$ 77</u>	<u>\$ 2,041</u>
Denominator								
Net premiums earned	E	\$ 3,595	\$ 1,192	\$ 376	\$ 2,194	\$ 163		\$ 7,520
Reinstatement premiums (collected) expensed on catastrophe losses		3	1	—	16	—		20
Net premiums earned adjustments on PPD—unfavorable (favorable)		4	—	—	—	—		4
PPD reinstatement premiums—unfavorable (favorable)		—	—	—	—	(1)		(1)
Net premiums earned excluding adjustments	F	<u>\$ 3,602</u>	<u>\$ 1,193</u>	<u>\$ 376</u>	<u>\$ 2,210</u>	<u>\$ 162</u>		<u>\$ 7,543</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	97.3%	63.8%	83.1%	67.7%	45.5%		85.2%
Policy acquisition cost and administrative expense ratio	C/E	20.0%	25.0%	8.7%	39.4%	31.1%		27.1%
P&C combined ratio		<u>117.3%</u>	<u>88.8%</u>	<u>91.8%</u>	<u>107.1%</u>	<u>76.6%</u>		<u>112.3%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	66.1%	54.7%	81.5%	51.6%	46.8%		60.4%

Policy acquisition cost and administrative expense ratio, adjusted	D/F	19.9%	24.9%	8.7%	39.1%	31.4%	27.0%
CAY P&C combined ratio ex Cats		<u>86.0%</u>	<u>79.6%</u>	<u>90.2%</u>	<u>90.7%</u>	<u>78.2%</u>	<u>87.4%</u>
Combined ratio							
Combined ratio							112.3%
Add: impact of gains and losses on crop derivatives							<u>0.0%</u>
P&C combined ratio							<u>112.3%</u>

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

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2020		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 5,679	\$ 1,445	\$ 375	\$ 2,743	\$ 160	\$ 287	\$10,689
Realized (gains) losses on crop derivatives		—	—	3	—	—	—	3
Adjusted losses and loss expenses	A	<u>\$ 5,679</u>	<u>\$ 1,445</u>	<u>\$ 378</u>	<u>\$ 2,743</u>	<u>\$ 160</u>	<u>\$ 287</u>	<u>\$10,692</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(1,391)	(131)	(14)	(489)	(13)	—	(2,038)
Reinstatement premiums collected (expensed) on catastrophe losses		(3)	(1)	—	(16)	—	—	(20)
Catastrophe losses, gross of related adjustments		<u>(1,388)</u>	<u>(130)</u>	<u>(14)</u>	<u>(473)</u>	<u>(13)</u>	<u>—</u>	<u>(2,018)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		251	—	14	40	23	(285)	43
Net premiums earned adjustments on PPD—unfavorable (favorable)		4	—	3	—	—	—	7
PPD reinstatement premiums—unfavorable (favorable)		—	—	—	—	(1)	—	(1)
PPD, gross of related adjustments—favorable (unfavorable)		<u>255</u>	<u>—</u>	<u>17</u>	<u>40</u>	<u>22</u>	<u>(285)</u>	<u>49</u>
CAY loss and loss expense ex Cats	B	<u>\$ 4,546</u>	<u>\$ 1,315</u>	<u>\$ 381</u>	<u>\$ 2,310</u>	<u>\$ 169</u>	<u>\$ 2</u>	<u>\$ 8,723</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 1,471	\$ 610	\$ 47	\$ 1,765	\$ 106	\$ 143	\$ 4,142
Expense adjustments—favorable (unfavorable)		—	—	—	—	—	—	—
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 1,471</u>	<u>\$ 610</u>	<u>\$ 47</u>	<u>\$ 1,765</u>	<u>\$ 106</u>	<u>\$ 143</u>	<u>\$ 4,142</u>
Denominator								
Net premiums earned								
Reinstatement premiums (collected) expensed on catastrophe losses		3	1	—	16	—	—	20
Net premiums earned adjustments on PPD—unfavorable (favorable)		4	—	3	—	—	—	7
PPD reinstatement premiums—unfavorable (favorable)		—	—	—	—	(1)	—	(1)
Net premiums earned excluding adjustments	F	<u>\$ 6,978</u>	<u>\$ 2,393</u>	<u>\$ 473</u>	<u>\$ 4,517</u>	<u>\$ 348</u>	<u>\$ 348</u>	<u>\$14,709</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	81.5%	60.4%	80.4%	61.0%	46.0%	—	72.8%
Policy acquisition cost and administrative expense ratio	C/E	21.1%	25.5%	10.0%	39.2%	30.3%	—	28.2%
P&C combined ratio		<u>102.6%</u>	<u>85.9%</u>	<u>90.4%</u>	<u>100.2%</u>	<u>76.3%</u>	<u>—</u>	<u>101.0%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.2%	54.9%	80.4%	51.2%	48.7%	—	59.3%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	21.0%	25.5%	10.0%	39.0%	30.5%	—	28.2%
CAY P&C combined ratio ex Cats		<u>86.2%</u>	<u>80.4%</u>	<u>90.4%</u>	<u>90.2%</u>	<u>79.2%</u>	<u>—</u>	<u>87.5%</u>
Combined ratio								
Combined ratio								101.0%
Add: impact of gains and losses on crop derivatives								<u>0.0%</u>

