
**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) – February 5, 2019

Chubb Limited

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction
of Incorporation)

1-11778
(Commission
File Number)

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

On February 5, 2019, Chubb Limited issued a Press Release reporting its fourth quarter 2018 results and the availability of its fourth quarter 2018 Financial Supplement. The Press Release and the Financial Supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are hereby incorporated herein by reference.

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 February 5, 2019, Reporting Fourth Quarter 2018 Results
99.2	Fourth Quarter 2018 Financial Supplement

SIGNATURES

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

Chubb Limited

By: /s/ Philip V. Bancroft

Philip V. Bancroft

Executive Vice President and Chief Financial Officer

DATE: February 5, 2019

News Release

Chubb Reports Fourth Quarter Net Income Per Share and Core Operating Income Per Share of \$0.76 and \$2.02, Respectively, Including Catastrophe Losses of \$1.09 Per Share; Full-Year Net Income Per Share was \$8.49, up 3.7%, and Core Operating Income Per Share was \$9.44, up 17.6%

- Fourth quarter net income was \$355 million. Core operating income was \$935 million compared with \$1.5 billion prior year, which included a tax benefit of \$450 million.
- After-tax catastrophe losses in the quarter were \$506 million, as previously announced, compared with \$331 million prior year.
- Fourth quarter consolidated and P&C net premiums written were \$7.4 billion and \$6.8 billion, respectively, both up 4.2%, or up 5.9% and 5.8%, respectively, in constant dollars.
- Fourth quarter P&C combined ratio was 93.1% compared with 90.7% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 88.3% compared with 86.4% prior year.
- For the quarter, net investment income was a record \$848 million pre-tax, up 6.4%, and adjusted net investment income was a record \$903 million pre-tax, up 3.4%.
- Full-year net income was \$4.0 billion, up 2.6%, and core operating income was \$4.4 billion, up 16.5%.
- Full-year consolidated net premiums written were \$30.6 billion, up 4.6%, or 4.1% in constant dollars; full-year P&C net premiums written were \$28.3 billion, up 4.4%, or 4.0% in constant dollars.
- Full-year P&C combined ratio was 90.6% compared with 94.7% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 88.0% compared with 87.6% prior year.
- Annualized ROE and core operating ROE were 7.8% and 8.7%, respectively, for the year.
- For the year, net investment income was \$3.3 billion pre-tax, up 5.8%, and adjusted net investment income was \$3.6 billion pre-tax, up 2.8%, both records.
- Book value per share decreased 0.7% and tangible book value per share remained unchanged for the year. Excluding the mark-to-market impact on the investment portfolio, primarily as a result of rising interest rates, book and tangible book value per share increased 2.7% and 5.8%, respectively, for the year.

ZURICH – February 5, 2019 – Chubb Limited (NYSE: CB) today reported net income for the quarter ended December 31, 2018 of \$355 million, or \$0.76 per share, compared with \$1,533 million, or \$3.27 per share, for the same quarter last year. Core operating income was \$935 million, or \$2.02 per share, compared with \$1,489 million, or \$3.17 per share, for the same quarter last year. The property and casualty (P&C) combined ratio was 93.1%. Book and tangible book value per share decreased 0.8% and 1.4%, respectively, from September 30, 2018 and now stand at \$109.56 and \$65.89, respectively. Book and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$383 million after-tax in the company's investment portfolio, primarily reflecting the widening of credit spreads on corporate fixed income securities late in the quarter, partially offset by the decline in interest rates.

Chubb Limited

Fourth Quarter Summary

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

(Unaudited)

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income	\$355	\$1,533	(76.9)%	\$0.76	\$3.27	(76.8)%
Chubb integration expenses, net of tax	15	57	(73.7)%	0.03	0.12	(75.0)%
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	42	41	2.4%	0.09	0.09	0.0%
Adjusted net realized losses (gains), net of tax	523	(142)	NM	1.14	(0.31)	NM
Core operating income, net of tax	\$935	\$1,489	(37.2)%	\$2.02	\$3.17	(36.3)%

For the three months ended December 31, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(5) million and \$(20) million, respectively, for Chubb integration expenses; \$(8) million and \$(23) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$(20) million for adjusted net realized gains and losses for both periods; and \$192 million and \$(319) million, respectively, for core operating income.

For the year ended December 31, 2018, net income was \$3,962 million, or \$8.49 per share, compared with \$3,861 million, or \$8.19 per share, for 2017. Core operating income was \$4,407 million, or \$9.44 per share, compared with \$3,784 million, or \$8.03 per share, for 2017. The P&C combined ratio was 90.6% for the year compared with 94.7% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 88.0% for the year compared with 87.6% prior year. Book value per share decreased 0.7% and tangible book value per share remained unchanged from December 31, 2017. Book and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$1,709 million after-tax in the company's investment portfolio, principally driven by rising interest rates during the year.

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Chubb Limited**Full Year Summary****(in millions of U.S. dollars, except per share amounts)****(Unaudited)**

				(Per Share - Diluted)		
	2018	2017	Change	2018	2017	Change
Net income	\$ 3,962	\$3,861	2.6%	\$8.49	\$8.19	3.7%
Chubb integration expenses, net of tax	47	217	(78.3)%	0.10	0.46	(78.3)%
Amortization of fair value adjustment of acquired invested assets and long- term debt, net of tax	175	198	(11.6)%	0.37	0.42	(11.9)%
Adjusted net realized losses (gains), net of tax	223	(492)	NM	0.48	(1.04)	NM
Core operating income, net of tax	\$ 4,407	\$3,784	16.5%	\$9.44	\$8.03	17.6%

For the years ended December 31, 2018 and 2017, the tax expenses (benefits) related to the table above were \$(12) million and \$(93) million, respectively, for Chubb integration expenses; \$(40) million and \$(85) million, respectively, for amortization of fair value adjustment of acquired invested assets and long-term debt; \$5 million for adjusted net realized gains and losses for both periods; and \$742 million and \$34 million, respectively, for core operating income.

Evan G. Greenberg, Chairman and Chief Executive Officer of Chubb Limited, commented: “Chubb performed well in a quarter marked by elevated natural catastrophe losses, on the one hand, and stronger premium revenue growth, improved commercial P&C pricing globally and record net investment income, on the other. Core operating income was \$935 million compared with \$1.5 billion prior year, which included a one-time tax benefit and lighter CAT activity. Our P&C combined ratio of 93.1% included 8.5 points of pre-tax CAT losses.

“P&C net premiums written in the quarter grew nearly 6% in constant dollars, driven by our growth initiatives and improved pricing in the U.S., London and a number of other markets around the world. In North America, commercial P&C premiums grew about 5%, while in our international operations premiums were up 8% in constant dollars. Globally, this was our best quarter of the year – and for some of our businesses the best in several years – in terms of the pace and broad-based nature of price change and improved underwriting conditions.

“Benefiting from higher reinvestment rates and our strong cash flow, adjusted pre-tax net investment income in the quarter was \$903 million, up about 3.5%, and contributed to investment income of \$3.6 billion for the year – both records.

“Looking at our 12-month results, a more meaningful perspective given the natural quarter-to-quarter volatility of the risk business, we completed a very good year with core operating income of \$4.4 billion, or \$9.44 per share, up 18% on a per share basis from ‘17. Net premiums written grew 4.5%. The full-year P&C combined ratio was 90.6%, compared to 94.7% prior year, and that’s with \$1.6 billion of CAT losses – about

\$700 million more than we expected. The current accident year combined ratio excluding CATs was 88% versus 87.6% prior year.

“Our earnings led to a core operating ROE of 8.7%, or 9.8% with an expected level of catastrophe losses. Book and tangible book value per share growth were impacted last year by the mark-to-market effect of rising interest rates on the investment portfolio, which will amortize away over a reasonably short period of time. Book value per share was down about 0.5% while tangible book value per share growth was flat; excluding the mark, they grew 2.7% and 5.8%, respectively.

“We have good momentum as we execute on our business initiatives across the globe and take advantage of an improving price and underwriting environment that the industry needs. Our organization is optimistic about the year ahead and we are off to a good start.”

Operating highlights for the quarter ended December 31, 2018 were as follows:

Chubb Limited (in millions of U.S. dollars except for percentages)	Q4 2018	Q4 2017	Change
<u>P&C</u>			
Net premiums written (increase of 5.8% in constant dollars)	\$ 6,768	\$ 6,496	4.2%
Underwriting income	\$ 476	\$ 623	(23.5)%
Combined ratio	93.1%	90.7%	
Current accident year underwriting income excluding catastrophe losses	\$ 808	\$ 912	(11.3)%
Current accident year combined ratio excluding catastrophe losses	88.3%	86.4%	
<u>Global P&C (excludes Agriculture)</u>			
Net premiums written (increase of 4.8% in constant dollars)	\$ 6,571	\$ 6,370	3.2%
Underwriting income	\$ 315	\$ 433	(26.9)%
Combined ratio	95.2%	93.3%	
Current accident year underwriting income excluding catastrophe losses	\$ 670	\$ 758	(11.3)%
Current accident year combined ratio excluding catastrophe losses	89.8%	88.2%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 197	\$ 126	55.8%
Combined ratio	49.5%	24.4%	
Current accident year combined ratio excluding catastrophe losses	56.8%	40.0%	

Operating highlights for the year ended December 31, 2018 were as follows:

Chubb Limited (in millions of U.S. dollars except for percentages)	FY 2018	FY 2017	Change
<u>P&C</u>			
Net premiums written (increase of 4.0% in constant dollars)	\$ 28,309	\$ 27,103	4.4%
Underwriting income	\$ 2,611	\$ 1,430	82.6%
Combined ratio	90.6%	94.7%	
Current accident year underwriting income excluding catastrophe losses	\$ 3,341	\$ 3,347	(0.2)%
Current accident year combined ratio excluding catastrophe losses	88.0%	87.6%	
<u>Global P&C (excludes Agriculture)</u>			
Net premiums written (increase of 4.0% in constant dollars)	\$ 26,732	\$ 25,587	4.5%
Underwriting income	\$ 2,226	\$ 1,038	114.6%
Combined ratio	91.5%	95.9%	
Current accident year underwriting income excluding catastrophe losses	\$ 3,045	\$ 3,056	(0.3)%
Current accident year combined ratio excluding catastrophe losses	88.4%	88.0%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 1,577	\$ 1,516	4.0%
Combined ratio	75.5%	74.0%	
Current accident year combined ratio excluding catastrophe losses	81.6%	81.5%	

- Net premiums earned increased 3.4%, or 4.9% in constant dollars, for the quarter and 3.5%, or 3.1% in constant dollars, for the year.
- Fourth quarter P&C combined ratio was 93.1% compared with 90.7% prior year. The P&C current accident year combined ratio excluding catastrophe losses was 88.3% compared with 86.4% prior year. The current quarter was impacted by high loss activity in North American commercial property lines (1.4 percentage points) and elevated homeowners loss activity.
- For the quarter, total pre-tax and after-tax catastrophe losses were \$585 million (8.5 percentage points of the combined ratio) and \$506 million, respectively, compared with \$447 million (6.7 percentage points of the combined ratio) and \$331 million, respectively, last year.
- For the year, total pre-tax and after-tax catastrophe losses were \$1,626 million (5.9 percentage points of the combined ratio) and \$1,354 million, respectively, compared with \$2,746 million (10.2 percentage points of the combined ratio) and \$2,171 million, respectively, last year.
- For the quarter, total pre-tax and after-tax favorable prior period development were \$253 million (3.7 percentage points of the combined ratio) and \$202 million, respectively, compared with \$158 million (2.4 percentage points of the combined ratio) and \$130 million, respectively, last year. Pre-tax prior period development included a favorable reinsurance settlement in the quarter of \$130 million and \$108 million of adverse development for legacy exposures, principally asbestos, compared with \$138 million, last year.
- For the year, total pre-tax and after-tax favorable prior period development were \$896 million (3.3 percentage points of the combined ratio) and \$706 million, respectively, compared with \$829 million (3.1 percentage points of the combined ratio) and \$634 million, respectively, last year.
- For the quarter, net investment income was a record \$848 million, up 6.4%, and adjusted net investment income was a record \$903 million, up 3.4%, which was above the guidance range, reflecting higher reinvestment rates and private equity distributions. For the year, adjusted net investment income was a record \$3.6 billion, up 2.8%.
- Operating cash flow was \$1.6 billion for the quarter and \$5.5 billion for the year.
- Share repurchases totaled \$318 million, or approximately 2.5 million shares, during the quarter and \$1.0 billion, or approximately 7.7 million shares, for the year.
- For the year, net loss reserves decreased \$661 million adjusted for foreign exchange, principally driven by loss payments related to the 2017 catastrophe events.
- For the quarter, book and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$383 million after-tax in the company's investment portfolio as noted above, realized losses of \$263 million after-tax in the company's variable annuity reinsurance business, and unrealized losses of \$205 million after-tax related to the annual review of the company's retirement benefit plans. In addition, foreign currency movement (FX) unfavorably impacted book value by \$95 million after-tax and tangible book value by \$24 million after-tax.

- For the year, book and tangible book value per share were unfavorably impacted by net realized and unrealized losses of \$1,709 million after-tax in the company's investment portfolio as noted above, realized losses of \$252 million after-tax in the company's variable annuity reinsurance business, and unrealized losses of \$254 million after-tax related to the company's retirement benefit plans, principally as a result of the annual review. In addition, FX unfavorably impacted book value by \$667 million after-tax and tangible book value by \$340 million after-tax.

Details of financial results by business segment are available in the Chubb Limited Financial Supplement. Key segment items for the quarter ended December 31, 2018 are presented below:

Chubb Limited

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

	Q4 2018	Q4 2017	Change
<u>Total North America P&C Insurance</u>			
Net premiums written	\$ 4,413	\$ 4,226	4.4%
Combined ratio	89.0%	88.0%	
Current accident year combined ratio excluding catastrophe losses	85.3%	82.8%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written:	\$ 3,143	\$ 3,000	4.8%
Major accounts retail and excess and surplus (E&S) wholesale	\$ 1,839	\$ 1,753	5.0%
Middle market and small commercial	\$ 1,304	\$ 1,247	4.6%
Combined ratio	91.3%	86.2%	
Current accident year combined ratio excluding catastrophe losses	88.2%	87.3%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 1,073	\$ 1,100	(2.5)%
Net premiums written adjusted for additional reinsurance including UPR transfer, and reinstatement premiums			2.3%
Combined ratio	93.8%	107.5%	
Current accident year combined ratio excluding catastrophe losses	85.5%	80.5%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 197	\$ 126	55.8%
Combined ratio	49.5%	24.4%	
Current accident year combined ratio excluding catastrophe losses	56.8%	40.0%	
<u>Overseas General Insurance</u>			
Net premiums written (increase of 7.9% in constant dollars)	\$ 2,238	\$ 2,165	3.4%
Combined ratio	92.1%	84.3%	
Current accident year combined ratio excluding catastrophe losses	90.4%	90.3%	

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- North America Personal P&C Insurance: Net premiums written decreased 2.5% in the quarter, reflecting the addition of California to the homeowners quota share reinsurance treaty effective October 1, 2018.
- Global Reinsurance: Net premiums written increased 11.0%, or 11.7% in constant dollars, primarily due to higher new business and reinstatement premiums collected related to catastrophe events in the quarter, partially offset by lower renewals. The combined ratio for the quarter was 166.9% compared with 110.2%. The current accident year combined ratio excluding catastrophe losses for the quarter was 83.2%, compared with 81.4%.
- Life Insurance: Segment income for the quarter was \$89 million, up 27.1%. International life insurance income was \$32 million for the quarter, up 69.6%. Combined Insurance North America contributed segment income of \$45 million for the quarter, up 18.7% with an increase in net premiums written of 6.1% for the quarter, or 7.1% in constant dollars.

