

CHUBB®

Chubb Ltd (NYSE: CB)

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Market Data as of 27-March-2023

A global leader in P&C Insurance with exceptional underwriting strength and growth potential

Business Overview

- Chubb Ltd (NYSE: CB) is the world's largest P&C Insurer with a presence in 54 countries
- CB is a global leader in traditional and specialty P&C for businesses of all sizes, and the leading underwriter of commercial and personal lines in the U.S.
- CB possesses strong financial strength (AA rated by S&P) due to its prudent risk management
- CB has an extensive distribution network through retail and wholesale brokers, independent and captive agents, bank assurance, mobile assurance, direct marketing, and D2Cs

Investment Thesis

Why Is This a Good Business?

- CB is well positioned to pivot in 2023 with its leading underwriting & expense management capabilities and capitalize on industry tailwinds
 - A beneficiary of hardening commercial lines and higher catastrophe reinsurance rates
- CB's recent acquisition of Cigna's Asian A&H business represents an attractive opportunity to tap into a fast-growing & high-return market, solidifying CB's global leadership

What Is The Market Missing?

- CB has been under pressure due to short-term catastrophes and some one-time write-offs. The financial strengths of the company and the business model remain intact (SP down 15% YTD)

We recommend YUSIF BUY Chubb Ltd representing an implied upside of ~30%

CB is the largest publicly traded P&C insurance company

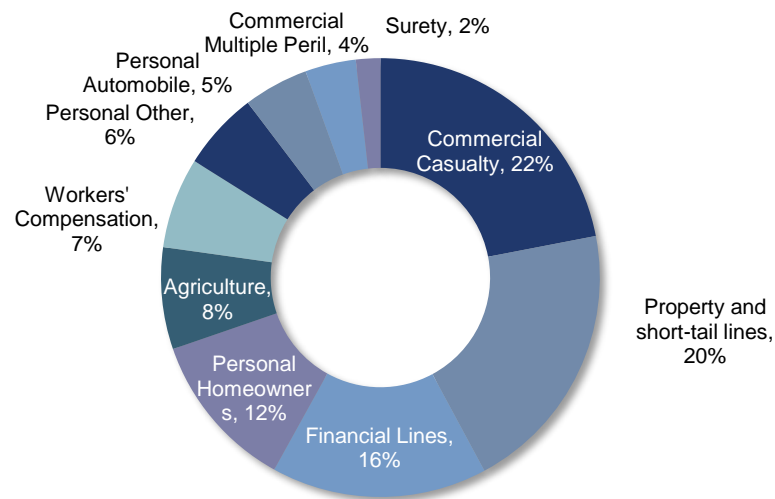
Business Overview

- Chubb P&C insurance provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients
- Largest publicly traded P&C insurance company with operations in 54 countries and territories
- CB operates in 3 main segments within North America
 - Commercial P&C Insurance
 - Personal Insurance
 - Agricultural Insurance
- Additionally, they have overseas general insurance, and life insurance

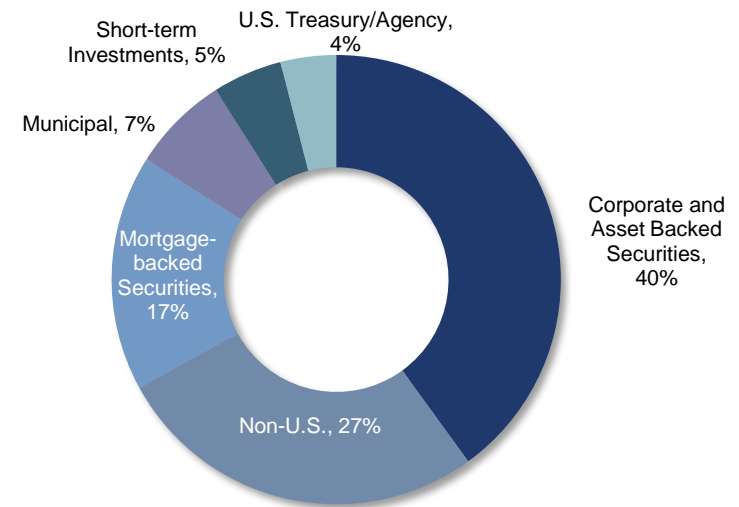
How Does CB Make Money?

- CB makes money from the insurance premiums collected through the various plans that they offer
- Generally, insurers use the service of an insurance broker or agent
 - This broker offers advice on the types and amount of insurance to purchase and assists in the negotiations of price and terms and conditions
- CB then collects insurance premiums through the plans sold by the broker to the insured. CB typically pays a commission to brokers for any business accepted and bound
- Additionally, CB makes money through interest and dividends received from their investments in fixed income securities