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

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

Q2 2019		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 2,214	\$ 747	\$ 316	\$ 1,125	\$ 90	\$ 34	\$4,526
Realized (gains) losses on crop derivatives		—	—	(7)	—	—	—	(7)
Adjusted losses and loss expenses	A	<u>\$ 2,214</u>	<u>\$ 747</u>	<u>\$ 309</u>	<u>\$ 1,125</u>	<u>\$ 90</u>	<u>\$ 34</u>	<u>\$4,519</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(137)	(117)	(2)	(9)	(10)	—	(275)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	—	—	—
Catastrophe losses, gross of related adjustments		<u>(137)</u>	<u>(117)</u>	<u>(2)</u>	<u>(9)</u>	<u>(10)</u>	<u>—</u>	<u>(275)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		185	16	—	20	—	(33)	188
Net premiums earned adjustments on PPD—unfavorable (favorable)		(3)	—	—	—	—	—	(3)
Expense adjustments—unfavorable (favorable)		(2)	—	—	—	—	—	(2)
PPD, gross of related adjustments—favorable (unfavorable)		<u>180</u>	<u>16</u>	<u>—</u>	<u>20</u>	<u>—</u>	<u>(33)</u>	<u>183</u>
CAY loss and loss expense ex Cats	B	<u>\$ 2,257</u>	<u>\$ 646</u>	<u>\$ 307</u>	<u>\$ 1,136</u>	<u>\$ 80</u>	<u>\$ 1</u>	<u>\$4,427</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 718	\$ 308	\$ 31	\$ 894	\$ 49	\$ 74	\$2,074
Expense adjustments—favorable (unfavorable)		2	—	—	—	—	—	2
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 720</u>	<u>\$ 308</u>	<u>\$ 31</u>	<u>\$ 894</u>	<u>\$ 49</u>	<u>\$ 74</u>	<u>\$2,076</u>
Denominator								
Net premiums earned	E	\$ 3,390	\$ 1,168	\$ 378	\$ 2,225	\$ 159		\$7,320
Net premiums earned adjustments on PPD—unfavorable (favorable)		(3)	—	—	—	—		(3)
Net premiums earned excluding adjustments	F	<u>\$ 3,387</u>	<u>\$ 1,168</u>	<u>\$ 378</u>	<u>\$ 2,225</u>	<u>\$ 159</u>		<u>\$7,317</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	65.3%	64.0%	81.9%	50.6%	55.9%		61.7%
Policy acquisition cost and administrative expense ratio	C/E	21.2%	26.3%	8.2%	40.2%	31.8%		28.4%
P&C combined ratio		<u>86.5%</u>	<u>90.3%</u>	<u>90.1%</u>	<u>90.8%</u>	<u>87.7%</u>		<u>90.1%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	66.7%	55.3%	81.4%	51.1%	49.7%		60.5%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	21.2%	26.4%	8.2%	40.1%	32.0%		28.4%
CAY P&C combined ratio ex Cats		<u>87.9%</u>	<u>81.7%</u>	<u>89.6%</u>	<u>91.2%</u>	<u>81.7%</u>		<u>88.9%</u>
Combined ratio								
Combined ratio								90.2%
Add: impact of gains and losses on crop derivatives								-0.1%
P&C combined ratio								<u>90.1%</u>