Key segment items for the year ended December 31, 2018 are presented below:

Chubb Limited (in millions of U.S. dollars except for percentages)	FY 2018	FY 2017	Change
<u>Total North America P&C Insurance</u>			
Net premiums written	\$ 18,736	\$ 18,068	3.7%
Combined ratio	88.4%	92.2%	
Current accident year combined ratio excluding catastrophe losses	85.5%	84.9%	
<u>North America Commercial P&C Insurance</u>			
Net premiums written:	\$ 12,485	\$ 12,019	3.9%
Major accounts retail and excess and surplus (E&S) wholesale	\$ 7,361	\$ 7,076	4.0%
Middle market and small commercial	\$ 5,124	\$ 4,943	3.7%
Combined ratio	87.0%	91.4%	
Current accident year combined ratio excluding catastrophe losses	87.3%	87.5%	
<u>North America Personal P&C Insurance</u>			
Net premiums written	\$ 4,674	\$ 4,533	3.1%
Combined ratio	96.6%	100.7%	
Current accident year combined ratio excluding catastrophe losses	81.9%	78.9%	
<u>North America Agricultural Insurance</u>			
Net premiums written	\$ 1,577	\$ 1,516	4.0%
Combined ratio	75.5%	74.0%	
Current accident year combined ratio excluding catastrophe losses	81.6%	81.5%	
<u>Overseas General Insurance</u>			
Net premiums written (increase of 5.3% in constant dollars)	\$ 8,902	\$ 8,350	6.6%
Combined ratio	90.4%	92.0%	
Current accident year combined ratio excluding catastrophe losses	90.5%	91.0%	

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- Global Reinsurance: Net premiums written for the year decreased 2.1%, or 3.3% in constant dollars. The combined ratio for the year was 101.8%, compared with 111.2%. The current accident year combined ratio excluding catastrophe losses for the year was 81.6%, compared with 79.2%.
- Life Insurance: Segment income for the year was \$308 million, up 24.6%. International life insurance income was \$103 million for the year, up 90.5%. Combined Insurance North America contributed segment income of \$153 million for the year, up 6.8%, with an increase in net premiums written of 6.6%.

Please refer to the Chubb Limited [Financial Supplement](#), dated December 31, 2018, which is posted on the company's investor relations website, investors.chubb.com, in the Financials section for more detailed information on individual segment performance, together with additional disclosure on reinsurance recoverable, loss reserves, investment portfolio, and debt and capital.

Chubb Limited will hold its fourth quarter earnings conference call on Wednesday, February 6, 2019, beginning at 8:30 a.m. Eastern. The earnings conference call will be available via live webcast at investors.chubb.com or by dialing 888-204-4368 (within the United States) or 323-794-2423 (international), passcode 6814087. Please refer to the Chubb investor relations website under Events and Presentations for details. A replay of the call will be available until Wednesday, February 20, 2019, and the archived webcast will be available for approximately one month. To listen to the replay, please [click here](#) to register and receive dial-in numbers.

About Chubb

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

Investor Contact

Karen Beyer: (212) 827-4445; karen.beyer@chubb.com

Media Contact

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

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

Regulation G - Non-GAAP Financial Measures

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

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

Adjusted net investment income is net investment income excluding the amortization of the fair value adjustment on acquired invested assets of \$55 million in Q4 2018 and \$248 million for full-year 2018. We believe this measure is meaningful as it highlights the underlying performance of our invested assets and portfolio management in support of our lines of business.

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

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

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

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

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

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

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

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

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

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

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

Tangible book value per common share, net of tax, is shareholders' equity less goodwill and other intangible assets divided by the shares outstanding. We believe that goodwill and other intangible assets are not indicative of our underlying insurance results or trends and make book value comparisons to less acquisitive peer companies less meaningful. In addition, we disclose per share measures for book value and tangible book value that exclude the impact of foreign currency fluctuations in order to adjust for the distortive effects of fluctuations in exchange rates.

Book and tangible book value per share excluding unrealized investment gains (losses) does not include unrealized gains (losses) on investments because they are heavily influenced by changes in market conditions, including interest rate changes. We believe these measures are meaningful to understanding growth in book and tangible book value by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments.

Other income (expense) – operating excludes from consolidated Other income (expense) the portion of net realized gains and losses related to unconsolidated entities and gains and losses from fair value changes in separate account assets that

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

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

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

NM - not meaningful comparison

Cautionary Statement Regarding Forward-Looking Statements:

Forward-looking statements made in this press release, such as those related to company performance, including 2019 performance and growth opportunities, 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, possible terrorism or the outbreak and effects of war, economic, political, regulatory, insurance and reinsurance business conditions, potential strategic opportunities including acquisitions and our ability to achieve and integrate them, as well as management's response to these factors, and other factors identified in our filings with the Securities and Exchange Commission (SEC).

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

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

	December 31 2018	December 31 2017
Assets		
Investments	\$ 100,968	\$ 102,444
Cash	1,247	728
Insurance and reinsurance balances receivable	10,075	9,334
Reinsurance recoverable on losses and loss expenses	15,993	15,034
Goodwill and other intangible assets	21,414	22,054
Other assets	18,074	17,428
Total assets	<u>\$ 167,771</u>	<u>\$ 167,022</u>
Liabilities		
Unpaid losses and loss expenses	\$ 62,960	\$ 63,179
Unearned premiums	15,532	15,216
Other liabilities	38,967	37,455
Total liabilities	<u>\$ 117,459</u>	<u>\$ 115,850</u>
Shareholders' equity		
Total shareholders' equity	50,312	51,172
Total liabilities and shareholders' equity	<u>\$ 167,771</u>	<u>\$ 167,022</u>
Book value per common share	\$ 109.56	\$ 110.32
Tangible book value per common share	\$ 65.89	\$ 65.87
Book value per common share excluding cumulative translation losses ⁽¹⁾	\$ 113.87	\$ 112.88
Tangible book value per common share excluding cumulative translation losses ⁽¹⁾	\$ 68.87	\$ 67.84

(1) Cumulative translation losses were \$2.0 billion in 2018 (\$1.4 billion on tangible and \$607 million on intangible net assets) and \$1.2 billion in 2017 (\$914 million on tangible and \$273 million on intangible net assets).

Chubb Limited**Summary Consolidated Financial Data**

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

(Unaudited)

	Three Months Ended December 31		Year Ended December 31	
	2018	2017	2018	2017
Gross premiums written	\$ 9,252	\$ 8,960	\$37,968	\$36,376
Net premiums written	7,350	7,051	30,579	29,244
Net premiums earned	7,465	7,218	30,064	29,034
Losses and loss expenses	4,610	4,272	18,067	18,454
Policy benefits	162	176	590	676
Policy acquisition costs	1,480	1,447	5,912	5,781
Administrative expenses	728	737	2,886	2,833
Net investment income	848	797	3,305	3,125
Net realized gains (losses)	(687)	—	(652)	84
Interest expense	153	156	641	607
Other income (expense):				
Gains (losses) from separate account assets	(20)	27	(38)	97
Other	147	40	472	303
Amortization of purchased intangibles	86	66	339	260
Chubb integration expenses	20	77	59	310
Income tax expense (benefit) (1)	159	(382)	695	(139)
Net income	\$ 355	\$ 1,533	\$ 3,962	\$ 3,861

Diluted earnings per share:

Net income	\$ 0.76	\$ 3.27	\$ 8.49	\$ 8.19
Core operating income	\$ 2.02	\$ 3.17	\$ 9.44	\$ 8.03
Weighted average diluted shares outstanding	463.4	469.5	466.8	471.2

(1) 2017 included the one-time tax transition benefit of \$450 million related to the 2017 Tax Reform.

P&C combined ratio

Loss and loss expense ratio	64.3%	61.4%	62.1%	65.8%
Policy acquisition cost ratio	19.3%	19.4%	19.2%	19.5%
Administrative expense ratio	9.5%	9.9%	9.3%	9.4%
P&C combined ratio	93.1%	90.7%	90.6%	94.7%
P&C underwriting income	\$ 476	\$ 623	\$ 2,611	\$ 1,430

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

	Three Months Ended December 31		Year Ended December 31	
	2018	2017	2018	2017
Gross Premiums Written				
North America Commercial P&C Insurance	\$ 4,228	\$ 4,102	\$16,336	\$15,751
North America Personal P&C Insurance	1,291	1,260	5,330	5,152
North America Agricultural Insurance	273	276	2,291	2,315
Overseas General Insurance	2,729	2,632	10,885	10,151
Global Reinsurance	117	104	722	746
Life Insurance ⁽¹⁾	989	974	3,942	3,697
<i>Total</i>	<u>\$ 9,627</u>	<u>\$ 9,348</u>	<u>\$39,506</u>	<u>\$37,812</u>
Net Premiums Written				
North America Commercial P&C Insurance	\$ 3,143	\$ 3,000	\$12,485	\$12,019
North America Personal P&C Insurance	1,073	1,100	4,674	4,533
North America Agricultural Insurance	197	126	1,577	1,516
Overseas General Insurance	2,238	2,165	8,902	8,350
Global Reinsurance	117	105	671	685
Life Insurance ⁽¹⁾	957	943	3,808	3,577
<i>Total</i>	<u>\$ 7,725</u>	<u>\$ 7,439</u>	<u>\$32,117</u>	<u>\$30,680</u>
Net Premiums Earned				
North America Commercial P&C Insurance	\$ 3,077	\$ 3,035	\$12,402	\$12,191
North America Personal P&C Insurance	1,130	1,103	4,593	4,399
North America Agricultural Insurance	318	252	1,569	1,508
Overseas General Insurance	2,187	2,113	8,612	8,131
Global Reinsurance	178	162	670	704
Life Insurance	575	553	2,218	2,101
<i>Total</i>	<u>\$ 7,465</u>	<u>\$ 7,218</u>	<u>\$30,064</u>	<u>\$29,034</u>
Segment income (loss)				
North America Commercial P&C Insurance	\$ 790	\$ 909	\$ 3,665	\$ 3,010
North America Personal P&C Insurance	126	(29)	378	177
North America Agricultural Insurance	161	189	383	386
Overseas General Insurance	306	460	1,401	1,216
Global Reinsurance	(48)	50	277	196
Life Insurance	89	70	308	248
Corporate	(139)	(311)	(589)	(759)
<i>Total</i>	<u>\$ 1,285</u>	<u>\$ 1,338</u>	<u>\$ 5,823</u>	<u>\$ 4,474</u>

(1) Life Insurance gross and net premiums written includes deposits collected on universal life and investment contracts in 2018 (Q4 \$375 million, full-year \$1,538 million) and 2017 (Q4 \$388 million, full-year \$1,436 million).



Chubb Limited
Financial Supplement
for the Quarter and Year Ended December 31, 2018

Investor Contacts

Karen Beyer: (212) 827-4445
email: investorrelations@chubb.com

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

Cautionary Statement Regarding Forward-Looking Statements

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

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

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

	Three months ended December 31 2018	December 31 2017	% Change 4Q-18 vs. 4Q-17	Constant \$ 2017	Constant \$ % Change 4Q-18 vs. 4Q-17
Gross premiums written	\$ 9,252	\$ 8,960	3.3%	\$ 8,828	4.8%
Net premiums written	\$ 7,350	\$ 7,051	4.2%	\$ 6,942	5.9%
P&C net premiums written	\$ 6,768	\$ 6,496	4.2%	\$ 6,395	5.8%
Global P&C net premiums written	\$ 6,571	\$ 6,370	3.2%	\$ 6,269	4.8%
Net premiums earned	\$ 7,465	\$ 7,218	3.4%	\$ 7,115	4.9%
Net investment income	\$ 848	\$ 797	6.4%	\$ 792	7.2%
Adjusted net investment income	\$ 903	\$ 873	3.4%	\$ 868	4.1%
Core operating income	\$ 935	\$ 1,489	-37.2%	\$ 1,476	-36.6%
Net income	\$ 355	\$ 1,533	-76.9%		
Operating cash flow	\$ 1,583	\$ 1,092			
P&C combined ratio					
Loss and loss expense ratio	64.3%	61.4%			
Policy acquisition cost and administrative expense ratio	28.8%	29.3%			
Combined ratio	93.1%	90.7%			
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats) (1)					
CAY loss and loss expense ratio ex Cats	59.5%	57.1%			
CAY policy acquisition cost and administrative expense ratio ex Cats	28.8%	29.3%			
CAY combined ratio ex Cats	88.3%	86.4%			
ROE	2.8%	12.1%			
Core operating return on equity (ROE)	7.3%	12.1%			
Effective tax rate	31.1%	-33.1%			
Core operating effective tax rate (2)	17.1%	-27.2%			
Diluted earnings per share					
Net income	\$ 0.76	\$ 3.27	-76.8%		
Core operating income	\$ 2.02	\$ 3.17	-36.3%		
Weighted average basic common shares outstanding	460.6	465.4			
Weighted average diluted common shares outstanding	463.4	469.5			

- (1) Q4 2018 was impacted by high loss activity in North American commercial property lines (1.4 percentage points) and elevated homeowners loss activity.
(2) Q4 2017 included a one-time transition benefit of \$450 million, or 38.4 percentage points, related to the 2017 U.S. Tax Reform. Excluding the one-time benefit, core operating effective tax rate for the quarter was 11.2%.

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

	Year ended December 31		% Change	% Change ex Merger Actions (1)	Constant \$	Constant \$	CS % Change ex Merger Actions (1)
	2018	2017	2018 vs. 2017	2018 vs. 2017	2017	2018 vs. 2017	2018 vs. 2017
Gross premiums written	\$ 37,968	\$ 36,376	4.4%		\$ 36,510	4.0%	
Net premiums written	\$ 30,579	\$ 29,244	4.6%		\$ 29,369	4.1%	
P&C net premiums written	\$ 28,309	\$ 27,103	4.4%	4.9%	\$ 27,222	4.0%	4.5%
Global P&C net premiums written	\$ 26,732	\$ 25,587	4.5%	5.0%	\$ 25,706	4.0%	4.5%
Net premiums earned	\$ 30,064	\$ 29,034	3.5%		\$ 29,152	3.1%	
Net investment income	\$ 3,305	\$ 3,125	5.8%		\$ 3,127	5.7%	
Adjusted net investment income	\$ 3,553	\$ 3,457	2.8%		\$ 3,459	2.7%	
Core operating income	\$ 4,407	\$ 3,784	16.5%		\$ 3,802	15.9%	
Net income	\$ 3,962	\$ 3,861	2.6%				
Operating cash flow	\$ 5,480	\$ 4,503					
P&C combined ratio							
Loss and loss expense ratio	62.1%	65.8%					
Policy acquisition cost and administrative expense ratio	28.5%	28.9%					
Combined ratio	90.6%	94.7%					
P&C Current Accident Year (CAY) combined ratio ex Catastrophe losses (Cats)							
CAY loss and loss expense ratio ex							
Cats	59.6%	58.8%					
CAY policy acquisition cost and administrative expense ratio ex							
Cats	28.4%	28.8%					
CAY combined ratio ex Cats	88.0%	87.6%					
ROE	7.8%	7.8%					
Core operating return on equity (ROE)							
	8.7%	7.8%					
Effective tax rate							
	14.9%	-3.7%					
Core operating effective tax rate (2)							
	14.4%	0.9%					
Diluted earnings per share							
Net income	\$ 8.49	\$ 8.19	3.7%				
Core operating income	\$ 9.44	\$ 8.03	17.6%				
Weighted average basic common shares outstanding							
	463.6	467.1					
Weighted average diluted common shares outstanding							
	466.8	471.2					
Book value per common share							
	\$ 109.56	\$ 110.32	-0.7%				
Tangible book value per common share							
	\$ 65.89	\$ 65.87	0.0%				
Total hybrid & financial debt/capitalization							
	20.4%	20.1%					

(1) Consolidated net premiums written were adversely impacted by merger-related actions of \$138 million for 2018, of which \$135 million impacted P&C net premiums written.

(2) Full year 2017 included a one-time transition benefit of \$450 million, or 11.8 percentage points, related to the 2017 U.S. Tax Reform. Excluding the one-time benefit, core operating effective tax rate for the year was 12.7%.