Net P&C Premiums Segmentation



Fixed Income Investment Portfolio



Business Overview

CB Operates in 5 Main Business Segments

	North America Commercial P&C	North America Personal P&C	North America Agriculture	Overseas General	Life Insurance
Business Description	<ul style="list-style-type: none"> Full range of traditional and specialty offerings for businesses of all sizes 4 major business units operating in this segment in the form of major accounts, commercial insurance, Westchester and Chubb Bermuda 	<ul style="list-style-type: none"> CB is the leading provider of personal lines insurance for successful individuals and families in the US Known for broad product offering, superior claims and risk consulting services and access to CB's extensive branch network in the US and Canada 	<ul style="list-style-type: none"> Leading crop insurer in North America Serving approx. 120 000 farmers and insuring 120 different crops on 80 million acres 	<ul style="list-style-type: none"> Two main business units – one with a retail presence in four regions (Europe, Asia, Latin America, Far East), and the other is an excess lines operation in the London wholesale market 	<ul style="list-style-type: none"> Two business units – Chubb Life, and international life insurer primarily focused on Asia; and Combined Insurance which provides personal accident and supplemental health insurance coverages in North America
Net Premiums Written (NPW)	\$16.4B	\$5.0B	\$2.4B	\$10.7B	\$2.5B
	44% of Total	14% of Total	6% of Total	30% of Total	6% of Total
How do they make money?	<ul style="list-style-type: none"> CB creates specific policies to fit each company's needs. This allows them to maximize income from premiums while reducing risk of loss 	<ul style="list-style-type: none"> Similar to the commercial branch, agents around the world negotiate for CB to create the most income from premiums while keeping minimum risk 	<ul style="list-style-type: none"> Public-private partnership, meaning the federal government sets rates, terms and conditions 	<ul style="list-style-type: none"> Offers range of services to both commercial and consumer markets 	<ul style="list-style-type: none"> Insurance offerings in various Asian markets, as well as Latin America and China Joint venture partner with Huatai in China

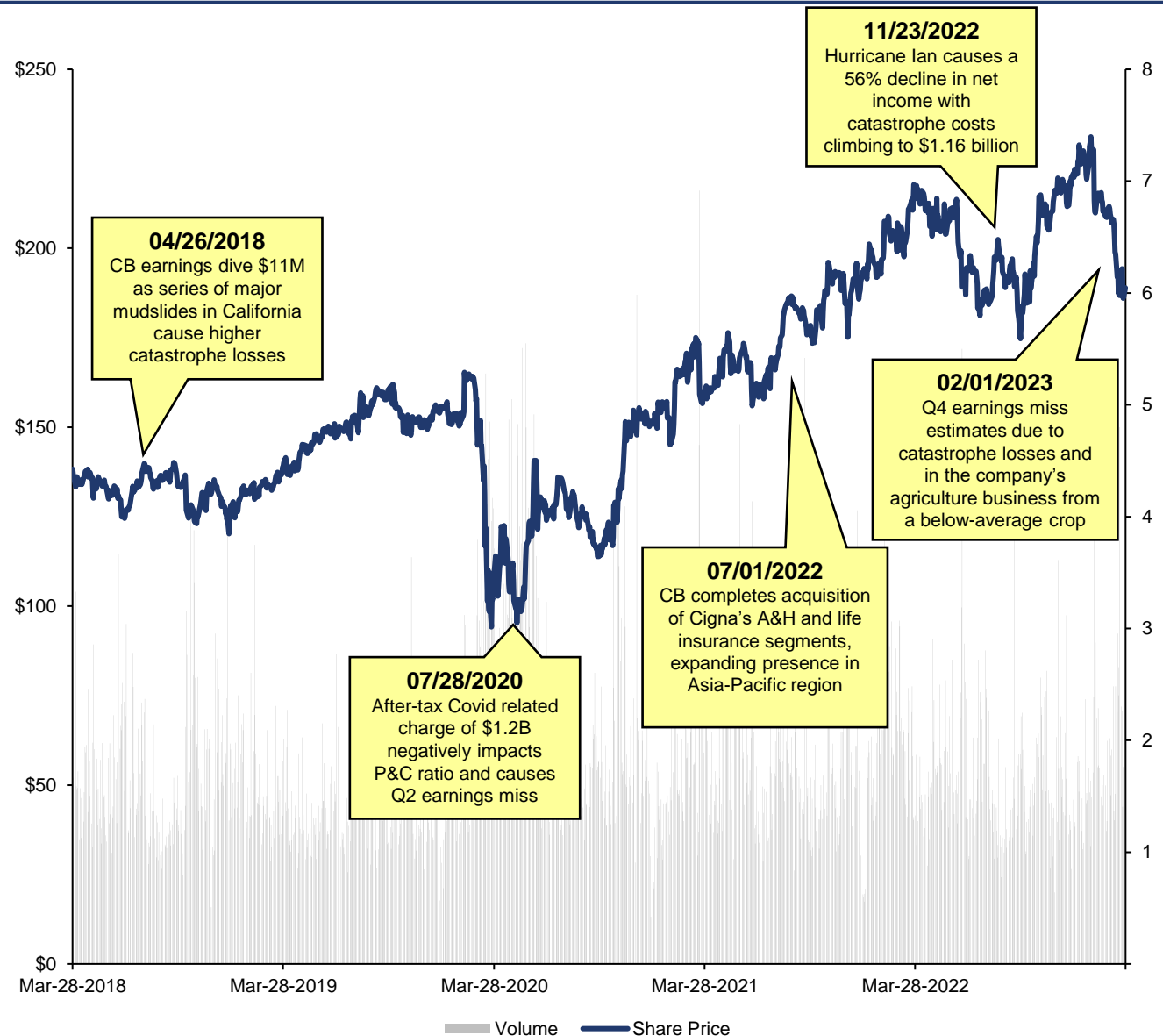
5-Year Share Price Performance

Premium revenue growth and strategic investments in Asia fuel stock performance

Commentary

- CB share performance has seen consistent growth since COVID-19 plunge
- Most recently share price performance plunged following Q4'22 earnings announcement
- Most share price fluctuation came as a result of natural disasters
- Strategic investments in Asia-Pacific region through acquisition of Cigna's A&H and life insurance business cause temporary dip but strong recovery quickly after