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

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio (continued)

YTD 2019		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 4,187	\$ 1,504	\$ 289	\$ 2,231	\$ 166	\$ 45	\$ 8,422
Realized (gains) losses on crop derivatives		—	—	(6)	—	—	—	(6)
Adjusted losses and loss expenses	A	<u>\$ 4,187</u>	<u>\$ 1,504</u>	<u>\$ 283</u>	<u>\$ 2,231</u>	<u>\$ 166</u>	<u>\$ 45</u>	<u>\$ 8,416</u>
Catastrophe losses and related adjustments								
Catastrophe losses, net of related adjustments		(231)	(246)	(4)	(34)	(10)	—	(525)
Reinstatement premiums collected (expensed) on catastrophe losses		—	—	—	—	—	—	—
Catastrophe losses, gross of related adjustments		<u>(231)</u>	<u>(246)</u>	<u>(4)</u>	<u>(34)</u>	<u>(10)</u>	<u>—</u>	<u>(525)</u>
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		316	26	61	24	8	(43)	392
Net premiums earned adjustments on PPD—unfavorable (favorable)		(1)	—	32	—	—	—	31
Expense adjustments—unfavorable (favorable)		(6)	—	(3)	—	—	—	(9)
PPD reinstatement premiums—unfavorable (favorable)		—	(3)	—	—	—	—	(3)
PPD, gross of related adjustments—favorable (unfavorable)		<u>309</u>	<u>23</u>	<u>90</u>	<u>24</u>	<u>8</u>	<u>(43)</u>	<u>411</u>
CAY loss and loss expense ex Cats	B	<u>\$ 4,265</u>	<u>\$ 1,281</u>	<u>\$ 369</u>	<u>\$ 2,221</u>	<u>\$ 164</u>	<u>\$ 2</u>	<u>\$ 8,302</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 1,417	\$ 607	\$ 39	\$ 1,739	\$ 102	\$ 137	\$ 4,041
Expense adjustments—favorable (unfavorable)		<u>6</u>	<u>—</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9</u>
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 1,423</u>	<u>\$ 607</u>	<u>\$ 42</u>	<u>\$ 1,739</u>	<u>\$ 102</u>	<u>\$ 137</u>	<u>\$ 4,050</u>
Denominator								
Net premiums earned	E	\$ 6,475	\$ 2,322	\$ 433	\$ 4,339	\$ 327		\$13,896
Net premiums earned adjustments on PPD—unfavorable (favorable)		(1)	—	32	—	—		31
PPD reinstatement premiums—unfavorable (favorable)		—	(3)	—	—	—		(3)
Net premiums earned excluding adjustments	F	<u>\$ 6,474</u>	<u>\$ 2,319</u>	<u>\$ 465</u>	<u>\$ 4,339</u>	<u>\$ 327</u>		<u>\$13,924</u>
P&C combined ratio								
Loss and loss expense ratio	A/E	64.7%	64.7%	65.5%	51.4%	50.6%		60.6%
Policy acquisition cost and administrative expense ratio	C/E	21.8%	26.2%	9.0%	40.1%	31.5%		29.0%
P&C combined ratio		<u>86.5%</u>	<u>90.9%</u>	<u>74.5%</u>	<u>91.5%</u>	<u>82.1%</u>		<u>89.6%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	65.9%	55.2%	79.5%	51.2%	50.1%		59.6%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	21.9%	26.2%	9.0%	40.1%	31.5%		29.1%
CAY P&C combined ratio ex Cats		<u>87.8%</u>	<u>81.4%</u>	<u>88.5%</u>	<u>91.3%</u>	<u>81.6%</u>		<u>88.7%</u>
Combined ratio								
Combined ratio								89.6%
Add: impact of gains and losses on crop derivatives								<u>0.0%</u>

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

Chubb Limited
Glossary

Chubb Limited Consolidated comprises all segments including Corporate.

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

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

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

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

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

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

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

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

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

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

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

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

NM: Not meaningful.