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

Consolidated Statements of Operations

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
Gross premiums written	\$ 9,252	\$ 10,054	\$ 9,929	\$ 8,733	\$ 8,960	\$ 37,968	\$ 36,376
Net premiums written	7,350	8,110	8,015	7,104	7,051	30,579	29,244
Net premiums earned	7,465	7,908	7,664	7,027	7,218	30,064	29,034
(1) Adjusted losses and loss expenses	4,615	4,876	4,479	4,100	4,272	18,070	18,461
Realized (gains) losses on crop derivatives	5	8	(8)	(2)	—	3	7
Losses and loss expenses	4,610	4,868	4,487	4,102	4,272	18,067	18,454
Policy benefits	162	127	150	151	176	590	676
Policy acquisition costs	1,480	1,504	1,464	1,464	1,447	5,912	5,781
Administrative expenses	728	719	747	692	737	2,886	2,833
(2) Adjusted net investment income	903	883	890	877	873	3,553	3,457
Amortization expense of fair value adjustment on acquired invested assets	(55)	(60)	(62)	(71)	(76)	(248)	(332)
Net investment income	848	823	828	806	797	3,305	3,125
(3) Adjusted realized gains (losses)	(682)	27	10	(4)	—	(649)	91
Realized gains (losses) on crop derivatives	(5)	(8)	8	2	—	(3)	(7)
Net realized gains (losses)	(687)	19	18	(2)	—	(652)	84
(4) Adjusted interest expense	158	170	177	169	168	674	656
Amortization benefit of fair value adjustment on acquired long term debt	(5)	(6)	(10)	(12)	(12)	(33)	(49)
Interest expense	153	164	167	157	156	641	607
Gains (losses) from fair value changes in separate account assets	(20)	(14)	(10)	6	27	(38)	97
Net realized gains (losses) related to unconsolidated entities	139	152	96	44	122	431	406
Other income (expense)—operating	8	7	29	(3)	(82)	41	(103)
Other income (expense)	127	145	115	47	67	434	400
Amortization expense of purchased intangibles	86	83	85	85	66	339	260
Chubb integration expenses	20	16	13	10	77	59	310
Income tax expense (benefit)	159	183	218	135	(382)	695	(139)
Net income	<u>\$ 355</u>	<u>\$ 1,231</u>	<u>\$ 1,294</u>	<u>\$ 1,082</u>	<u>\$ 1,533</u>	<u>\$ 3,962</u>	<u>\$ 3,861</u>

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

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

Chubb Limited P&C Underwriting Results

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
P&C Underwriting income (Including Corporate and excluding Life Insurance)							
Gross premiums written	\$ 8,638	\$ 9,455	\$ 9,330	\$ 8,141	\$ 8,374	\$ 35,564	\$ 34,115
Net premiums written	6,768	7,546	7,450	6,545	6,496	28,309	27,103
Net premiums earned	6,890	7,357	7,112	6,487	6,665	27,846	26,933
Adjusted losses and loss expenses	4,433	4,681	4,295	3,895	4,089	17,304	17,722
Policy acquisition costs	1,328	1,365	1,326	1,336	1,293	5,355	5,251
Administrative expenses	653	642	667	614	660	2,576	2,530
P&C Underwriting income	<u>\$ 476</u>	<u>\$ 669</u>	<u>\$ 824</u>	<u>\$ 642</u>	<u>\$ 623</u>	<u>\$ 2,611</u>	<u>\$ 1,430</u>
P&C CAY Underwriting income ex Cats	<u>\$ 808</u>	<u>\$ 876</u>	<u>\$ 844</u>	<u>\$ 813</u>	<u>\$ 912</u>	<u>\$ 3,341</u>	<u>\$ 3,347</u>
% Change versus prior year period							
Net premiums written	4.2%	2.5%	5.6%	5.8%	1.7%	4.4%	4.2%
Net premiums written excluding merger-related actions (1)	4.3%	2.9%	6.2%	6.6%	3.7%	4.9%	6.3%
Net premiums earned	3.4%	1.0%	5.8%	3.5%	2.2%	3.4%	0.9%
Net premiums written constant \$	5.8%	2.8%	4.1%	3.4%	0.5%	4.0%	4.2%
Net premiums written constant \$ excluding merger-related actions (1)	6.0%	3.3%	4.7%	4.1%	2.5%	4.5%	6.2%
Net premiums earned constant \$	4.9%	1.4%	4.0%	1.6%	1.0%	3.0%	0.7%
P&C combined ratio							
Loss and loss expense ratio	64.3%	63.6%	60.4%	60.0%	61.4%	62.1%	65.8%
Policy acquisition cost ratio	19.3%	18.6%	18.6%	20.6%	19.4%	19.2%	19.5%
Administrative expense ratio	9.5%	8.7%	9.4%	9.5%	9.9%	9.3%	9.4%
Combined ratio	<u>93.1%</u>	<u>90.9%</u>	<u>88.4%</u>	<u>90.1%</u>	<u>90.7%</u>	<u>90.6%</u>	<u>94.7%</u>
CAY P&C combined ratio ex Cats (2)							
CAY loss and loss expense ratio ex Cats	59.5%	61.1%	60.0%	57.7%	57.1%	59.6%	58.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	28.8%	27.1%	28.1%	29.9%	29.3%	28.4%	28.8%
CAY combined ratio ex Cats	<u>88.3%</u>	<u>88.2%</u>	<u>88.1%</u>	<u>87.6%</u>	<u>86.4%</u>	<u>88.0%</u>	<u>87.6%</u>
Other ratios							
Net premiums written/gross premiums written	78%	80%	80%	80%	78%	80%	79%
Expense ratio	28.8%	27.3%	28.0%	30.1%	29.3%	28.5%	28.9%
Expense ratio excluding A&H	26.6%	25.2%	25.9%	27.9%	27.2%	26.4%	26.8%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ (8)	\$ 4	\$ —	\$ —	\$ (15)	\$ (4)	\$ 7
Catastrophe losses—pre-tax	\$ 577	\$ 454	\$ 211	\$ 380	\$ 432	\$ 1,622	\$ 2,753
Favorable prior period development (PPD)—pre-tax	\$ (253)	\$ (243)	\$ (191)	\$ (209)	\$ (158)	\$ (896)	\$ (829)

(1) Net premiums written were adversely impacted by merger-related actions of \$10 million in Q4 2018 and \$135 million for full year 2018.

(2) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.

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

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

Global P&C (Including Corporate and excluding Agriculture)

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Global P&C Underwriting income							
Gross premiums written	\$ 8,365	\$ 8,185	\$ 8,787	\$ 7,936	\$ 8,098	\$ 33,273	\$ 31,800
Net premiums written	6,571	6,662	7,062	6,437	6,370	26,732	25,587
Net premiums earned	6,572	6,500	6,761	6,444	6,413	26,277	25,425
Adjusted losses and loss expenses	4,272	3,954	4,014	3,950	4,029	16,190	16,679
Policy acquisition costs	1,323	1,316	1,300	1,337	1,287	5,276	5,170
Administrative expenses	662	640	666	617	664	2,585	2,538
Global P&C Underwriting income	<u>\$ 315</u>	<u>\$ 590</u>	<u>\$ 781</u>	<u>\$ 540</u>	<u>\$ 433</u>	<u>\$ 2,226</u>	<u>\$ 1,038</u>
Global P&C CAY Underwriting income ex Cats	\$ 670	\$ 790	\$ 799	\$ 786	\$ 758	\$ 3,045	\$ 3,056
% Change versus prior year period							
Net premiums written	3.2%	3.5%	6.1%	5.1%	0.3%	4.5%	3.6%
Net premiums written excluding merger-related actions (1)	3.3%	4.0%	6.8%	5.9%	2.3%	5.0%	5.8%
Net premiums earned	2.5%	1.8%	6.0%	3.1%	0.6%	3.3%	0.2%
Net premiums written constant \$	4.8%	3.9%	4.6%	2.6%	-0.8%	4.0%	3.6%
Net premiums written constant \$ excluding merger-related actions (1)	5.0%	4.4%	5.2%	3.4%	1.2%	4.5%	5.8%
Net premiums earned constant \$	4.0%	2.2%	4.1%	1.2%	-0.6%	2.9%	0.0%
Combined ratio							
Loss and loss expense ratio	65.0%	60.8%	59.4%	61.3%	62.8%	61.6%	65.6%
Policy acquisition cost ratio	20.1%	20.2%	19.2%	20.8%	20.1%	20.1%	20.3%
Administrative expense ratio	10.1%	9.9%	9.8%	9.5%	10.4%	9.8%	10.0%
Combined ratio	<u>95.2%</u>	<u>90.9%</u>	<u>88.4%</u>	<u>91.6%</u>	<u>93.3%</u>	<u>91.5%</u>	<u>95.9%</u>
CAY combined ratio ex Cats (2)							
CAY loss and loss expense ratio ex Cats	59.7%	58.1%	59.0%	57.6%	57.9%	58.6%	57.8%
CAY policy acquisition cost and administrative expense ratio ex Cats	30.1%	29.8%	29.2%	30.2%	30.3%	29.8%	30.2%
CAY combined ratio ex Cats	<u>89.8%</u>	<u>87.9%</u>	<u>88.2%</u>	<u>87.8%</u>	<u>88.2%</u>	<u>88.4%</u>	<u>88.0%</u>
Other ratios							
Net premiums written/gross premiums written	79%	81%	80%	81%	79%	80%	80%
Expense ratio	30.2%	30.1%	29.0%	30.3%	30.5%	29.9%	30.3%
Expense ratio excluding A&H	28.2%	28.1%	27.0%	28.2%	28.4%	27.8%	28.3%
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ (8)	\$ 4	\$ —	\$ —	\$ (15)	\$ (4)	\$ 7
Catastrophe losses—pre-tax	\$ 567	\$ 446	\$ 209	\$ 379	\$ 432	\$ 1,601	\$ 2,735
Favorable prior period development (PPD)—pre-tax	\$ (220)	\$ (242)	\$ (191)	\$ (133)	\$ (122)	\$ (786)	\$ (710)

(1) Net premiums written were adversely impacted by merger-related actions of \$10 million in Q4 2018 and \$135 million for full year 2018.

(2) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.

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

	December 31 2018	September 30 2018	June 30 2018	March 31 2018	December 31 2017
Assets					
Fixed maturities available for sale, at fair value	\$ 78,470	\$ 77,853	\$ 77,963	\$ 79,111	\$ 78,939
Fixed maturities held to maturity, at amortized cost	13,435	13,563	13,860	14,253	14,335
Equity securities, at fair value	770	843	933	948	937
Short-term investments, at fair value	3,016	3,479	3,171	2,874	3,561
Other investments	5,277	5,425	5,259	4,919	4,672
Total investments	100,968	101,163	101,186	102,105	102,444
Cash	1,247	1,053	1,000	1,988	728
Securities lending collateral	1,926	2,143	2,355	2,039	1,737
Insurance and reinsurance balances receivable	10,075	10,193	10,341	9,570	9,334
Reinsurance recoverable on losses and loss expenses	15,993	15,088	14,792	14,982	15,034
Deferred policy acquisition costs	4,922	4,902	4,916	4,843	4,723
Value of business acquired	295	298	311	321	326
Prepaid reinsurance premiums	2,544	2,548	2,686	2,600	2,529
Goodwill and other intangible assets	21,414	21,471	21,759	22,123	22,054
Investments in partially-owned insurance companies	678	656	675	664	662
Other assets	7,709	8,169	7,513	7,546	7,451
Total assets	<u>\$ 167,771</u>	<u>\$ 167,684</u>	<u>\$167,534</u>	<u>\$168,781</u>	<u>\$ 167,022</u>
Liabilities					
Unpaid losses and loss expenses	\$ 62,960	\$ 63,029	\$ 62,778	\$ 63,139	\$ 63,179
Unearned premiums	15,532	15,725	15,748	15,495	15,216
Future policy benefits	5,506	5,463	5,470	5,412	5,321
Insurance and reinsurance balances payable	6,437	6,313	6,448	6,148	5,868
Securities lending payable	1,926	2,143	2,355	2,039	1,737
Accounts payable, accrued expenses, and other liabilities	11,890	10,757	10,346	10,030	10,953
Deferred tax liabilities	304	363	326	468	699
Short-term debt	509	500	600	1,669	1,013
Long-term debt	12,087	12,149	12,184	12,786	11,556
Trust preferred securities	308	308	308	308	308
Total liabilities	117,459	116,750	116,563	117,494	115,850
Shareholders' equity					
Total shareholders' equity, excl. AOCI	52,760	53,093	52,491	51,789	50,629
Accumulated other comprehensive income (loss) (AOCI)	(2,448)	(2,159)	(1,520)	(502)	543
Total shareholders' equity	50,312	50,934	50,971	51,287	51,172
Total liabilities and shareholders' equity	<u>\$ 167,771</u>	<u>\$ 167,684</u>	<u>\$167,534</u>	<u>\$168,781</u>	<u>\$ 167,022</u>
Book value per common share	\$ 109.56	\$ 110.46	\$ 109.97	\$ 110.10	\$ 110.32
% change over prior quarter	-0.8%	0.4%	-0.1%	-0.2%	1.5%
Tangible book value per common share	\$ 65.89	\$ 66.83	\$ 66.00	\$ 65.65	\$ 65.87
% change over prior quarter	-1.4%	1.3%	0.5%	-0.3%	1.2%

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

	4Q-18	4Q-17	% Change 4Q-18 vs. 4Q-17	Constant \$ % Change 4Q-18 vs. 4Q-17	Full Year 2018	Full Year 2017	% Change 2018 vs. 2017	Constant \$ % Change 2018 vs. 2017
Net premiums written								
Commercial multiple peril (1)	\$ 231	\$ 218	6.1%	6.1%	\$ 911	\$ 879	3.8%	3.8%
Commercial casualty	1,293	1,210	6.7%	7.8%	5,156	4,721	9.2%	8.6%
Workers' compensation	579	531	9.4%	9.4%	2,150	2,067	4.0%	4.0%
Professional liability	944	948	-0.5%	0.7%	3,527	3,547	-0.6%	-1.2%
Surety	154	166	-6.8%	-1.9%	635	627	1.3%	2.7%
Property and other short-tail lines	946	874	8.3%	10.9%	4,007	3,819	4.9%	4.1%
Total Commercial P&C (2)	4,147	3,947	5.1%	6.5%	16,386	15,660	4.6%	4.1%
Agriculture	197	126	55.8%	55.8%	1,577	1,516	4.0%	4.0%
Personal automobile - North America	205	197	4.2%	4.5%	831	775	7.0%	7.0%
Personal automobile - International	217	219	-0.8%	2.9%	864	788	9.3%	9.9%
Personal homeowners	776	803	-3.3%	-3.0%	3,391	3,302	2.7%	2.6%
Personal other	370	361	2.7%	6.2%	1,508	1,441	4.9%	3.7%
Total Personal lines	1,568	1,580	-0.7%	0.8%	6,594	6,306	4.5%	4.3%
Total Property and Casualty lines	5,912	5,653	4.6%	6.0%	24,557	23,482	4.6%	4.2%
Global A&H lines (3)	1,041	1,023	1.8%	4.6%	4,277	4,056	5.5%	4.9%
Reinsurance lines	117	105	11.0%	11.7%	671	685	-2.1%	-3.3%
Life	280	270	3.5%	5.5%	1,074	1,021	5.4%	4.9%
Total consolidated	\$7,350	\$7,051	4.2%	5.9%	\$30,579	\$29,244	4.6%	4.1%

- (1) Commercial multiple peril represents retail package business (property and general liability).
- (2) Q4 2017 included a reclassification of \$3 million from Commercial casualty and \$11 million from Property and other short-tail lines to Professional liability, and full year 2017 included a reclassification of \$56 million from Property and other short-tail lines to Professional liability to better align the reporting with current year. There is no impact to total Commercial P&C.
- (3) For purposes of this schedule only, A&H results from our Combined North America and International businesses, normally included in the Life Insurance and Overseas General Insurance segments, respectively, as well as the A&H results of our North America Commercial P&C segment, are included within the Global A&H lines above.