Stock Chart



Key Financial Information

Market Cap (Mar 27)	\$78.6B
Share Price (Mar 27)	\$188.92
Revenue (2022A)	\$43.2B
Net Income (2022A)	\$5.3B
Price/Earnings (LTM)	15.1x
Price/Book (LTM)	1.6x
5Y Performance	41.49%
YTD Performance	(12.61%)

CB has a mainly independent board with a variable compensation structure

- Board of directors is 92.3% independent with all independent directors on audit, compensation, nominating & governance and risk & finance
- The average age of the board of directors is 67 years old
- 46% of directors have serviced for 8 years or less, 3 directors for two years or less, and 1 new nominee proposed for election
- NEO's are compensated with 12% based salary, 30% short-term incentive/cash and 58% long-term incentive/equity (stock options, restricted stock, performance shares). 88% of total direct compensation is variable with respect to performance
 - Total compensation for NEO's in 2021 was \$58.3M

Nominee	Age	Director Since	Principal Occupation	Current Committee Membership				
				Executive	Nominating & Governance	Audit	Compensation	Risk & Finance
Evan G. Greenberg	67	2002	Chairman and CEO, Chubb LTD.	Chair				
Michael P. Connors	66	2011	Chairman and CEO, Information Services Group, Inc.	✓	✓		✓	
Michael G. Atieh	68	1991	Retired Chief Financial and Business Officer, Ophotech Corp.					✓
Kathy Bonanno	59	New nominee	Business Finance Officer, Google Cloud					
Sheila P. Burke	71	2016	Faculty Research Fellow, JFK School of Government, Harvard Univ.					✓
Mary Cirillo	74	2006	Retired Exec. VP and Managing Director, Deutsche Bank	✓	Chair		✓	
Robert J. Hugin	67	2020	Former Chairman and CEO, Celgene Corp.					✓
Theodore E. Shasta	71	2010	Retired Partner, Wellington Management Company			✓		
David H. Sidwell	69	2014	Retired CFO, Morgan Stanley			✓		
Olivier Steimer	66	2008	Former Chairman, Banque Cantonale Vaudoise	✓				Chair
Luis Tellez	63	2021	Former Chairman and CEO, Mexican Stock Exchange			✓		
Frances F. Townsend	60	2020	Exec. VP for Corporate Affairs, COO of Activision Blizzard	✓	✓		Chair	

CB Employs Strong Environmental Risk Mitigation Techniques

CB is Vulnerable to Climate-Related Events

- **CB is highly exposed to the impact of climate-related events**
 - 91% of CB's revenues come from the P&C segment meaning that CB could face higher claims cost as a result of climate-related events
 - CB exhibits strong risk mitigation initiatives through internally conducted climate research, industry initiatives and catastrophe management
 - CB focuses heavily on quality of underwriting in comparison to volume of business or market share. Therefore, CB manages underwriting risk by employing consistent, disciplined pricing and risk selection

CB Aims to Reduce GHG Emissions

- **GHG Reduction**
 - CB recognizes that an insurance provider doesn't necessarily produce substantial amounts of GHG emissions, but their clients do. Therefore, CB creates ways to incentivize clients to reduce GHG
- **Underwriting and Investing Limitations**
 - In 2019, CB became the first major insurer in the US to limit coal-related underwriting and investment activity
 - CB no longer underwrites for companies that generate >30% of their revenues from thermal coal mining or energy production from coal
 - CB will also no longer make investments into companies with 30% of their revenues from thermal coal mining or energy production from coal

Internal and External Environmental Research

- **Internal Climate Change Research**
 - Through CB's catastrophe modelling and enterprise risk management groups, CB has placed themselves at the forefront of the insurance industry's understanding of the potential impact of climate change on their business and customers
 - CB is currently conducting research in collaboration with the University of California Santa Barbara to better understand the potential wildfire risk in regions of critical interest
- **External Involvement in Climate Workshops**
 - In 2022, CB sponsored a study by the University of Pennsylvania Carey School of Law aimed at analyzing the various methodologies in place for insurance providers to measure and reduce their Scope 3 emissions

Proactive Assessment of Natural Disasters

- **Leader in the Use of Catastrophe Management**
 - CB utilizes catastrophe management to quantify natural catastrophe risk for product pricing, risk management, capital allocation and estimation of losses
 - Internal and external data coupled with sophisticated analytical, catastrophe loss and risk modelling techniques are used to ensure an appropriate understanding of risk, including diversification and correlation of effects, across different product lines and territories
 - Scenario analyses are modelled on a one-year time horizon to inform underwriting and business planning decisions
 - Through this process, CB remains at the leading edge of assessing trends and frequency & severity of natural disasters and incorporating them into pricing, underwriting & risk management decisions