Chubb Limited
Consolidated Results—Three months ended December 31, 2018
(in millions of U.S. dollars, except ratios)
(Unaudited)

Q4 2018	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,143	\$ 1,073	\$ 197	\$ 2,238	\$ 117	\$ —	\$6,768	\$ 582	\$ 7,350
Net premiums earned	3,077	1,130	318	2,187	178	—	6,890	575	7,465
Adjusted losses and loss expenses	2,127	755	161	1,166	243	(19)	4,433	182	4,615
Policy benefits	—	—	—	—	—	—	—	162	162
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	20	20
Policy acquisition costs	451	238	5	592	42	—	1,328	152	1,480
Administrative expenses	231	67	(9)	257	12	95	653	75	728
Underwriting income (loss)	268	70	161	172	(119)	(76)	476	(16)	460
Adjusted net investment income	517	59	8	158	65	8	815	88	903
Other income (expense)—operating (1)	5	—	(1)	(12)	6	(8)	(10)	18	8
Amortization expense of purchased intangibles	—	(3)	(7)	(12)	—	(63)	(85)	(1)	(86)
Segment income (loss)	\$ 790	\$ 126	\$ 161	\$ 306	\$ (48)	\$ (139)	\$1,196	\$ 89	\$ 1,285
Adjusted interest expense							(158)		(158)
Income tax expense							(192)		(192)
Core operating income (loss)							(489)		935
Chubb integration expenses, net of \$5 million tax benefit							(15)		(15)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$8 million tax benefit (2)							(42)		(42)
Adjusted net realized gains (losses), net of \$20 million tax benefit (3)							(523)		(523)
Net income (loss)							\$ (1,069)		\$ 355
Combined ratio	91.3%	93.8%	49.5%	92.1%	166.9%		93.1%		
CAY combined ratio ex Cats	88.2%	85.5%	56.8%	90.4%	83.2%		88.3%		

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

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

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

Chubb Limited
Consolidated Results—Full Year 2018
(in millions of U.S. dollars, except ratios)
(Unaudited)

	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Full Year 2018									
Net premiums written	\$ 12,485	\$ 4,674	\$ 1,577	\$ 8,902	\$ 671	\$ —	\$ 28,309	\$ 2,270	\$ 30,579
Net premiums earned	12,402	4,593	1,569	8,612	670	—	27,846	2,218	30,064
Adjusted losses and loss expenses	8,000	3,229	1,114	4,429	479	53	17,304	766	18,070
Policy benefits	—	—	—	—	—	—	—	590	590
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	38	38
Policy acquisition costs	1,829	939	79	2,346	162	—	5,355	557	5,912
Administrative expenses	966	269	(9)	1,014	41	295	2,576	310	2,886
Underwriting income (loss)	1,607	156	385	823	(12)	(348)	2,611	(43)	2,568
Adjusted net investment income	2,033	236	28	619	257	39	3,212	341	3,553
Other income (expense)—operating (1)	25	(1)	(2)	—	32	(25)	29	12	41
Amortization expense of purchased intangibles	—	(13)	(28)	(41)	—	(255)	(337)	(2)	(339)
Segment income (loss)	\$ 3,665	\$ 378	\$ 383	\$ 1,401	\$ 277	\$ (589)	\$ 5,515	\$ 308	\$ 5,823
Adjusted interest expense						(674)			(674)
Income tax expense						(742)			(742)
Core operating income (loss)						(2,005)			4,407
Chubb integration expenses, net of \$12 million tax benefit						(47)			(47)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$40 million tax benefit (2)						(175)			(175)
Adjusted net realized gains (losses), net of \$5 million tax (3)						(223)			(223)
Net income (loss)						\$ (2,450)			\$ 3,962
Combined ratio	87.0%	96.6%	75.5%	90.4%	101.8%		90.6%		
CAY combined ratio ex Cats	87.3%	81.9%	81.6%	90.5%	81.6%		88.0%		

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

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

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

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

Q4 2017	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C	Life Insurance	Total Consolidated
Net premiums written	\$ 3,000	\$ 1,100	\$ 126	\$ 2,165	\$ 105	\$ —	\$ 6,496	\$ 555	\$ 7,051
Net premiums earned	3,035	1,103	252	2,113	162	—	6,665	553	7,218
Adjusted losses and loss expenses	1,911	887	60	965	126	140	4,089	183	4,272
Policy benefits	—	—	—	—	—	—	—	176	176
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(27)	(27)
Policy acquisition costs	453	226	6	568	40	—	1,293	154	1,447
Administrative expenses	253	72	(4)	248	11	80	660	77	737
Underwriting income (loss)	418	(82)	190	332	(15)	(220)	623	(10)	613
Adjusted net investment income	496	58	7	150	66	13	790	83	873
Other income (expense)—operating (1) (2)	(5)	(1)	(1)	(10)	(1)	(61)	(79)	(3)	(82)
Amortization expense of purchased intangibles	—	(4)	(7)	(12)	—	(43)	(66)	—	(66)
Segment income (loss)	\$ 909	\$ (29)	\$ 189	\$ 460	\$ 50	\$ (311)	\$ 1,268	\$ 70	\$ 1,338
Adjusted interest expense							(168)		(168)
2017 tax reform transition benefit							450		450
Income tax expense excluding 2017 tax reform transition benefit							(131)		(131)
Core operating income (loss)							(160)		1,489
Chubb integration expenses, net of \$20 million tax benefit							(57)		(57)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$23 million tax benefit (3)							(41)		(41)
Adjusted net realized gains (losses), net of \$20 million tax benefit (4)							142		142
Net income (loss)							\$ (116)		\$ 1,533
Combined ratio	86.2%	107.5%	24.4%	84.3%	110.2%		90.7%		
CAY combined ratio ex Cats	87.3%	80.5%	40.0%	90.3%	81.4%		86.4%		

- (1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).
- (2) Corporate includes a \$50 million contribution to the Chubb Charitable Foundation.
- (3) Related to the acquisition of The Chubb Corporation.
- (4) Includes net realized gains (losses) related to unconsolidated entities.

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

	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
Full Year 2017									
Net premiums written	\$ 12,019	\$ 4,533	\$ 1,516	\$ 8,350	\$ 685	\$ —	\$ 27,103	\$ 2,141	\$ 29,244
Net premiums earned	12,191	4,399	1,508	8,131	704	—	26,933	2,101	29,034
Adjusted losses and loss expenses	8,287	3,265	1,043	4,281	561	285	17,722	739	18,461
Policy benefits	—	—	—	—	—	—	—	676	676
(Gains) losses from fair value changes in separate account assets (1)	—	—	—	—	—	—	—	(97)	(97)
Policy acquisition costs	1,873	899	81	2,221	177	—	5,251	530	5,781
Administrative expenses	981	264	(8)	982	44	267	2,530	303	2,833
Underwriting income (loss)	1,050	(29)	392	647	(78)	(552)	1,430	(50)	1,380
Adjusted net investment income	1,961	226	25	610	273	49	3,144	313	3,457
Other income (expense)—operating (1) (2)	(1)	(4)	(2)	4	1	(88)	(90)	(13)	(103)
Amortization expense of purchased intangibles	—	(16)	(29)	(45)	—	(168)	(258)	(2)	(260)
Segment income (loss)	\$ 3,010	\$ 177	\$ 386	\$ 1,216	\$ 196	\$ (759)	\$ 4,226	\$ 248	\$ 4,474
Adjusted interest expense						(656)			(656)
2017 tax reform transition benefit						450			450
Income tax expense excluding 2017 tax reform transition benefit						(484)			(484)
Core operating income (loss)						(1,449)			3,784
Chubb integration expenses, net of \$93 million tax benefit						(217)			(217)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of \$85 million tax benefit (3)						(198)			(198)
Adjusted net realized gains (losses), net of \$5 million tax (4)						492			492
Net income (loss)						\$ (1,372)			\$ 3,861
Combined ratio	91.4%	100.7%	74.0%	92.0%	111.2%		94.7%		
CAY combined ratio ex Cats	87.5%	78.9%	81.5%	91.0%	79.2%		87.6%		

- (1) For the Life Insurance segment, (gains) losses from fair value changes in separate account assets that do not qualify for separate account reporting under GAAP have been reclassified for underwriting income (loss) presentation from Other income (expense).
- (2) Corporate includes a \$50 million contribution to the Chubb Charitable Foundation.
- (3) Related to the acquisition of The Chubb Corporation.
- (4) Includes net realized gains (losses) related to unconsolidated entities.

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

North America Commercial P&C Insurance

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
Gross premiums written	\$4,228	\$4,108	\$4,322	\$3,678	\$4,102	\$ 16,336	\$ 15,751
Net premiums written	3,143	3,199	3,331	2,812	3,000	12,485	12,019
Net premiums earned	3,077	3,019	3,277	3,029	3,035	12,402	12,191
Losses and loss expenses	2,127	1,881	2,084	1,908	1,911	8,000	8,287
Policy acquisition costs	451	458	448	472	453	1,829	1,873
Administrative expenses	231	251	253	231	253	966	981
Underwriting income	268	429	492	418	418	1,607	1,050
Net investment income	517	503	510	503	496	2,033	1,961
Other income (expense)—operating	5	1	13	6	(5)	25	(1)
Segment income	<u>\$ 790</u>	<u>\$ 933</u>	<u>\$ 1,015</u>	<u>\$ 927</u>	<u>\$ 909</u>	<u>\$ 3,665</u>	<u>\$ 3,010</u>
CAY Underwriting income ex Cats	\$ 362	\$ 409	\$ 410	\$ 395	\$ 386	\$ 1,576	\$ 1,528
Combined ratio							
Loss and loss expense ratio	69.1%	62.3%	63.6%	63.0%	63.0%	64.5%	68.0%
Policy acquisition cost ratio	14.7%	15.2%	13.7%	15.6%	14.9%	14.7%	15.4%
Administrative expense ratio	7.5%	8.3%	7.7%	7.6%	8.3%	7.8%	8.0%
Combined ratio	<u>91.3%</u>	<u>85.8%</u>	<u>85.0%</u>	<u>86.2%</u>	<u>86.2%</u>	<u>87.0%</u>	<u>91.4%</u>
CAY combined ratio ex Cats (1)							
CAY loss and loss expense ratio ex Cats	66.1%	63.5%	66.0%	64.0%	64.1%	64.9%	64.3%
CAY policy acquisition cost and administrative expense ratio ex Cats	22.1%	23.2%	21.4%	23.0%	23.2%	22.4%	23.2%
CAY combined ratio ex Cats	<u>88.2%</u>	<u>86.7%</u>	<u>87.4%</u>	<u>87.0%</u>	<u>87.3%</u>	<u>87.3%</u>	<u>87.5%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ —	\$ —	\$ —	\$ —	\$ (1)	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 232	\$ 196	\$ 73	\$ 78	\$ 167	\$ 579	\$ 1,220
Favorable prior period development (PPD)—pre-tax	\$ (138)	\$ (216)	\$ (155)	\$ (101)	\$ (200)	\$ (610)	\$ (746)
% Change versus prior year period							
Net premiums written	4.8%	3.6%	4.0%	3.0%	-2.7%	3.9%	2.4%
Net premiums written excluding merger-related actions (2)	5.1%	4.6%	5.4%	4.4%	-1.0%	4.9%	4.7%
Net premiums earned	1.4%	0.1%	5.8%	-0.4%	-1.7%	1.7%	-0.2%
Other ratios							
Net premiums written/gross premiums written	74%	78%	77%	76%	73%	76%	76%
Production by Size							
Net Premiums Written							
Major Accounts & Specialty (3)	\$ 1,839	\$ 1,852	\$ 2,040	\$ 1,630	\$ 1,753	\$ 7,361	\$ 7,076
Commercial (3)	1,304	1,347	1,291	1,182	1,247	5,124	4,943
Total	<u>\$ 3,143</u>	<u>\$ 3,199</u>	<u>\$ 3,331</u>	<u>\$ 2,812</u>	<u>\$ 3,000</u>	<u>\$ 12,485</u>	<u>\$ 12,019</u>

- (1) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.
- (2) Q4 2018 and full year 2018 include the adverse impact of merger-related actions, respectively, as follows: Major Accounts & Specialty \$9 million and \$119 million; Commercial \$nil and \$4 million.
- (3) Major Accounts & Specialty: principally large corporate accounts and wholesale business. Commercial: principally middle market and small commercial accounts.

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

North America Personal P&C Insurance

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
Gross premiums written	\$ 1,291	\$ 1,369	\$ 1,489	\$ 1,181	\$ 1,260	\$ 5,330	\$ 5,152
Net premiums written	1,073	1,218	1,335	1,048	1,100	4,674	4,533
Net premiums earned	1,130	1,167	1,156	1,140	1,103	4,593	4,399
Losses and loss expenses	755	860	728	886	887	3,229	3,265
Policy acquisition costs	238	236	228	237	226	939	899
Administrative expenses	67	69	68	65	72	269	264
Underwriting income (loss)	70	2	132	(48)	(82)	156	(29)
Net investment income	59	59	59	59	58	236	226
Other expense—operating	—	—	(1)	—	(1)	(1)	(4)
Amortization expense of purchased intangibles	(3)	(4)	(3)	(3)	(4)	(13)	(16)
Segment income (loss)	<u>\$ 126</u>	<u>\$ 57</u>	<u>\$ 187</u>	<u>\$ 8</u>	<u>\$ (29)</u>	<u>\$ 378</u>	<u>\$ 177</u>
CAY Underwriting income ex Cats	\$ 168	\$ 196	\$ 240	\$ 230	\$ 218	\$ 834	\$ 933
Combined ratio							
Loss and loss expense ratio	66.8%	73.7%	63.0%	77.7%	80.4%	70.3%	74.2%
Policy acquisition cost ratio	21.1%	20.2%	19.7%	20.8%	20.5%	20.4%	20.4%
Administrative expense ratio	5.9%	5.9%	5.9%	5.7%	6.6%	5.9%	6.1%
Combined ratio	<u>93.8%</u>	<u>99.8%</u>	<u>88.6%</u>	<u>104.2%</u>	<u>107.5%</u>	<u>96.6%</u>	<u>100.7%</u>
CAY combined ratio ex Cats (1)							
CAY loss and loss expense ratio ex Cats	59.1%	57.1%	53.7%	53.3%	54.0%	55.8%	52.6%
CAY policy acquisition cost and administrative expense ratio ex Cats	26.4%	26.1%	25.6%	26.4%	26.5%	26.1%	26.3%
CAY combined ratio ex Cats	<u>85.5%</u>	<u>83.2%</u>	<u>79.3%</u>	<u>79.7%</u>	<u>80.5%</u>	<u>81.9%</u>	<u>78.9%</u>
Catastrophe reinstatement premiums expensed—pre-tax	\$ (26)	\$ —	\$ —	\$ —	\$ (19)	\$ (26)	\$ (22)
Catastrophe losses—pre-tax	\$ 90	\$ 136	\$ 101	\$ 284	\$ 278	\$ 611	\$ 871
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (18)	\$ 58	\$ 7	\$ (6)	\$ 3	\$ 41	\$ 69
% Change versus prior year period							
Net premiums written	-2.5%	2.0%	6.4%	6.5%	5.8%	3.1%	9.1%
Net premiums written excluding certain items (2)	2.3%	2.7%	3.2%	2.7%		2.7%	
Net premiums earned	2.5%	4.5%	5.6%	5.1%	2.6%	4.4%	1.9%
Other ratios							
Net premiums written/gross premiums written	83%	89%	90%	89%	87%	88%	88%

- (1) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.
(2) Q4 2018 excludes additional reinsurance of \$47 million (including a one-time unearned premium reserves transfer of \$32 million) and additional reinstatement premiums of \$6 million.

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

North America Agricultural Insurance

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 273	\$ 1,270	\$ 543	\$ 205	\$ 276	\$ 2,291	\$ 2,315
Net premiums written	197	884	388	108	126	1,577	1,516
Net premiums earned	318	857	351	43	252	1,569	1,508
Adjusted losses and loss expenses (1)	161	727	281	(55)	60	1,114	1,043
Policy acquisition costs	5	49	26	(1)	6	79	81
Administrative expenses	(9)	2	1	(3)	(4)	(9)	(8)
Underwriting income	161	79	43	102	190	385	392
Net investment income	8	7	6	7	7	28	25
Other expense—operating	(1)	—	(1)	—	(1)	(2)	(2)
Amortization expense of purchased intangibles	(7)	(7)	(7)	(7)	(7)	(28)	(29)
Segment income	<u>\$ 161</u>	<u>\$ 79</u>	<u>\$ 41</u>	<u>\$ 102</u>	<u>\$ 189</u>	<u>\$ 383</u>	<u>\$ 386</u>
CAY Underwriting income ex Cats	\$ 138	\$ 86	\$ 45	\$ 27	\$ 154	\$ 296	\$ 291
Combined ratio							
Loss and loss expense ratio	50.7%	84.9%	80.0%	NM	23.7%	71.0%	69.2%
Policy acquisition cost ratio	1.5%	5.7%	7.4%	NM	2.4%	5.0%	5.4%
Administrative expense ratio	-2.7%	0.1%	0.5%	NM	-1.7%	-0.5%	-0.6%
Combined ratio	<u>49.5%</u>	<u>90.7%</u>	<u>87.9%</u>	<u>NM</u>	<u>24.4%</u>	<u>75.5%</u>	<u>74.0%</u>
CAY combined ratio ex Cats (2)							
CAY loss and loss expense ratio ex Cats	56.0%	84.1%	79.3%	68.9%	36.9%	76.7%	76.2%
CAY policy acquisition cost and administrative expense ratio ex Cats	0.8%	5.8%	7.9%	-1.2%	3.1%	4.9%	5.3%
CAY combined ratio ex Cats	<u>56.8%</u>	<u>89.9%</u>	<u>87.2%</u>	<u>67.7%</u>	<u>40.0%</u>	<u>81.6%</u>	<u>81.5%</u>
Catastrophe losses—pre-tax	\$ 10	\$ 8	\$ 2	\$ 1	\$ —	\$ 21	\$ 18
Favorable prior period development (PPD)—pre-tax	\$ (33)	\$ (1)	\$ —	\$ (76)	\$ (36)	\$ (110)	\$ (119)
% Change versus prior year period							
Net premiums written	55.8%	-4.5%	-3.7%	76.2%	214.3%	4.0%	14.2%
Net premiums earned	26.0%	-4.6%	2.2%	214.2%	72.3%	4.1%	14.6%
Other ratios							
Net premiums written/gross premiums written	72%	70%	71%	53%	46%	69%	66%

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

(2) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.

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

Overseas General Insurance

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Gross premiums written	\$2,729	\$2,541	\$2,743	\$2,872	\$2,632	\$ 10,885	\$ 10,151
Net premiums written	2,238	2,081	2,199	2,384	2,165	8,902	8,350
Net premiums earned	2,187	2,157	2,161	2,107	2,113	8,612	8,131
Losses and loss expenses	1,166	1,114	1,071	1,078	965	4,429	4,281
Policy acquisition costs	592	582	584	588	568	2,346	2,221
Administrative expenses	257	252	266	239	248	1,014	982
Underwriting income	172	209	240	202	332	823	647
Net investment income	158	155	155	151	150	619	610
Other income (expense)—operating	(12)	7	12	(7)	(10)	—	4
Amortization expense of purchased intangibles	(12)	(8)	(11)	(10)	(12)	(41)	(45)
Segment income	<u>\$ 306</u>	<u>\$ 363</u>	<u>\$ 396</u>	<u>\$ 336</u>	<u>\$ 460</u>	<u>\$ 1,401</u>	<u>\$ 1,216</u>
CAY Underwriting income ex Cats	\$ 211	\$ 217	\$ 194	\$ 195	\$ 204	\$ 817	\$ 730
Combined ratio							
Loss and loss expense ratio	53.3%	51.7%	49.6%	51.1%	45.7%	51.4%	52.6%
Policy acquisition cost ratio	27.1%	26.9%	27.0%	27.9%	26.9%	27.2%	27.3%
Administrative expense ratio	11.7%	11.7%	12.3%	11.4%	11.7%	11.8%	12.1%
Combined ratio	<u>92.1%</u>	<u>90.3%</u>	<u>88.9%</u>	<u>90.4%</u>	<u>84.3%</u>	<u>90.4%</u>	<u>92.0%</u>
CAY combined ratio ex Cats (1)							
CAY loss and loss expense ratio ex Cats	51.6%	51.3%	51.7%	51.4%	51.6%	51.5%	51.7%
CAY policy acquisition cost and administrative expense ratio ex Cats	38.8%	38.7%	39.3%	39.3%	38.7%	39.0%	39.3%
CAY combined ratio ex Cats	<u>90.4%</u>	<u>90.0%</u>	<u>91.0%</u>	<u>90.7%</u>	<u>90.3%</u>	<u>90.5%</u>	<u>91.0%</u>
Catastrophe reinstatement premiums (expenses) collected—pre-tax	\$ —	\$ —	\$ —	\$ —	\$ 5	\$ —	\$ (4)
Catastrophe losses—pre-tax	\$ 85	\$ 80	\$ 26	\$ 15	\$ (55)	\$ 206	\$ 331
Favorable prior period development (PPD)—pre-tax	\$ (46)	\$ (72)	\$ (72)	\$ (22)	\$ (68)	\$ (212)	\$ (252)
% Change versus prior year period							
Net premiums written	3.4%	5.9%	9.6%	7.8%	2.5%	6.6%	2.8%
Net premiums earned	3.5%	4.5%	7.1%	8.8%	3.1%	5.9%	0.0%
Net premiums written constant \$	7.9%	7.5%	5.1%	1.4%	-0.2%	5.3%	2.8%
Net premiums earned constant \$	7.9%	5.9%	2.0%	3.0%	0.2%	4.7%	-0.4%
Other ratios							
Net premiums written/gross premiums written	82%	82%	80%	83%	82%	82%	82%

(1) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.

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

Overseas General Insurance—Production by Region

	4Q-18	4Q-17	% Change 4Q-18 vs. 4Q-17	Constant \$ 4Q-17	Constant \$ % Change 4Q-18 vs. 4Q-17	Full Year 2018	Full Year 2017	% Change 2018 vs. 2017	Constant \$ 2017	Constant \$ % Change 2018 vs. 2017
Net premiums written										
Europe	\$ 867	\$ 834	4.0%	\$ 816	6.3%	\$ 3,508	\$ 3,281	6.9%	\$ 3,440	2.0%
Latin America	584	589	-0.8%	538	8.6%	2,181	2,108	3.5%	2,012	8.4%
Asia	708	665	6.5%	647	9.4%	2,884	2,596	11.1%	2,635	9.4%
Other (1)	79	77	2.6%	73	8.2%	329	365	-9.9%	367	-10.4%
Total	<u>\$2,238</u>	<u>\$2,165</u>	3.4%	<u>\$ 2,074</u>	7.9%	<u>\$ 8,902</u>	<u>\$ 8,350</u>	6.6%	<u>\$ 8,454</u>	5.3%

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

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

Global Reinsurance

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Gross premiums written	\$ 117	\$ 167	\$ 233	\$ 205	\$ 104	\$ 722	\$ 746
Net premiums written	117	164	197	193	105	671	685
Net premiums earned	178	157	167	168	162	670	704
Losses and loss expenses	243	86	83	67	126	479	561
Policy acquisition costs	42	40	40	40	40	162	177
Administrative expenses	12	10	9	10	11	41	44
Underwriting income (loss)	(119)	21	35	51	(15)	(12)	(78)
Net investment income	65	63	65	64	66	257	273
Other income (expense)—operating	6	13	6	7	(1)	32	1
Segment income (loss)	<u>\$ (48)</u>	<u>\$ 97</u>	<u>\$ 106</u>	<u>\$ 122</u>	<u>\$ 50</u>	<u>\$ 277</u>	<u>\$ 196</u>
CAY Underwriting income ex Cats	\$ 27	\$ 27	\$ 28	\$ 39	\$ 32	\$ 121	\$ 139
Combined ratio							
Loss and loss expense ratio	137.1%	55.0%	49.4%	40.1%	78.9%	71.6%	79.8%
Policy acquisition cost ratio	23.7%	25.2%	24.2%	23.6%	24.4%	24.2%	25.1%
Administrative expense ratio	6.1%	6.5%	5.7%	5.8%	6.9%	6.0%	6.3%
Combined ratio	<u>166.9%</u>	<u>86.7%</u>	<u>79.3%</u>	<u>69.5%</u>	<u>110.2%</u>	<u>101.8%</u>	<u>111.2%</u>
CAY combined ratio ex Cats (1)							
CAY loss and loss expense ratio ex Cats	50.1%	51.2%	53.0%	47.7%	50.1%	50.5%	46.0%
CAY policy acquisition cost and administrative expense ratio ex Cats	33.1%	31.6%	30.5%	29.3%	31.3%	31.1%	33.2%
CAY combined ratio ex Cats	<u>83.2%</u>	<u>82.8%</u>	<u>83.5%</u>	<u>77.0%</u>	<u>81.4%</u>	<u>81.6%</u>	<u>79.2%</u>
Catastrophe reinstatement premiums collected—pre-tax	\$ 18	\$ 4	\$ —	\$ —	\$ —	\$ 22	\$ 37
Catastrophe losses—pre-tax	\$ 160	\$ 34	\$ 9	\$ 2	\$ 42	\$ 205	\$ 313
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ 4	\$ (24)	\$ (16)	\$ (14)	\$ 5	\$ (50)	\$ (59)
% Change versus prior year period							
Net premiums written as reported	11.0%	14.3%	3.8%	-3.0%	-8.2%	-2.1%	1.4%
Net premiums earned as reported	10.2%	15.7%	-0.6%	11.0%	-3.4%	-4.9%	-0.7%
Net premiums written constant \$	11.7%	14.7%	1.5%	-4.8%	-9.3%	-3.3%	2.2%
Net premiums earned constant \$	10.6%	16.0%	-3.1%	12.8%	-5.1%	-6.0%	-0.4%
Other ratios							
Net premiums written/gross premiums written	99%	98%	85%	94%	100%	93%	92%

(1) Refer to the Non-GAAP financial measures section for further information on the calculation of the components of CAY combined ratio ex Cats.

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

Life Insurance

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
Gross premiums written	\$ 614	\$ 599	\$ 599	\$ 592	\$ 586	\$ 2,404	\$ 2,261
Net premiums written	582	564	565	559	555	2,270	2,141
Net premiums earned	575	551	552	540	553	2,218	2,101
Losses and loss expenses	182	195	184	205	183	766	739
Policy benefits (1)	162	127	150	151	176	590	676
(Gains) losses from fair value changes in separate account assets (1)	20	14	10	(6)	(27)	38	(97)
Policy acquisition costs	152	139	138	128	154	557	530
Administrative expenses	75	77	80	78	77	310	303
Net investment income	88	85	85	83	83	341	313
Life Insurance underwriting income (2)	72	84	75	67	73	298	263
Other income (expense)—operating	18	(6)	2	(2)	(3)	12	(13)
Amortization expense of purchased intangibles	(1)	—	—	(1)	—	(2)	(2)
Segment income	<u>\$ 89</u>	<u>\$ 78</u>	<u>\$ 77</u>	<u>\$ 64</u>	<u>\$ 70</u>	<u>\$ 308</u>	<u>\$ 248</u>
% Change versus prior year period							
Net premiums written	4.8%	4.8%	8.0%	6.7%	1.2%	6.1%	0.8%
Net premiums earned	3.9%	4.6%	7.2%	6.8%	3.5%	5.6%	2.2%
Net premiums written constant \$	6.3%	5.1%	6.5%	5.0%	0.3%	5.7%	0.3%
Net premiums earned constant \$	5.4%	4.9%	5.7%	5.0%	2.3%	5.3%	1.6%

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

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

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

	4Q-18	4Q-17	% Change 4Q-18 vs. 4Q-17	Constant \$ % Change 4Q-18 vs. 4Q-17	Full Year 2018	Full Year 2017	% Change 2018 vs. 2017	Constant \$ % Change 2018 vs. 2017
International life insurance net premiums written	\$ 233	\$ 224	3.9%	6.3%	\$ 887	\$ 824	7.6%	6.9%
International life insurance deposits (3)	375	388	-3.4%	-1.4%	1,538	1,436	7.1%	6.0%
Total international life insurance net premiums written and deposits	<u>\$ 608</u>	<u>\$ 612</u>	-0.7%	1.4%	<u>\$ 2,425</u>	<u>\$ 2,260</u>	7.3%	6.4%
International life insurance segment income	<u>\$ 32</u>	<u>\$ 19</u>	69.6%	76.0%	<u>\$ 103</u>	<u>\$ 54</u>	90.5%	96.7%

(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

	4Q-18	3Q-18	2Q-18	1Q-18	4Q-17	Full Year 2018	Full Year 2017
Gross premiums written	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net premiums written	—	—	—	—	—	—	—
Net premiums earned	—	—	—	—	—	—	—
Losses and loss expenses (1)	(19)	13	48	11	140	53	285
Policy acquisition costs	—	—	—	—	—	—	—
Administrative expenses	95	58	70	72	80	295	267
Underwriting loss	(76)	(71)	(118)	(83)	(220)	(348)	(552)
Adjusted net investment income	8	11	10	10	13	39	49
Other expense—operating	(8)	(8)	(2)	(7)	(61)	(25)	(88)
Adjusted interest expense	(158)	(170)	(177)	(169)	(168)	(674)	(656)
Amortization expense of purchased intangibles	(63)	(64)	(64)	(64)	(43)	(255)	(168)
2017 tax reform transition benefit	—	—	—	—	450	—	450
Income tax expense excluding 2017 tax reform transition benefit	(192)	(183)	(218)	(149)	(131)	(742)	(484)
Core operating loss	(489)	(485)	(569)	(462)	(160)	(2,005)	(1,449)
Chubb integration expenses, net of tax	(15)	(14)	(10)	(8)	(57)	(47)	(217)
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax	(42)	(42)	(41)	(50)	(41)	(175)	(198)
Adjusted net realized gains (losses), net of tax (2)	(523)	165	92	43	142	(223)	492
Net loss	<u>\$ (1,069)</u>	<u>\$ (376)</u>	<u>\$ (528)</u>	<u>\$ (477)</u>	<u>\$ (116)</u>	<u>\$ (2,450)</u>	<u>\$ (1,372)</u>
Unfavorable (favorable) prior period development (PPD)—pre-tax	\$ (22)	\$ 12	\$ 45	\$ 10	\$ 138	\$ 45	\$ 278

- (1) Q4 2018 includes \$130 million of favorable reinsurance settlement as well as \$108 million of adverse development for legacy exposures, principally asbestos.
- (2) Includes net realized gains (losses) related to unconsolidated entities.

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

	Unpaid Losses			Net Paid to Incurred Ratio
	Gross	Ceded	Net	
Balance at December 31, 2016	\$ 60,540	\$ 12,708	\$ 47,832	
Losses and loss expenses incurred	4,752	963	3,789	
Losses and loss expenses paid	(4,830)	(923)	(3,907)	103%
Other (incl. foreign exch. revaluation)	117	63	54	
Balance at March 31, 2017	\$ 60,579	\$ 12,811	\$ 47,768	
Losses and loss expenses incurred	5,016	870	4,146	
Losses and loss expenses paid	(5,356)	(1,234)	(4,122)	99%
Other (incl. foreign exch. revaluation)	155	38	117	
Balance at June 30, 2017	\$ 60,394	\$ 12,485	\$ 47,909	
Losses and loss expenses incurred	8,410	2,163	6,247	
Losses and loss expenses paid	(5,207)	(909)	(4,298)	69%
Other (incl. foreign exch. revaluation)	556	131	425	
Balance at September 30, 2017	\$ 64,153	\$ 13,870	\$ 50,283	
Losses and loss expenses incurred	5,755	1,483	4,272	
Losses and loss expenses paid	(6,419)	(1,298)	(5,121)	120%
Other (incl. foreign exch. revaluation)	(310)	(41)	(269)	
Balance at December 31, 2017	\$ 63,179	\$ 14,014	\$ 49,165	
Losses and loss expenses incurred	5,028	926	4,102	
Losses and loss expenses paid	(5,448)	(1,206)	(4,242)	103%
Other (incl. foreign exch. revaluation)	380	88	292	
Balance at March 31, 2018	\$ 63,139	\$ 13,822	\$ 49,317	
Losses and loss expenses incurred	5,458	971	4,487	
Losses and loss expenses paid	(5,304)	(931)	(4,373)	97%
Other (incl. foreign exch. revaluation)	(515)	(127)	(388)	
Balance at June 30, 2018	\$ 62,778	\$ 13,735	\$ 49,043	
Losses and loss expenses incurred	6,472	1,604	4,868	
Losses and loss expenses paid	(5,771)	(1,268)	(4,503)	93%
Other (incl. foreign exch. revaluation)	(450)	(106)	(344)	
Balance at September 30, 2018	\$ 63,029	\$ 13,965	\$ 49,064	
Losses and loss expenses incurred	6,687	2,077	4,610	
Losses and loss expenses paid	(6,556)	(1,334)	(5,222)	113%
Other (incl. foreign exch. revaluation)	(200)	(19)	(181)	
Balance at December 31, 2018	\$ 62,960	\$ 14,689	\$ 48,271	
Add net recoverable on paid losses	—	1,304	(1,304)	
Balance including net recoverable on paid losses	\$ 62,960	\$ 15,993	\$ 46,967	

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

Net Reinsurance Recoverable by Division

	<u>December 31</u> <u>2018</u>	<u>September 30</u> <u>2018</u>	<u>June 30</u> <u>2018</u>	<u>March 31</u> <u>2018</u>	<u>December 31</u> <u>2017</u>
Reinsurance recoverable on paid losses and loss expenses					
Active operations	\$ 980	\$ 911	\$ 901	\$ 972	\$ 808
Brandywine and Other Run-off	396	290	238	271	286
Total	<u>\$ 1,376</u>	<u>\$ 1,201</u>	<u>\$ 1,139</u>	<u>\$ 1,243</u>	<u>\$ 1,094</u>
Reinsurance recoverable on unpaid losses and loss expenses					
Active operations	\$ 13,705	\$ 12,989	\$ 12,763	\$ 12,842	\$ 12,992
Brandywine and Other Run-off	1,235	1,214	1,209	1,217	1,269
Total	<u>\$ 14,940</u>	<u>\$ 14,203</u>	<u>\$ 13,972</u>	<u>\$ 14,059</u>	<u>\$ 14,261</u>
Gross reinsurance recoverable					
Active operations	\$ 14,685	\$ 13,900	\$ 13,664	\$ 13,814	\$ 13,800
Brandywine and Other Run-off	1,631	1,504	1,447	1,488	1,555
Total	<u>\$ 16,316</u>	<u>\$ 15,404</u>	<u>\$ 15,111</u>	<u>\$ 15,302</u>	<u>\$ 15,355</u>
Provision for uncollectible reinsurance (1)					
Active operations	\$ (185)	\$ (189)	\$ (189)	\$ (188)	\$ (183)
Brandywine and Other Run-off	(138)	(127)	(130)	(132)	(138)
Total	<u>\$ (323)</u>	<u>\$ (316)</u>	<u>\$ (319)</u>	<u>\$ (320)</u>	<u>\$ (321)</u>
Net reinsurance recoverable					
Active operations	\$ 14,500	\$ 13,711	\$ 13,475	\$ 13,626	\$ 13,617
Brandywine and Other Run-off	1,493	1,377	1,317	1,356	1,417
Total	<u>\$ 15,993</u>	<u>\$ 15,088</u>	<u>\$ 14,792</u>	<u>\$ 14,982</u>	<u>\$ 15,034</u>