P&C sector continues to see stable demand

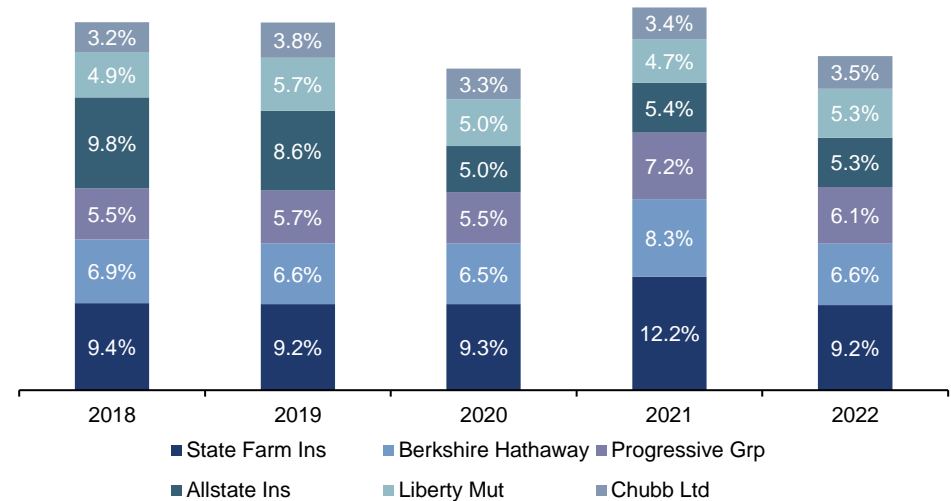
Industry Overview

- CB has a market share of 3.5% in the \$873.7B American P&C insurance industry and has increased 10.9% over the last 5 years. The industry has grown at a rate of 1.5% over the past 5 years and is expected to grow at a CAGR of 0.3% by 2027
- The P&C market has stable demand and is impacted little by macroeconomic conditions as real estate, vehicles, and businesses must be insured regardless
- Despite there being a few thousand P&C insurers in the United States, large insurers like CB have market power of reducing premiums due to economies of scale
 - In order to rebuild surpluses and profitability, insurers have increasingly raised premiums over the last 5 years
- Industry is regulated heavily and steadily by the NAIC and UCAA who aim to protect consumers against insurers

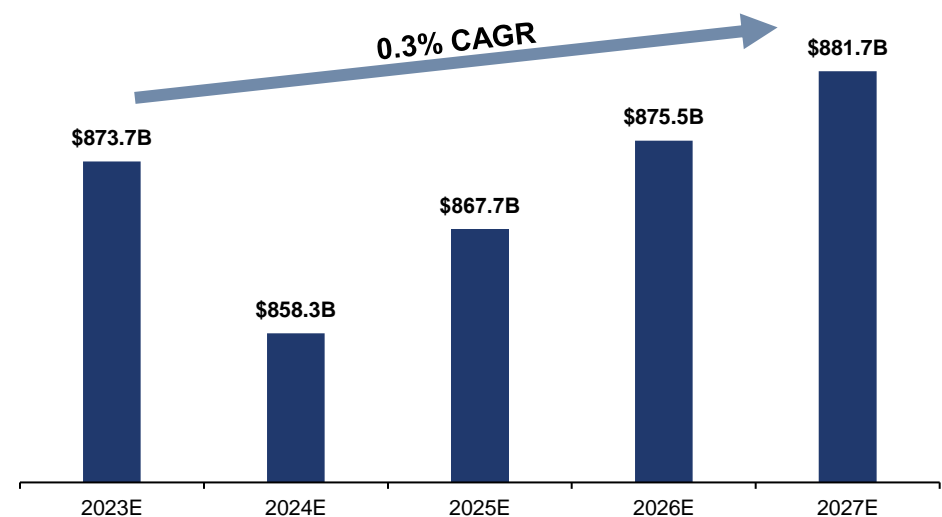
Industry Trends

- With the automotive industry expected to return to pre-pandemic levels, insurers are anticipating an increase in policy volumes and premium prices
- Larger insurers in the industry are attempting to grow through mergers and acquisitions as there has been a lack in product innovation
- In recent years, the industry has been subject to several natural disasters including Hurricanes Sandy, Maria, and Irma. As such, there has been an increase in capital reserves set aside to cover future catastrophic losses, putting downward pressure on profitability
- Insurers invest the majority of their assets in municipal securities and loans, as well as corporate and foreign bonds. While interest rates have put pressure on the current investment book, it should lead to increased investment income going forward

Top 5 Players Market Share Analysis



Industry Expected To Grow At 0.3% CAGR Until 2027



Industry Comparable Table

CB leads the industry with lowest P&C Combined Ratio and most underwriting profit

Metrics	Chubb Limited	Hartford Financial Services	The Allstate Corp	Travelers Companies Inc	American International Group	The Progressive Corp
Market Cap	\$78.6B	\$20.9B	\$28.3B	\$38.9B	\$35.0B	\$82.6B
Return on Equity	9.6%	11.5%	(6.4%)	11.3%	20.3%	4.2%
P&C Combined Ratio ¹	87.6%	95.8%	98.9%	88.8%	92.0%	93.0%
Expense Ratio	27.6%	27.7%	26.7%	29.4%	31.2%	22.3%
RBC Ratio ²	471%	488%	434%	402%	414%	515%

Source(s): Company Filings, Capital IQ

1: P&C Combined ratio is a specific measure of an insurers profitability. A ratio under 100% indicates underwriting income and a ratio above 100% indicates underwriting loss.

2: Risk Based Capital ratio measures an insurers financial strength. Above 200% is good and anything below 150% is considered bad.

Investment Thesis: Why Is This a Good Business?

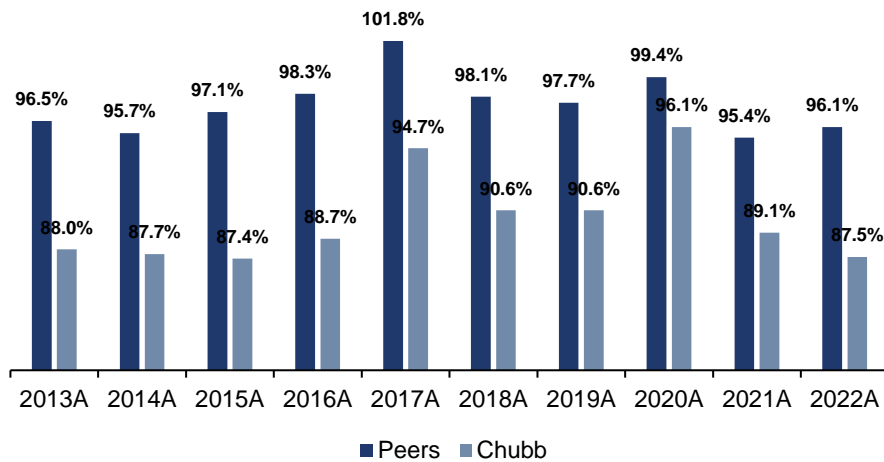
A leading underwriter well-positioned to pivot in 2023

Leader In Underwriting and Expense Management

- High premium diversification by product, segment and geography minimizes losses from catastrophes
 - CB is increasing consumer to commercial premium split improving from 28% (2012) to 37% (2022) of premiums
 - CB generates 43% of its premiums outside the core U.S. market in Canada, Europe, APAC, and LatAm
- Minimal average expense ratio between 2018 to 1H 2022 at 27.6% relative to peers due to economies of scale

U.S. Commercial P&C: 2018 to 1H 2022 Average Expense Ratio By Market Cap	
Chubb	27.6%
Large (>\$20B)	31.6%
Medium (\$5B to \$20B)	32.1%
Small (<\$5B)	34.4%

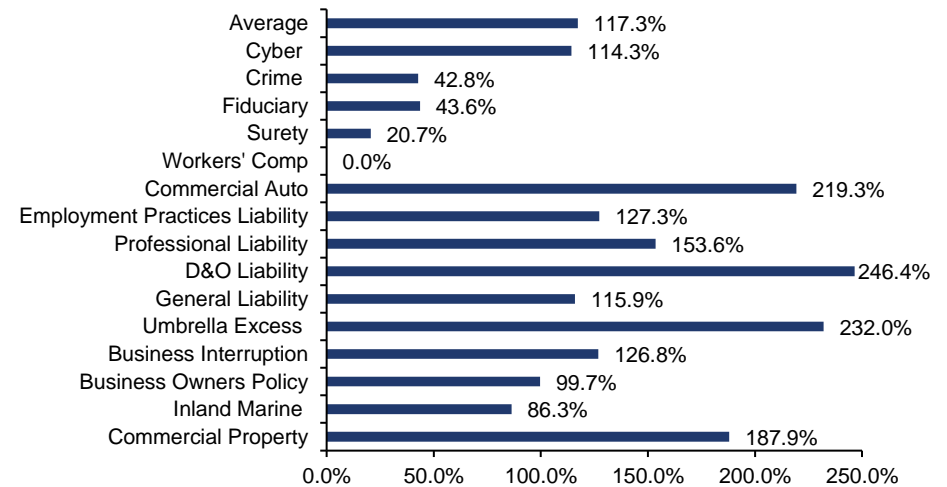
Significantly Lower P&C Ratio Relative to Peers



Pricing Power And Low Costs Expand Margin

- Best positioned to perform well in an economic environment with hardening commercial lines due to rate hikes
 - Characteristics of such a market include increased premium costs for insured, stricter underwriting criteria, less capacity, restricted terms of coverage, and less competition among insurance carriers for new business
- Can profit by writing more catastrophe reinsurance rates and hiking rates, for context commercial property and automobile rates have increased by 187.9% and 219.3% since 2019
 - Since 2019 CB has cumulatively hiked rates by 51.2% meaning there is still more room for further rate hikes
- Also have strong pricing power in other industries being the number one provider of personal line coverages and services for “affluent customers” and U.S. crop insurance

Industry Has Hiked Prices Significantly Since 2019



Investment Thesis: Why Is This a Good Business?

Diversification with entrance into the fast-growing APAC A&H market

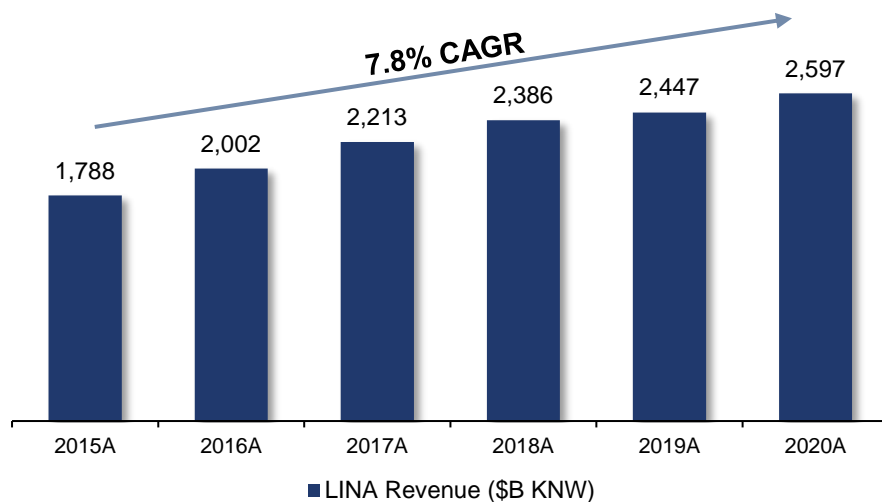
Strategic Expansion in APAC Region

- CB acquired Cigna's accident and health (A&H) and life business in six Asia-Pacific markets (South Korea, Taiwan, New Zealand, Thailand, Hong Kong, and Indonesia) and a 51% stake in a joint venture in Turkey for \$5.7B cash in Q3'22
- Market-leading accident, supplemental health, and life protection products business across Asia - \$3 billion premium revenue
- Primarily A&H: 81% of new business (2021E), 78% of net earned premium (2020A)
- #1 direct marketing A&H insurer in Korea with leading profitability (21% statutory ROE in 2020)