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

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

	December 31 2018		September 30 2018		June 30 2018		March 31 2018		December 31 2017						
Market Value															
Fixed maturities available for sale	\$	78,470	\$	77,853	\$	77,963	\$	79,111	\$	78,939					
Fixed maturities held to maturity		13,259		13,284		13,665		14,122		14,474					
Short-term investments		3,016		3,479		3,171		2,874		3,561					
Total fixed maturities	\$	<u>94,745</u>	\$	<u>94,616</u>	\$	<u>94,799</u>	\$	<u>96,107</u>	\$	<u>96,974</u>					
Asset Allocation by Market Value															
Treasury	\$	4,799	5%	\$	4,572	5%	\$	4,246	4%	\$	4,277	4%	\$	4,049	4%
Agency		528	1%		570	1%		651	1%		593	1%		564	1%
Corporate and asset-backed		29,091	31%		27,373	29%		27,150	29%		26,564	28%		27,215	28%
Mortgage-backed		18,026	19%		18,401	19%		18,068	19%		18,467	19%		18,032	19%
Municipal		16,327	17%		17,280	18%		17,827	19%		19,550	20%		20,766	21%
Non-U.S.		22,958	24%		22,941	24%		23,686	25%		23,782	25%		22,787	23%
Short-term investments		3,016	3%		3,479	4%		3,171	3%		2,874	3%		3,561	4%
Total fixed maturities	\$	<u>94,745</u>	<u>100%</u>	\$	<u>94,616</u>	<u>100%</u>	\$	<u>94,799</u>	<u>100%</u>	\$	<u>96,107</u>	<u>100%</u>	\$	<u>96,974</u>	<u>100%</u>
Credit Quality by Market Value															
AAA	\$	14,571	15%	\$	15,131	16%	\$	14,952	16%	\$	14,723	15%	\$	15,512	16%
AA		36,715	39%		36,705	39%		36,292	38%		37,322	39%		37,407	39%
A		17,253	18%		17,350	18%		17,735	19%		18,306	19%		18,369	19%
BBB		12,035	13%		12,050	13%		12,473	13%		12,616	13%		12,377	13%
BB		8,363	9%		7,737	8%		7,788	8%		7,710	8%		7,941	8%
B		5,596	6%		5,421	6%		5,356	6%		5,235	6%		5,135	5%
Other		212	0%		222	0%		203	0%		195	0%		233	0%
Total fixed maturities	\$	<u>94,745</u>	<u>100%</u>	\$	<u>94,616</u>	<u>100%</u>	\$	<u>94,799</u>	<u>100%</u>	\$	<u>96,107</u>	<u>100%</u>	\$	<u>96,974</u>	<u>100%</u>
Cost/Amortized Cost															
Fixed maturities available for sale	\$	79,323		\$	78,637		\$	78,546		\$	79,208		\$	77,835	
Fixed maturities held to maturity		13,435			13,563			13,860			14,253			14,335	
Short-term investments		3,016			3,479			3,171			2,874			3,561	
Subtotal fixed maturities		<u>95,774</u>			<u>95,679</u>			<u>95,577</u>			<u>96,335</u>			<u>95,731</u>	
Equity securities		770			843			933			948			737	
Other investments		5,277			5,425			5,259			4,919			4,417	
Total investment portfolio	\$	<u>101,821</u>		\$	<u>101,947</u>		\$	<u>101,769</u>		\$	<u>102,202</u>		\$	<u>100,885</u>	
Avg. duration of fixed maturities		3.7 years			3.9 years			4.2 years			4.3 years			4.2 years	
Avg. market yield of fixed maturities		3.7%			3.5%			3.4%			3.3%			2.9%	
Avg. credit quality		A/Aa			A/Aa			A/Aa			A/Aa			A/Aa	
Avg. yield on invested assets (1)		3.5%			3.5%			3.5%			3.4%			3.5%	

(1) Calculated using adjusted net investment income.

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

Mortgage-backed Fixed Income Portfolio

	S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Mortgage-backed securities						
Market Value at December 31, 2018						
Agency residential mortgage-backed (RMBS)	\$ —	\$ 14,686	\$ —	\$ —	\$ —	\$ 14,686
Non-agency RMBS	26	48	68	27	20	189
Commercial mortgage-backed	2,809	243	99	—	—	3,151
Total mortgage-backed securities at market value	\$ 2,835	\$ 14,977	\$ 167	\$ 27	\$ 20	\$ 18,026

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

	S&P Credit Rating					Total
	Investment Grade					
	AAA	AA	A	BBB		
Market Value at December 31, 2018						
Asset-backed	\$ 2,761	\$ 242	\$ 44	\$ 31		\$ 3,078
Banks	1	31	1,837	1,294		3,163
Basic Materials	—	—	100	176		276
Communications	—	170	340	1,008		1,518
Consumer, Cyclical	—	293	496	571		1,360
Consumer, Non-Cyclical	56	441	1,502	1,473		3,472
Diversified Financial Services	—	157	386	181		724
Energy	—	38	155	473		666
Industrial	—	39	443	712		1,194
Utilities	—	18	734	374		1,126
All Others	161	290	1,076	786		2,313
Total	\$ 2,979	\$ 1,719	\$ 7,113	\$ 7,079		\$ 18,890

	S&P Credit Rating				Total
	Below Investment Grade				
	BB	B	CCC		
Market Value at December 31, 2018					
Asset-backed	\$ 1	\$ 3	\$ 7		\$ 11
Banks	—	—	—		—
Basic Materials	399	178	—		577
Communications	801	674	18		1,493
Consumer, Cyclical	1,032	618	35		1,685
Consumer, Non-Cyclical	939	1,153	39		2,131
Diversified Financial Services	160	174	8		342
Energy	710	331	12		1,053
Industrial	676	549	20		1,245
Utilities	227	22	—		249
All Others	947	457	11		1,415
Total	\$ 5,892	\$ 4,159	\$ 150		\$ 10,201

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

Non-U.S. Fixed Income Portfolio
December 31, 2018

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Government Securities						
United Kingdom	\$ —	\$ 1,064	\$ —	\$ —	\$ —	\$ 1,064
Republic of Korea	—	1,055	—	—	—	1,055
Canada	831	—	—	—	—	831
Federative Republic of Brazil	—	—	—	—	707	707
Province of Ontario	—	8	636	—	—	644
Province of Quebec	—	502	—	—	—	502
United Mexican States	—	—	370	117	—	487
Kingdom of Thailand	—	—	460	—	—	460
Commonwealth of Australia	305	3	—	—	—	308
Federal Republic of Germany	304	—	—	—	—	304
Other Non-U.S. Government Securities	557	1,349	911	573	929	4,319
Total	<u>\$ 1,997</u>	<u>\$ 3,981</u>	<u>\$ 2,377</u>	<u>\$ 690</u>	<u>\$ 1,636</u>	<u>\$ 10,681</u>

	Market Value by S&P Credit Rating					Total
	AAA	AA	A	BBB	BB and below	
Non-U.S. Corporate Securities						
United Kingdom	\$ 105	\$ 108	\$ 593	\$ 815	\$ 303	\$ 1,924
Canada	106	277	296	452	348	1,479
United States (1)	3	26	101	438	573	1,141
France	7	34	661	273	39	1,014
Australia	113	210	356	133	11	823
Netherlands	59	80	278	155	99	671
Germany	64	34	143	257	27	525
Japan	—	46	429	9	—	484
Switzerland	48	25	191	177	28	469
China	—	—	289	54	30	373
Other Non-U.S. Corporate Securities	380	451	935	993	615	3,374
Total	<u>\$ 885</u>	<u>\$ 1,291</u>	<u>\$ 4,272</u>	<u>\$ 3,756</u>	<u>\$ 2,073</u>	<u>\$ 12,277</u>

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

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

Fixed Maturity Investment Portfolio

Top 10 Global Corporate Exposures

<u>December 31, 2018</u>		<u>Market Value</u>	<u>Rating</u>
1	Wells Fargo & Co	\$ 557	A-
2	Bank of America Corp	465	A-
3	JP Morgan Chase & Co	443	A-
4	Comcast Corp	365	A-
5	Goldman Sachs Group Inc	351	BBB+
6	AT&T Inc	340	BBB
7	HSBC Holdings Plc	339	A
8	Anheuser-Busch InBev NV	337	A-
9	Verizon Communications Inc	331	BBB+
10	Morgan Stanley	292	BBB+

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

	Three months ended December 31, 2018								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax		After-Tax	Pre-Tax		After-Tax	Pre-Tax		After-Tax
Fixed income investments (1)	\$ (313)	\$ 21	\$ (292)	\$ (75)	\$ (42)	\$ (117)	\$ (388)	\$ (21)	\$ (409)
Public equity	7	(1)	6	—	—	—	7	(1)	6
Private equity	252	(12)	240	—	—	—	252	(12)	240
Mark-to-market on public and private equity (2)	(237)	17	(220)	—	—	—	(237)	17	(220)
Total investment portfolio (3)	(291)	25	(266)	(75)	(42)	(117)	(366)	(17)	(383)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (4)	(263)	—	(263)	—	—	—	(263)	—	(263)
Foreign exchange	29	(11)	18	(143)	30	(113)	(114)	19	(95)
Partially-owned entities (5)	8	—	8	—	—	—	8	—	8
Other (6)	(26)	6	(20)	(260)	55	(205)	(286)	61	(225)
Net gains (losses)	<u>\$ (543)</u>	<u>\$ 20</u>	<u>\$ (523)</u>	<u>\$ (478)</u>	<u>\$ 43</u>	<u>\$ (435)</u>	<u>\$ (1,021)</u>	<u>\$ 63</u>	<u>\$ (958)</u>

- (1) The quarter includes \$153 million pre-tax realized losses on fixed income derivatives. Other-than-temporary impairments for the quarter in realized gains (losses) were \$33 million pre-tax for fixed maturities.
- (2) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (3) Realized and unrealized losses of \$383 million, after-tax, was principally driven by widening of credit spreads on corporate fixed income securities late in the quarter, partially offset by the decline in interest rates. The related tax expense of \$42 million on unrealized losses of \$75 million reflects unrealized losses being generated in lower tax jurisdictions and unrealized gains being generated in higher tax jurisdictions.
- (4) The quarter includes \$118 million of gains on applicable hedges. These gains are both pre-tax and after-tax.
- (5) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (6) Other realized losses, pre-tax, primarily includes \$23 million related to impairment of fixed assets. Other unrealized losses are primarily related to the company's post-retirement programs.

	Three months ended December 31, 2017								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses)
	Pre-Tax		After-Tax	Pre-Tax		After-Tax	Pre-Tax		After-Tax
Fixed income investments (7)	\$ (35)	\$ 21	\$ (14)	\$ (276)	\$ 65	\$ (211)	\$ (311)	\$ 86	\$ (225)
Public equity	6	(4)	2	9	(1)	8	15	(5)	10
Private equity	122	(10)	112	8	2	10	130	(8)	122
Total investment portfolio (8)	93	7	100	(259)	66	(193)	(166)	73	(93)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (9)	7	—	7	—	—	—	7	—	7
Foreign exchange	26	(5)	21	(430)	19	(411)	(404)	14	(390)
Partially-owned entities (10)	—	—	—	—	—	—	—	—	—
Other (11)	(4)	18	14	102	(24)	78	98	(6)	92
Net gains (losses)	<u>\$ 122</u>	<u>\$ 20</u>	<u>\$ 142</u>	<u>\$ (587)</u>	<u>\$ 61</u>	<u>\$ (526)</u>	<u>\$ (465)</u>	<u>\$ 81</u>	<u>\$ (384)</u>

- (7) The quarter includes \$13 million pre-tax realized gains on fixed income derivatives.
- (8) Other-than-temporary impairments for the quarter in realized gains (losses), pre-tax, includes \$8 million for fixed maturities, \$1 million for public equity and \$1 million for private equity.
- (9) The quarter includes \$92 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (10) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (11) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.

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

	Year ended December 31, 2018								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (1)	\$ (377)	\$ 30	\$ (347)	\$ (1,996)	\$ 297	\$ (1,699)	\$ (2,373)	\$ 327	\$ (2,046)
Public equity	70	(13)	57	—	—	—	70	(13)	57
Private equity	544	(35)	509	—	—	—	544	(35)	509
Mark-to-market on public and private equity (2)	(255)	26	(229)	—	—	—	(255)	26	(229)
Total investment portfolio	(18)	8	(10)	(1,996)	297	(1,699)	(2,014)	305	(1,709)
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (3)	(252)	—	(252)	—	—	—	(252)	—	(252)
Foreign exchange	131	(31)	100	(802)	35	(767)	(671)	4	(667)
Partially-owned entities (4)	8	—	8	—	—	—	8	—	8
Other (5)	(87)	18	(69)	(321)	67	(254)	(408)	85	(323)
Net gains (losses)	\$ (218)	\$ (5)	\$ (223)	\$ (3,119)	\$ 399	\$ (2,720)	\$ (3,337)	\$ 394	\$ (2,943)

- (1) Full year includes \$75 million pre-tax realized losses on fixed income derivatives. Full year other-than-temporary impairments in realized gains (losses), pre-tax, includes \$49 million for fixed maturities.
- (2) Effective Q1 2018, the company adopted new guidance that requires the recognition of mark-to-market changes of public equities and cost-method private equities to be recognized through realized gains (losses) on the income statement. Previously these unrealized gains (losses) were recorded through other comprehensive income (loss) on the balance sheet.
- (3) Full year includes \$4 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (4) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (5) Other realized losses, pre-tax, primarily includes \$36 million related to the early redemption of the \$1.0 billion junior subordinated capital securities in April 2018, \$24 million related to lease impairments, and \$23 million related to impairment of fixed assets. Other unrealized losses are primarily related to the company's post-retirement programs.

	Year ended December 31, 2017								
	Realized Gains (Losses)			Unrealized Gains (Losses)			Realized and Unrealized Gains (Losses)		
	Gains (Losses)	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax	Gains (Losses) Pre-Tax	Tax (Expense) Benefit	Gains (Losses) After-Tax
	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax	Pre-Tax	Benefit	After-Tax
Fixed income investments (6)	\$ (42)	\$ 32	\$ (10)	\$ 537	\$ (210)	\$ 327	\$ 495	\$ (178)	\$ 317
Public equity	16	(5)	11	88	(26)	62	104	(31)	73
Private equity	401	(52)	349	8	(5)	3	409	(57)	352
Total investment portfolio (7)	375	(25)	350	633	(241)	392	1,008	(266)	742
Mark-to-market from variable annuity reinsurance derivative transactions, net of applicable hedges (8)	103	—	103	—	—	—	103	—	103
Foreign exchange	36	—	36	471	5	476	507	5	512
Partially-owned entities (9)	(6)	2	(4)	—	—	—	(6)	2	(4)
Other (10)	(11)	18	7	(16)	5	(11)	(27)	23	(4)
Net gains (losses)	\$ 497	\$ (5)	\$ 492	\$ 1,088	\$ (231)	\$ 857	\$ 1,585	\$ (236)	\$ 1,349

- (6) Full year includes \$11 million pre-tax realized losses on fixed income derivatives.
- (7) Full year other-than-temporary impairments in realized gains (losses), pre-tax, includes \$23 million for fixed maturities, \$10 million for public equity and \$12 million for private equity.
- (8) Full year includes \$261 million of losses on applicable hedges. These losses are both pre-tax and after-tax.
- (9) Partially-owned entities are investments where we hold more than an insignificant percentage of the investee's shares. Refer to the Non-GAAP financial measures section for additional details.
- (10) Other unrealized gains (losses) are primarily related to the company's post-retirement programs.