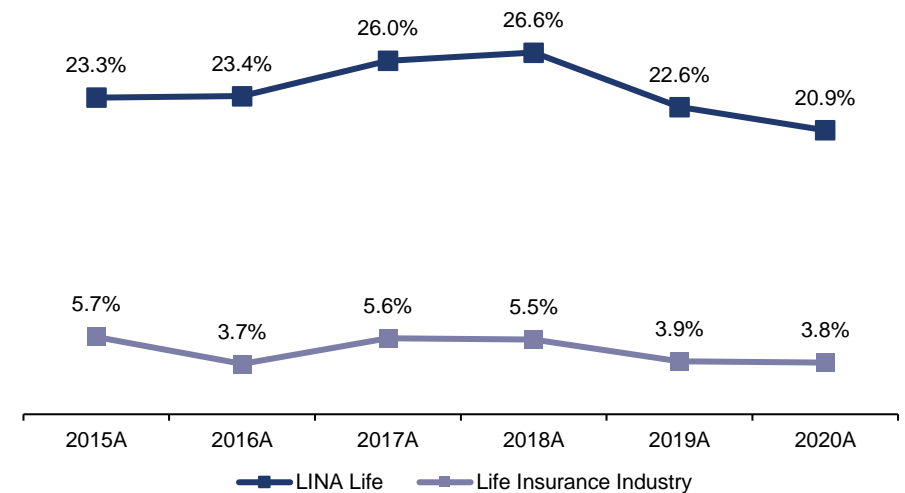
Potential for Growth in APAC Region

- Acquisition boosts CB's APAC net premiums written to \$7B from \$4B, further balancing CB's Asia portfolio share at 18% of the CB's total portfolio (ex China)
- Korea is a prime market to enter given its aging population (cancer, dementia, etc.) and affordability gap in public safety drives increased penetration of CB's A&H products
- Cigna's leading brand in Korea, Life Insurance of North America (LINA), has grown at a 7.8% CAGR from '15-'20 with similar growth in its international segment
- Long-term goal of growing Cigna's international segment by a faster 8-10% rate

Focus on Korea Given Strong Growth Potential



ROE of Cigna Korean Business Line Outperforms



Investment Thesis: Why Is This a Good Business?

Cigna represents a perfect strategic & financial fit for CB to strengthen Asia's presence

Why Cigna?	<ul style="list-style-type: none">■ Unique strategic fit (A&H, APAC, direct channel, digital and agency); only existing business of its size and highly complementary to CB's business<ul style="list-style-type: none">□ Management and technical talent□ Accelerate digitalization: life and non-life, whole company approach, unique for Asia□ Leader in direct and telemarketing channels, complemented by long-term distribution partnerships□ Opportunity to provide Chubb non-life consumer products to existing Cigna customers■ Stable earnings, with no exposure to the P&C cycle
How Cigna Accelerates Chubb's Strategic Expansion	<ul style="list-style-type: none">■ Further balances Asia's share of Chubb's global portfolio – from approx. \$4B to \$7B in premium, representing approx. 20% of Chubb total (ex China)■ Builds leadership in global A&H, with premium growing from approx. \$3.7B to \$6.1B■ Asia A&H business approx. \$1.0B to \$3.4B■ Nearly all Cigna business is written on life licenses, expanding the scale of our rapidly growing Asia life business, with premium to increase from approx. \$1B to \$4B
CB is Well-Positioned to Realize Combined Potential	<ul style="list-style-type: none">■ Cigna offers a product portfolio, which complements and scales CB's existing operations across the APAC region■ Attractive product profile providing supplemental A&H, similar to CB's own products; personal accident, accident death, critical illness, hospitalization, travel, dental, dementia, cancer, and other specified conditions
Highly Accretive Opportunity	<ul style="list-style-type: none">■ Accretive to operating earnings per share and operating ROE vs. Street estimates<ul style="list-style-type: none">□ EPS accretive: +6% 2023□ ROE accretive: +~55bps 2023□ TBVPS dilution expected to earn back within ~6 months□ Strong expected return on investment: 3-year ROI of 15%, IRR of ~20%

Investment Thesis: What Is The Market Missing?

Strong fundamentals overshadowed by unforeseen short-term events

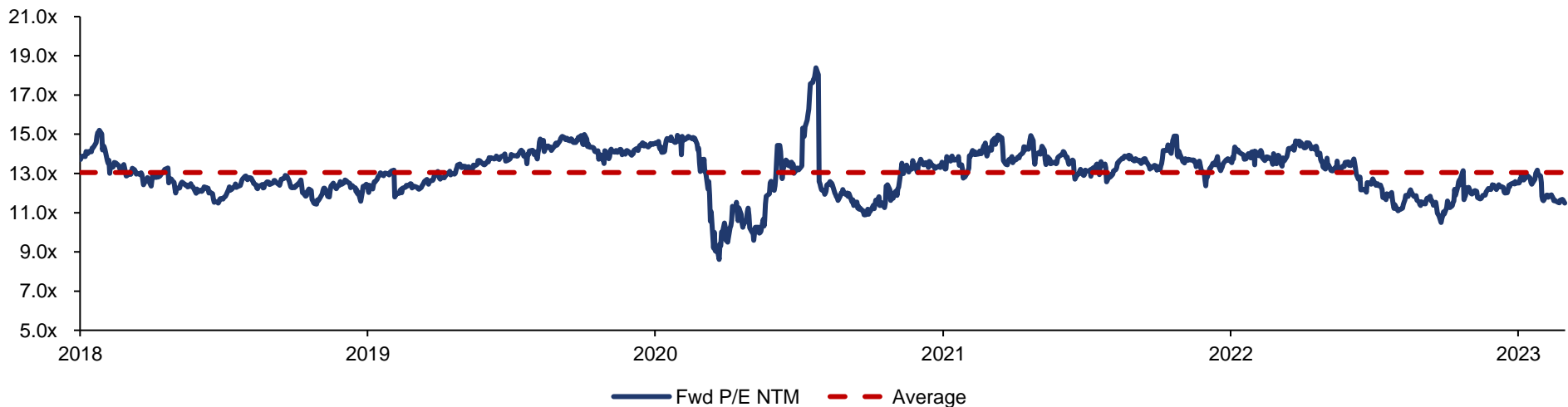
CB Recently Hit By Catastrophe Events

- Share price fell by 7.7% from \$227.49 (Jan 1.) to \$209.84 (Jan 3) following recent Q4 earnings release
- EPS of \$0.05 in Q4 missing targets by \$0.20
 - Agriculture reduced earnings by \$0.39 per share
- Lowest crop yield in 2022 in the U.S. as a large drought consumed around 40% of the nation
 - Texas cotton got 70% of their typical harvest
 - California rice harvest was half of normal year
- High catastrophe losses at \$2.2B mainly from Hurricane Ian (\$975M) and storm Elliott (\$400M) in 2021 which led to a combined ratio of around 87.6%

Fundamentals Remain Intact

- CB has a unique structure where all asbestos exposure is contained in a run-off subsidiary called Brandywine which it recently sold in the last quarter
 - Led to recently massive write-offs in the billions as the subsidiary had \$3.2B in asbestos reserves significantly decreasing EPS with no change to the fundamentals
- Removing agriculture and catastrophe produces a ratio of 82.9% being far lower than the historical 90.1% 10-year P&C ratio proving the fundamentals remain unchanged
- Since agriculture business is volatile, underperformance in 2022 isn't indicative of future performance or CB's overall strength
- Current Fwd P/E NTM of 11.5x is below the average 12.7x due to recent events which presents a potential opportunity to buy

Depressed Valuation Provides a Buying Opportunity



The Bear Case (What Could Go Wrong?)

M&A integration, capital allocation, and competition

Execution of Cigna Acquisition

- **Hard Market Peaking/Softening:** A&H's current hard market could potentially peak/soften leading to a decrease in rates and increased competition amongst insurance carriers
- **Integration Risk:** Given scale and complexity of the Cigna acquisition, integration risk is expected to occur as operating entities are combined
 - Integration planning has been actively underway since the transaction was announced last October
 - In Korea, the business will continue to operate under the LINA name, while in other markets the businesses will be rebranded as Chubb as the integration progresses

High Competition in APAC Region

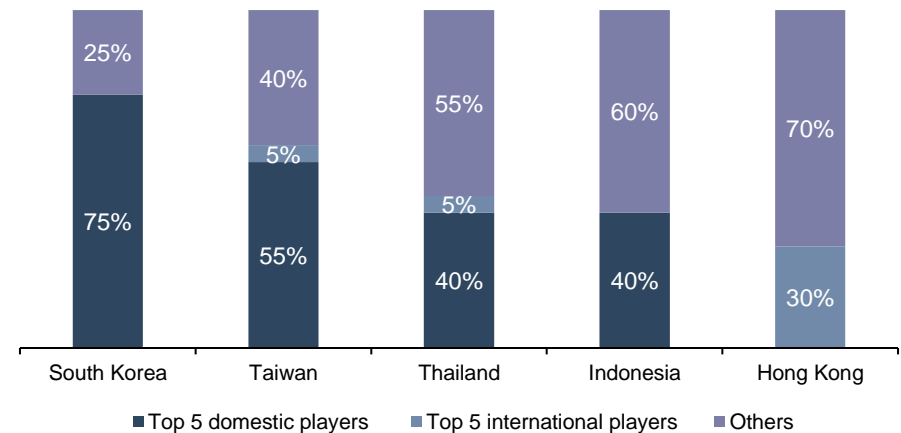
- The APAC region has been recognized as a major growth engine for insurance companies as the region houses more than half of the world's population
- Insurers must provide elevated offerings to differentiate and compete as there is a growing affluence of the region, as well as a rise in digital integration
- The region encompasses various markets at various stages of development making it more difficult to integrate within the highly differentiated markets and making premiums not evenly distributed
- Greater China, India, and Southeast Asia would be considered "rising stars" with their high insurance growth rates, and relatively low insurance penetration rates while mature markets like Japan, Korea would continue to lend stability to the insurance market in the region, given their relatively established positions

Capital Allocation, FX, and Catastrophes

- **Weak Foreign Exchange Rate:** CB derives a greater proportion of income from foreign markets compared to most of its commercial lines competitors making CB's reported results suffer if the US\$ continues to strengthen
- **Stock Repurchases:** CB allocation of capital towards M&A, decreases its ability to spend capital on dividend increases and stock repurchases which presents a risk to share appreciation
 - However, CB announced a share repurchase program of \$2.5B through June 2023 indicating a strong capital levels
- **Catastrophic Events:** Exposure to losses from natural disasters, terrorism, cyber attacks, pandemics and more, create unpredictable losses across business lines
 - In 2022, drought and severe weather-related events contributed to a lower combined ratio and EPS