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

	<u>December 31 2018</u>	<u>September 30 2018</u>	<u>June 30 2018</u>	<u>March 31 2018</u>	<u>December 31 2017</u>	<u>December 31 2016</u>
Financial Debt:						
Total short-term debt	\$ 509	\$ 500	\$ 600	\$ 1,669	\$ 1,013	\$ 500
Total long-term debt	<u>12,087</u>	<u>12,149</u>	<u>12,184</u>	<u>12,786</u>	<u>11,556</u>	<u>12,610</u>
Total financial debt	\$ 12,596	\$ 12,649	\$ 12,784	\$ 14,455	\$ 12,569	\$ 13,110
Hybrid debt:						
Total trust preferred securities	308	308	308	308	308	308
Total	<u>\$ 12,904</u>	<u>\$ 12,957</u>	<u>\$ 13,092</u>	<u>\$ 14,763</u>	<u>\$ 12,877</u>	<u>\$ 13,418</u>
Capitalization:						
Shareholders' equity	\$ 50,312	\$ 50,934	\$ 50,971	\$ 51,287	\$ 51,172	\$ 48,275
Hybrid debt	308	308	308	308	308	308
Financial debt	<u>12,596</u>	<u>12,649</u>	<u>12,784</u>	<u>14,455</u>	<u>12,569</u>	<u>13,110</u>
Total capitalization	<u>\$ 63,216</u>	<u>\$ 63,891</u>	<u>\$ 64,063</u>	<u>\$ 66,050</u>	<u>\$ 64,049</u>	<u>\$ 61,693</u>
Leverage ratios (based on total capital):						
Hybrid debt	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Financial debt	<u>19.9%</u>	<u>19.8%</u>	<u>20.0%</u>	<u>21.9%</u>	<u>19.6%</u>	<u>21.3%</u>
Total hybrid & financial debt	20.4%	20.3%	20.5%	22.4%	20.1%	21.8%

Note: As of December 31, 2018, there was \$0.4 billion usage of credit facilities on a total commitment of \$1.0 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 December 31		Year ended December 31	
	2018	2017	2018	2017
Numerator				
Core operating income to common shares	\$ 935	\$ 1,489	\$ 4,407	\$ 3,784
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax ⁽¹⁾	(50)	(64)	(215)	(283)
Tax benefit on amortization adjustment	8	23	40	85
Chubb integration expenses, pre-tax	(20)	(77)	(59)	(310)
Tax benefit on Chubb integration expenses	5	20	12	93
Adjusted net realized gains (losses), pre-tax	(543)	122	(218)	497
Tax (expense) benefit on adjusted net realized gains (losses)	20	20	(5)	(5)
Net income	<u>\$ 355</u>	<u>\$ 1,533</u>	<u>\$ 3,962</u>	<u>\$ 3,861</u>
Rollforward of Common Shares Outstanding				
Shares—beginning of period	461,100,790	464,158,519	463,833,179	465,968,716
Repurchase of shares	(2,493,873)	(833,599)	(7,719,035)	(5,866,612)
Shares issued, excluding option exercises	441,681	158,819	2,023,850	2,098,446
Issued for option exercises	154,780	349,440	1,065,384	1,632,629
Shares—end of period	<u>459,203,378</u>	<u>463,833,179</u>	<u>459,203,378</u>	<u>463,833,179</u>
Denominator				
Weighted average shares outstanding ⁽²⁾	460,636,999	465,429,008	463,629,203	467,145,716
Effect of other dilutive securities	2,783,223	4,055,746	3,173,145	4,051,185
Adj. wtd. avg. shares outstanding and assumed conversions	<u>463,420,222</u>	<u>469,484,754</u>	<u>466,802,348</u>	<u>471,196,901</u>
Basic earnings per share				
Core operating income	\$ 2.03	\$ 3.20	\$ 9.51	\$ 8.10
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax ⁽¹⁾	(0.09)	(0.09)	(0.38)	(0.42)
Chubb integration expenses, net of tax	(0.03)	(0.12)	(0.10)	(0.47)
Adjusted net realized gains (losses), net of tax	(1.14)	0.30	(0.48)	1.05
Net income	<u>\$ 0.77</u>	<u>\$ 3.29</u>	<u>\$ 8.55</u>	<u>\$ 8.26</u>
Diluted earnings per share				
Core operating income	\$ 2.02	\$ 3.17	\$ 9.44	\$ 8.03
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax ⁽¹⁾	(0.09)	(0.09)	(0.37)	(0.42)
Chubb integration expenses, net of tax	(0.03)	(0.12)	(0.10)	(0.46)
Adjusted net realized gains (losses), net of tax	(1.14)	0.31	(0.48)	1.04
Net income	<u>\$ 0.76</u>	<u>\$ 3.27</u>	<u>\$ 8.49</u>	<u>\$ 8.19</u>

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

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

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

Reconciliation of Book Value per Common Share

	December 31 2018	September 30 2018	June 30 2018	March 31 2018	December 31 2017
Shareholders' equity	\$ 50,312	\$ 50,934	\$ 50,971	\$ 51,287	\$ 51,172
Less: goodwill and other intangible assets, net of tax	20,054	20,121	20,380	20,706	20,621
Numerator for tangible book value per share	<u>\$ 30,258</u>	<u>\$ 30,813</u>	<u>\$ 30,591</u>	<u>\$ 30,581</u>	<u>\$ 30,551</u>
Book value—% change over prior quarter	-1.2%	-0.1%	-0.6%	0.2%	1.4%
Tangible book value—% change over prior quarter	-1.8%	0.7%	0.0%	0.1%	1.2%
Denominator	<u>459,203,378</u>	<u>461,100,790</u>	<u>463,502,164</u>	<u>465,831,486</u>	<u>463,833,179</u>
Book value per common share	\$ 109.56	\$ 110.46	\$ 109.97	\$ 110.10	\$ 110.32
Tangible book value per common share	\$ 65.89	\$ 66.83	\$ 66.00	\$ 65.65	\$ 65.87
Reconciliation of Book Value					
Shareholders' equity, beginning of quarter	\$ 50,934	\$ 50,971	\$ 51,287	\$ 51,172	\$ 50,471
Core operating income	935	1,122	1,253	1,097	1,489
Amortization of fair value adjustment of acquired invested assets and long-term debt, net of tax ⁽¹⁾	(42)	(42)	(41)	(50)	(41)
Chubb integration expenses, net of tax	(15)	(14)	(10)	(8)	(57)
Adjusted net realized gains (losses), net of tax ⁽²⁾	(523)	165	92	43	142
Net unrealized gains (losses) on the investment portfolio	(117)	(159)	(435)	(988)	(193)
Repurchase of shares	(318)	(379)	(324)	—	(123)
Dividend declared on common shares	(336)	(337)	(339)	(332)	(330)
Cumulative translation	(113)	(462)	(570)	378	(411)
Postretirement benefit liability	(205)	(18)	(13)	(18)	78
Other ⁽³⁾	112	87	71	(7)	147
	<u>\$ 50,312</u>	<u>\$ 50,934</u>	<u>\$ 50,971</u>	<u>\$ 51,287</u>	<u>\$ 51,172</u>

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

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

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

Chubb Limited
Non-GAAP Financial Measures
(Unaudited)

Regulation G—Non-GAAP Financial Measures

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

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

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

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

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

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

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

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

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

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

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

Core operating income (loss) is a non-GAAP financial measure that excludes the after-tax impact of adjusted net realized gains (losses), net realized gains (losses) included in other income (expense) related to partially owned entities, Chubb integration expenses, and the amortization of the fair value adjustments related to

purchased invested assets and long-term debt from the Chubb Corp acquisition. We exclude adjusted realized gains and losses because the amount of these gains (losses) are heavily influenced by, and fluctuate in part according to the availability of market opportunities. We exclude Chubb integration expenses due to the size and complexity of this acquisition. These integration expenses are distortive to our results and are not indicative of our underlying profitability. We believe that excluding these integration expenses facilitates the comparison of our financial results to our historical operating results. Chubb integration expenses are incurred by the overall company and are therefore included in Corporate. The costs are not related to the on-going activities of the individual segments and are therefore excluded from our definition of segment income (loss), as well.

Core operating income excluding catastrophe losses excludes the impact of catastrophe losses due to the significant size and number of these events which could obscure the underlying operating results. Core operating income excluding catastrophe losses and provisional tax benefit also excludes the one-time transition benefit of \$450 million in the fourth quarter of 2017 related to 2017 U.S. tax reform, which could distort comparability of core operating income between periods for reasons unrelated to underlying operating performance. We believe these measures provide a better evaluation of our operating performance and enhances the understanding of the trends in our property and casualty business. Core operating income with expected level of catastrophe losses is a non-GAAP financial measure which excludes catastrophe losses above or below management's view of typical catastrophe losses for that period. The adjustment for normalized catastrophe activity reduces the unusually large impact of catastrophe activity which is not indicative of our underlying performance. Current accident year core operating income excluding catastrophe losses is core operating income adjusted to exclude catastrophe losses and prior period development (PPD). We believe it is useful to exclude catastrophe losses, as they are not predictable as to timing and amount, and PPD, as these unexpected loss developments on historical reserves are not indicative of our current year underwriting performance. Core operating income, Core operating income excluding catastrophe losses, Core operating income with expected level of catastrophe losses, and Current accident year core operating income excluding catastrophe losses should not be viewed as a substitute for net income determined in accordance with GAAP. References to core operating income measures mean net of tax, whether or not noted.

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

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

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

Net premiums written excluding merger-related actions is a non-GAAP performance measure. Since the acquisition of the Chubb Corp, we have entered into new reinsurance agreements with third-party reinsurers for the Chubb Corp businesses and have taken other merger-related underwriting actions, including exiting certain types of business that do not meet our underwriting standards or adhere to our risk diversification strategy. We exclude the impact of accounting policy alignment to conform the timing of premium recognition of certain Chubb Corp foreign subsidiaries to be on the same basis as Chubb Limited. In addition, we excluded the impact of Fireman's Fund non-renewal, additional reinsurance, unearned premium reserve (UPR) transfer, and reinstatement premiums in the North America Personal P&C Insurance segment. We believe that this measure is meaningful to evaluate trends in our underlying business on a comparable basis.

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating ROE

Core operating return on equity (ROE) or ROE calculated using core operating income: The ROE numerator includes income adjusted to exclude after-tax adjusted net realized gains (losses), Chubb integration expenses, and the amortization of the fair value adjustment of acquired invested assets and long-term debt. The ROE denominator includes the average shareholders' equity for the period adjusted to exclude unrealized gains (losses) on investments, net of tax. Core operating ROE is a useful measure as it enhances the understanding of the return on shareholders' equity by highlighting the underlying profitability relative to shareholders' equity excluding the effect of unrealized gains and losses on our investments. Core operating ROE with Mark-to-market on Private equities includes the change in the fair value of private equity funds which are recorded as realized gains and losses and not within core operating income. We believe that this measure provides comparison with our peer companies that record the fair value changes of private equity funds within core operating income as a component of investment income.

	<u>4Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Net income	\$ 355	\$ 1,533	\$ 3,962	\$ 3,861
Core operating income	\$ 935	\$ 1,489	\$ 4,407	\$ 3,784
Equity—beginning of period, as reported	\$50,934	\$50,471	\$ 51,172	\$ 48,275
Less: unrealized gains (losses) on investments, net of deferred tax (1) (2)	(428)	1,643	1,154	1,058
Equity—beginning of period, as adjusted	\$51,362	\$48,828	\$ 50,018	\$ 47,217
Equity—end of period, as reported	\$50,312	\$51,172	\$ 50,312	\$ 51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(545)	1,450	(545)	1,450
Equity—end of period, as adjusted	\$50,857	\$49,722	\$ 50,857	\$ 49,722
Weighted average equity, as reported	\$50,623	\$50,822	\$ 50,742	\$ 49,724
Weighted average equity, as adjusted	\$51,110	\$49,275	\$ 50,438	\$ 48,470
ROE	2.8%	12.1%	7.8%	7.8%
Core operating ROE	7.3%	12.1%	8.7%	7.8%
Core operating ROE with Mark-to-market on Private equities of \$382 million			9.5%	

- (1) During Q1 2018, the company adopted new guidance that requires the reclassification of \$417 million of unrealized appreciation to beginning retained earnings related to public equities and cost-method private equities.
- (2) At December 31, 2018, the company reclassified tax expense of \$121 million related to the unrealized appreciation of investments as of December 31, 2017 to beginning retained earnings representing the stranded tax effects related to the 2017 U.S. Tax Reform which reduced the tax expense on unrealized appreciation of investments. This reduction in tax was recorded in net income in Q4 2017 as part of the U.S. Tax Reform benefit.

Core operating effective tax rate

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

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Tax expense (benefit), as reported	\$ 159	\$ 183	\$ 218	\$ 135	\$ (382)	\$ 695	\$ (139)
Less: tax benefit on amortization of fair value of acquired invested assets and debt (1)	(8)	(12)	(11)	(9)	(23)	(40)	(85)
Less: tax benefit on Chubb integration expenses	(5)	(2)	(3)	(2)	(20)	(12)	(93)
Less: tax expense (benefit) on adjusted net realized gains (losses)	(20)	14	14	(3)	(20)	5	5
Tax expense (benefit), adjusted	\$ 192	\$ 183	\$ 218	\$ 149	\$ (319)	\$ 742	\$ 34
Income before tax, as reported	\$ 514	\$1,414	\$1,512	\$1,217	\$1,151	\$ 4,657	\$ 3,722
Less: amortization of fair value of acquired invested assets and debt (1)	(50)	(54)	(52)	(59)	(64)	(215)	(283)
Less: Chubb integration expenses	(20)	(16)	(13)	(10)	(77)	(59)	(310)
Less: adjusted realized gains (losses)	(682)	27	10	(4)	—	(649)	91
Less: realized gains (losses) related to unconsolidated entities	139	152	96	44	122	431	406
Core operating income before tax	\$1,127	\$1,305	\$1,471	\$1,246	\$1,170	\$ 5,149	\$ 3,818
Effective tax rate	31.1%	12.9%	14.4%	11.1%	-33.1%	14.9%	-3.7%
Adjustment for tax impact of amortization of fair value of acquired invested assets and debt (1)	0.0%	0.4%	0.2%	0.2%	3.7%	0.2%	2.3%
Adjustment for tax impact of Chubb integration expenses	0.1%	0.0%	0.1%	0.1%	3.8%	0.1%	2.6%
Adjustment for tax impact of adjusted net realized gains (losses)	-14.1%	0.8%	0.1%	0.6%	-1.6%	-0.8%	-0.3%
Core operating effective tax rate	17.1%	14.1%	14.8%	12.0%	-27.2%	14.4%	0.9%

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

Core operating income

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

	<u>4Q-18</u>	<u>3Q-18</u>	<u>2Q-18</u>	<u>1Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
Net income, as reported	\$ 355	\$ 1,231	\$ 1,294	\$ 1,082	\$ 1,533	\$ 3,962	\$ 3,861
Amortization of fair value adjustment of acquired invested assets and long-term debt, pre-tax ⁽¹⁾	(50)	(54)	(52)	(59)	(64)	(215)	(283)
Tax benefit on amortization adjustment	8	12	11	9	23	40	85
Chubb integration expenses, pre-tax	(20)	(16)	(13)	(10)	(77)	(59)	(310)
Tax benefit on Chubb integration expenses	5	2	3	2	20	12	93
Adjusted realized gains (losses), pre-tax	(682)	27	10	(4)	—	(649)	91
Net realized gains (losses) related to unconsolidated entities, pre-tax ⁽²⁾	139	152	96	44	122	431	406
Tax (expense) benefit on adjusted net realized gains (losses)	20	(14)	(14)	3	20	(5)	(5)
Core operating income	<u>\$ 935</u>	<u>\$ 1,122</u>	<u>\$ 1,253</u>	<u>\$ 1,097</u>	<u>\$ 1,489</u>	<u>\$ 4,407</u>	<u>\$ 3,784</u>

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

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

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

Regulation G—Non-GAAP Financial Measures (continued)

Core operating income measures

	4Q-18	4Q-17	% Change 4Q-18 vs. 4Q-17	Full Year 2018	Full Year 2017	% Change 2018 vs. 2017
Core operating income	\$ 935	\$ 1,489		\$ 4,407	\$ 3,784	
Less: Catastrophe losses, after-tax	(506)	(331)		(1,354)	(2,171)	
Core operating income ex Cats	1,441	1,820	-20.8%	5,761	5,955	-3.3%
Less: Prior period development, after-tax	202	130		706	634	
Core operating income ex Cats and PPD	\$ 1,239	\$ 1,690		\$ 5,055	\$ 5,321	
Core operating income	\$ 935	\$ 1,489		\$ 4,407	\$ 3,784	
Add: Actual Cats above expected levels, after-tax	368	197		583	1,455	
Core operating income w/ expected level of Cats	\$ 1,303	\$ 1,686	-22.8%	\$ 4,990	\$ 5,239	-4.8%
Diluted earnings per share						
Core operating income ex Cats	\$ 3.11	\$ 3.88	-19.8%	\$ 12.34	\$ 12.64	-2.4%
Core operating income ex Cats and PPD	\$ 2.68	\$ 3.60	-25.6%	\$ 10.83	\$ 11.29	-4.1%
Core operating income w/ expected level of Cats	\$ 2.81	\$ 3.59	-21.7%	\$ 10.69	\$ 11.12	-3.9%
Core operating income ex Cats and \$450 million tax reform benefit in 2017	\$ 3.11	\$ 2.92	6.5%			

Core operating ROE with expected level of Cats

	4Q-18	4Q-17	Full Year 2018	Full Year 2017
Equity—beginning of period, as reported	\$50,934	\$50,471	\$ 51,172	\$ 48,275
Less: unrealized gains (losses) on investments, net of deferred tax	(428)	1,643	1,154	1,058
Equity—beginning of period, as adjusted	\$51,362	\$48,828	\$ 50,018	\$ 47,217
Equity—end of period, as reported	\$50,312	\$51,172	\$ 50,312	\$ 51,172
Less: unrealized gains (losses) on investments, net of deferred tax	(545)	1,450	(545)	1,450
Equity—end of period, as adjusted	\$50,857	\$49,722	\$ 50,857	\$ 49,722
Add: Actual Cats above expected levels, after-tax	368	197	583	1,455
Equity—end of period, as adjusted, w/ expected level of Cats	\$51,225	\$49,919	\$ 51,440	\$ 51,177
Weighted average equity, as reported	\$50,623	\$50,822	\$ 50,742	\$ 49,724
Weighted average equity, as adjusted	\$51,110	\$49,275	\$ 50,438	\$ 48,470
Weighted average equity, as adjusted, w/ expected level of Cats	\$51,294	\$49,374	\$ 50,729	\$ 49,197
ROE	2.8%	12.1%	7.8%	7.8%
Core operating ROE	7.3%	12.1%	8.7%	7.8%
Core operating ROE, w/ expected level of Cats	10.2%	13.7%	9.8%	10.6%

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

	December 31 2018	September 30 2018	June 30 2018	March 31 2018	January 1 2018	% Change QTD 2018	% Change Full Year 2018
Book value	\$ 50,312	\$ 50,934	\$ 50,971	\$ 51,287	\$ 51,172		
Less: unrealized gains (losses) on investments, net of deferred tax	(545)	(549)	(390)	45	1,154		
Adjusted book value	50,857	51,483	51,361	51,242	50,018		
Less: goodwill and other intangible assets, net of tax	20,054	20,121	20,380	20,706	20,621		
Adjusted tangible book value	\$ 30,803	\$ 31,362	\$ 30,981	\$ 30,536	\$ 29,397		
Denominator	459,203,378	461,100,790	463,502,164	465,831,486	463,833,179		
Adjusted book value per share	\$ 110.75	\$ 111.65	\$ 110.81	\$ 110.00	\$ 107.84	-0.8%	2.7%
Adjusted tangible book value per share	\$ 67.08	\$ 68.02	\$ 66.84	\$ 65.55	\$ 63.38	-1.4%	5.8%

P&C combined ratio with expected level of Cats

	<u>4Q-18</u>	<u>4Q-17</u>	<u>Full Year 2018</u>	<u>Full Year 2017</u>
P&C combined ratio	93.1%	90.7%	90.6%	94.7%
Less: Catastrophe losses	8.5%	6.7%	5.9%	10.2%
Less: Prior period development	-3.7%	-2.4%	-3.3%	-3.1%
P&C CAY combined ratio excluding Cats	88.3%	86.4%	88.0%	87.6%
Add: Expected level of Cats	2.4%	2.4%	3.4%	3.4%
P&C CAY combined ratio w/ expected level of Cats	90.7%	88.8%	91.4%	91.0%
Add: Prior period development	-3.7%	-2.4%	-3.3%	-3.1%
P&C combined ratio w/ expected level of Cats	87.0%	86.4%	88.1%	87.9%

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

Regulation G—Non-GAAP Financial Measures (continued)

P&C combined ratio

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

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

Q4 2018	North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator							
Losses and loss expenses							
Losses and loss expenses	\$ 2,127	\$ 755	\$ 156	\$ 1,166	\$ 243	\$ (19)	\$ 4,428
Realized (gains) losses on crop derivatives	—	—	5	—	—	—	5
Adjusted losses and loss expenses	A \$ 2,127	\$ 755	\$ 161	\$ 1,166	\$ 243	\$ (19)	\$ 4,433
Catastrophe losses	(232)	(90)	(10)	(85)	(160)	—	(577)
PPD and related adjustments							
PPD, net of related adjustments—favorable (unfavorable)	138	18	33	46	(4)	22	253
Net premiums earned adjustments on PPD—unfavorable (favorable)	—	—	—	—	1	—	1
Expense adjustments—unfavorable (favorable)	—	—	(6)	—	—	—	(6)
PPD reinstatement premiums—unfavorable (favorable)	2	—	—	2	—	—	4
PPD—gross of related adjustments—favorable (unfavorable)	140	18	27	48	(3)	22	252
CAY loss and loss expense ex Cats	B \$ 2,035	\$ 683	\$ 178	\$ 1,129	\$ 80	\$ 3	\$ 4,108
Policy acquisition costs and administrative expenses							
Policy acquisition costs and administrative expenses	C \$ 682	\$ 305	\$ (4)	\$ 849	\$ 54	\$ 95	\$ 1,981
Expense adjustments—favorable (unfavorable)	—	—	6	—	—	—	6
Policy acquisition costs and administrative expenses, adjusted	D \$ 682	\$ 305	\$ 2	\$ 849	\$ 54	\$ 95	\$ 1,987
Denominator							
Net premiums earned	E \$ 3,077	\$ 1,130	\$ 318	\$ 2,187	\$ 178		\$ 6,890
Reinstatement premiums (collected) expensed on catastrophe losses	—	26	—	—	(18)		8
Net premiums earned adjustments on PPD—unfavorable (favorable)	—	—	—	—	1		1
PPD reinstatement premiums—unfavorable (favorable)	2	—	—	2	—		4
Net premiums earned excluding adjustments	F \$ 3,079	\$ 1,156	\$ 318	\$ 2,189	\$ 161		\$ 6,903
P&C combined ratio							
Losses and loss expense ratio	A/E 69.1%	66.8%	50.7%	53.3%	137.1%		64.3%
Policy acquisition cost and administrative expense ratio	C/E 22.2%	27.0%	-1.2%	38.8%	29.8%		28.8%
P&C combined ratio	91.3%	93.8%	49.5%	92.1%	166.9%		93.1%
CAY P&C combined ratio ex Cats							
Loss and loss expense ratio, adjusted	B/F 66.1%	59.1%	56.0%	51.6%	50.1%		59.5%
Policy acquisition cost and administrative expense ratio, adjusted	D/F 22.1%	26.4%	0.8%	38.8%	33.1%		28.8%
CAY P&C combined ratio ex Cats	88.2%	85.5%	56.8%	90.4%	83.2%		88.3%
Combined ratio							
Combined ratio							93.0%
Add: impact of gains and losses on crop derivatives							0.1%
P&C combined ratio							93.1%

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

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)

Full Year 2018		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 8,000	\$ 3,229	\$ 1,111	\$ 4,429	\$ 479	\$ 53	\$17,301
Realized (gains) losses on crop derivatives		—	—	3	—	—	—	3
Adjusted losses and loss expenses	A	<u>\$ 8,000</u>	<u>\$ 3,229</u>	<u>\$ 1,114</u>	<u>\$ 4,429</u>	<u>\$ 479</u>	<u>\$ 53</u>	<u>\$17,304</u>
Catastrophe losses		(579)	(611)	(21)	(206)	(205)	—	(1,622)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		610	(41)	110	212	50	(45)	896
Net premiums earned adjustments on PPD—unfavorable (favorable)		29	—	40	—	8	—	77
Expense adjustments—unfavorable (favorable)		7	—	(10)	—	(1)	—	(4)
PPD reinstatement premiums—unfavorable (favorable)		7	1	—	4	—	—	12
PPD—gross of related adjustments—favorable (unfavorable)		653	(40)	140	216	57	(45)	981
CAY loss and loss expense ex Cats	B	<u>\$ 8,074</u>	<u>\$ 2,578</u>	<u>\$ 1,233</u>	<u>\$ 4,439</u>	<u>\$ 331</u>	<u>\$ 8</u>	<u>\$16,663</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,795	\$ 1,208	\$ 70	\$ 3,360	\$ 203	\$ 295	\$ 7,931
Expense adjustments—favorable (unfavorable)		(7)	—	10	—	1	—	4
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,788</u>	<u>\$ 1,208</u>	<u>\$ 80</u>	<u>\$ 3,360</u>	<u>\$ 204</u>	<u>\$ 295</u>	<u>\$ 7,935</u>
Denominator								
Net premiums earned	E	\$ 12,402	\$ 4,593	\$ 1,569	\$ 8,612	\$ 670		\$27,846
Reinstatement premiums (collected) expensed on catastrophe losses		—	26	—	—	(22)		4
Net premiums earned adjustments on PPD—unfavorable (favorable)		29	—	40	—	8		77
PPD reinstatement premiums—unfavorable (favorable)		7	1	—	4	—		12
Net premiums earned excluding adjustments	F	<u>\$ 12,438</u>	<u>\$ 4,620</u>	<u>\$ 1,609</u>	<u>\$ 8,616</u>	<u>\$ 656</u>		<u>\$27,939</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	64.5%	70.3%	71.0%	51.4%	71.6%		62.1%
Policy acquisition cost and administrative expense ratio	C/E	22.5%	26.3%	4.5%	39.0%	30.2%		28.5%
P&C combined ratio		<u>87.0%</u>	<u>96.6%</u>	<u>75.5%</u>	<u>90.4%</u>	<u>101.8%</u>		<u>90.6%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.9%	55.8%	76.7%	51.5%	50.5%		59.6%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	22.4%	26.1%	4.9%	39.0%	31.1%		28.4%
CAY P&C combined ratio ex Cats		<u>87.3%</u>	<u>81.9%</u>	<u>81.6%</u>	<u>90.5%</u>	<u>81.6%</u>		<u>88.0%</u>
Combined ratio								
Combined ratio								90.6%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>90.6%</u>

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

Chubb Limited
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)

Q4 2017		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 1,911	\$ 887	\$ 60	\$ 965	\$ 126	\$ 140	\$ 4,089
Realized (gains) losses on crop derivatives		—	—	—	—	—	—	—
Adjusted losses and loss expenses	A	<u>\$ 1,911</u>	<u>\$ 887</u>	<u>\$ 60</u>	<u>\$ 965</u>	<u>\$ 126</u>	<u>\$ 140</u>	<u>\$ 4,089</u>
Catastrophe losses		(167)	(278)	—	55	(42)	—	(432)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		200	(3)	36	68	(5)	(138)	158
Net premiums earned adjustments on PPD— unfavorable (favorable)		—	—	5	—	—	—	5
Expense adjustments—unfavorable (favorable)		—	—	(6)	—	—	—	(6)
PPD—gross of related adjustments—favorable (unfavorable)		200	(3)	35	68	(5)	(138)	157
CAY loss and loss expense ex Cats	B	<u>\$ 1,944</u>	<u>\$ 606</u>	<u>\$ 95</u>	<u>\$ 1,088</u>	<u>\$ 79</u>	<u>\$ 2</u>	<u>\$ 3,814</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 706	\$ 298	\$ 2	\$ 816	\$ 51	\$ 80	\$ 1,953
Expense adjustments—favorable (unfavorable)		—	—	6	—	—	—	6
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 706</u>	<u>\$ 298</u>	<u>\$ 8</u>	<u>\$ 816</u>	<u>\$ 51</u>	<u>\$ 80</u>	<u>\$ 1,959</u>
Denominator								
Net premiums earned	E	\$ 3,035	\$ 1,103	\$ 252	\$ 2,113	\$ 162		\$ 6,665
Reinstatement premiums (collected) expensed on catastrophe losses		1	19	—	(5)	—		15
Net premiums earned adjustments on PPD— unfavorable (favorable)		—	—	5	—	—		5
Net premiums earned excluding adjustments	F	<u>\$ 3,036</u>	<u>\$ 1,122</u>	<u>\$ 257</u>	<u>\$ 2,108</u>	<u>\$ 162</u>		<u>\$ 6,685</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	63.0%	80.4%	23.7%	45.7%	78.9%		61.4%
Policy acquisition cost and administrative expense ratio	C/E	23.2%	27.1%	0.7%	38.6%	31.3%		29.3%
P&C combined ratio		<u>86.2%</u>	<u>107.5%</u>	<u>24.4%</u>	<u>84.3%</u>	<u>110.2%</u>		<u>90.7%</u>
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.1%	54.0%	36.9%	51.6%	50.1%		57.1%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	23.2%	26.5%	3.1%	38.7%	31.3%		29.3%
CAY P&C combined ratio ex Cats		<u>87.3%</u>	<u>80.5%</u>	<u>40.0%</u>	<u>90.3%</u>	<u>81.4%</u>		<u>86.4%</u>
Combined ratio								
Combined ratio								90.7%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>90.7%</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)

Full Year 2017		North America Commercial P&C Insurance	North America Personal P&C Insurance	North America Agricultural Insurance	Overseas General Insurance	Global Reinsurance	Corporate	Total P&C
Numerator								
Losses and loss expenses								
Losses and loss expenses		\$ 8,287	\$ 3,265	\$ 1,036	\$ 4,281	\$ 561	\$ 285	\$17,715
Realized (gains) losses on crop derivatives		—	—	7	—	—	—	7
Adjusted losses and loss expenses	A	<u>\$ 8,287</u>	<u>\$ 3,265</u>	<u>\$ 1,043</u>	<u>\$ 4,281</u>	<u>\$ 561</u>	<u>\$ 285</u>	<u>\$17,722</u>
Catastrophe losses		(1,220)	(871)	(18)	(331)	(313)	—	(2,753)
PPD and related adjustments								
PPD, net of related adjustments—favorable (unfavorable)		746	(69)	119	252	59	(278)	829
Net premiums earned adjustments on PPD—unfavorable (favorable)		42	—	66	—	(4)	—	104
Expense adjustments—unfavorable (favorable)		6	—	(11)	—	—	—	(5)
PPD reinstatement premiums—unfavorable (favorable)		9	—	—	—	—	—	9
PPD—gross of related adjustments—favorable (unfavorable)		803	(69)	174	252	55	(278)	937
CAY loss and loss expense ex Cats	B	<u>\$ 7,870</u>	<u>\$ 2,325</u>	<u>\$ 1,199</u>	<u>\$ 4,202</u>	<u>\$ 303</u>	<u>\$ 7</u>	<u>\$15,906</u>
Policy acquisition costs and administrative expenses								
Policy acquisition costs and administrative expenses	C	\$ 2,854	\$ 1,163	\$ 73	\$ 3,203	\$ 221	\$ 267	\$ 7,781
Expense adjustments—favorable (unfavorable)		(6)	—	11	—	—	—	5
Policy acquisition costs and administrative expenses, adjusted	D	<u>\$ 2,848</u>	<u>\$ 1,163</u>	<u>\$ 84</u>	<u>\$ 3,203</u>	<u>\$ 221</u>	<u>\$ 267</u>	<u>\$ 7,786</u>
Denominator								
Net premiums earned	E	\$ 12,191	\$ 4,399	\$ 1,508	\$ 8,131	\$ 704		\$26,933
Reinstatement premiums (collected) expensed on catastrophe losses		4	22	—	4	(37)		(7)
Net premiums earned adjustments on PPD—unfavorable (favorable)		42	—	66	—	(4)		104
PPD reinstatement premiums—unfavorable (favorable)		9	—	—	—	—		9
Net premiums earned excluding adjustments	F	<u>\$ 12,246</u>	<u>\$ 4,421</u>	<u>\$ 1,574</u>	<u>\$ 8,135</u>	<u>\$ 663</u>		<u>\$27,039</u>
P&C combined ratio								
Losses and loss expense ratio	A/E	68.0%	74.2%	69.2%	52.6%	79.8%		65.8%
Policy acquisition cost and administrative expense ratio	C/E	23.4%	26.5%	4.8%	39.4%	31.4%		28.9%
P&C combined ratio		91.4%	100.7%	74.0%	92.0%	111.2%		94.7%
CAY P&C combined ratio ex Cats								
Loss and loss expense ratio, adjusted	B/F	64.3%	52.6%	76.2%	51.7%	46.0%		58.8%
Policy acquisition cost and administrative expense ratio, adjusted	D/F	23.2%	26.3%	5.3%	39.3%	33.2%		28.8%
CAY P&C combined ratio ex Cats		<u>87.5%</u>	<u>78.9%</u>	<u>81.5%</u>	<u>91.0%</u>	<u>79.2%</u>		<u>87.6%</u>
Combined ratio								
Combined ratio								94.7%
Add: impact of gains and losses on crop derivatives								0.0%
P&C combined ratio								<u>94.7%</u>

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

Chubb Limited
Glossary

Chubb Limited Consolidated comprises all segments including Corporate.

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

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

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

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

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

Average yield on invested assets: 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.

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

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

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

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

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

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

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

NM: Not meaningful.