Domestic Dominance of Non-life Business

Market Share of Top 5 Players



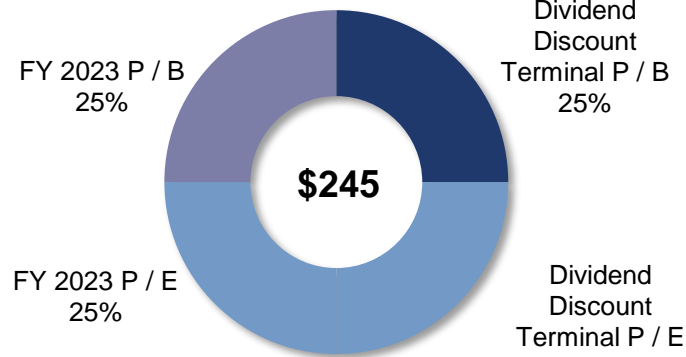
Valuation Summary

CB yields an implied upside of ~30% through relative and intrinsic valuation

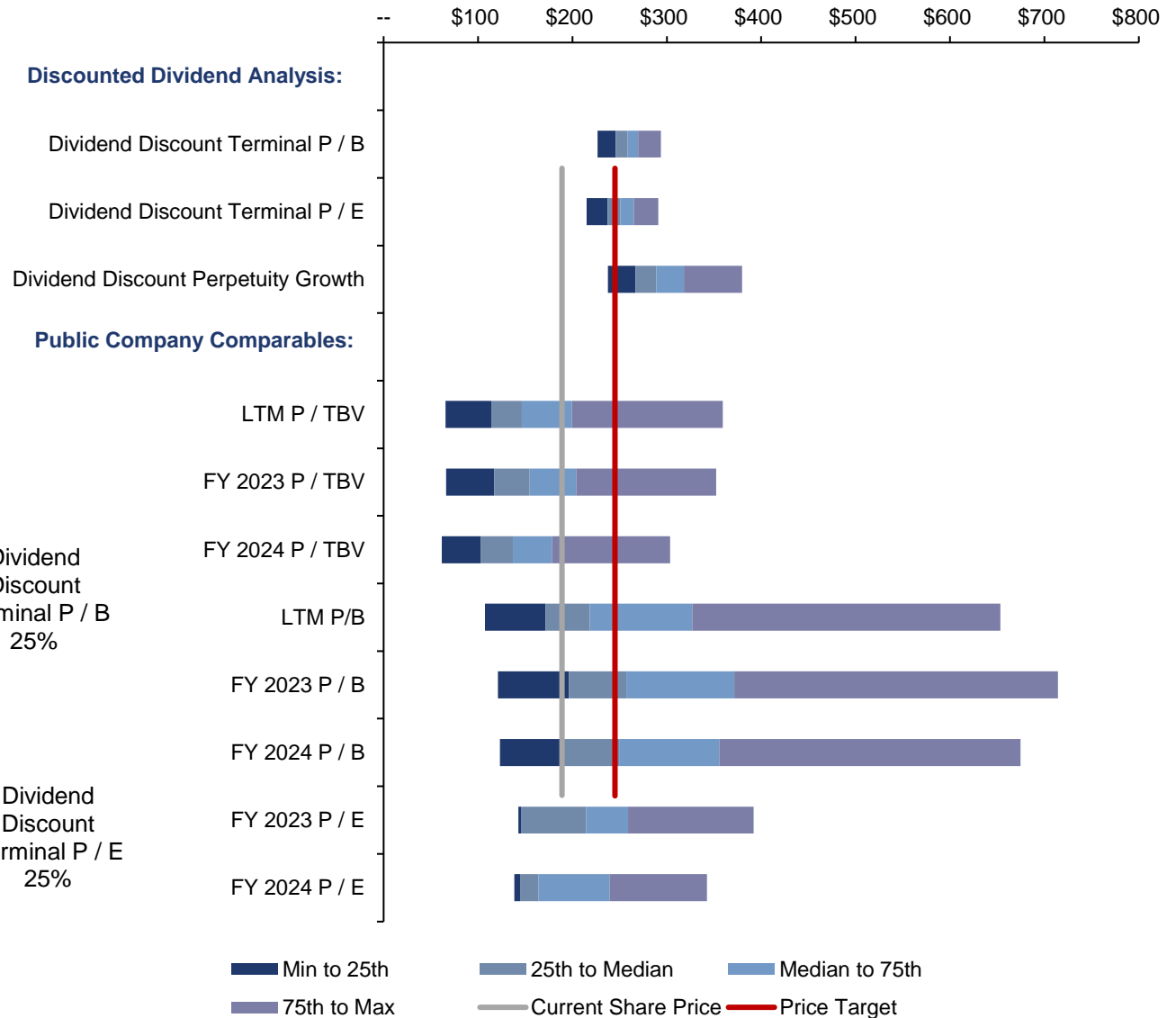
*We recommend YUSIF buy
CB with an implied upside of
~30%*

Results and Weighting

- **Current Price:** \$207
- **Target Price:** \$189
- **Implied Upside:** ~30%



Football Field Valuation Summary



Dividend Discount Model Analysis

Dividend Discount Model indicates ~35% upside

Dividend Discount Model												
USD Millions, FY End Dec 31	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
Revenue												
Total Net Premiums Earned	29,034.0	30,064.0	31,290.0	33,117.0	36,355.0	40,389.0	41,456.4	43,185.7	44,534.2	45,813.3	47,091.4	48,356.0
% Growth		3.5%	4.1%	5.8%	9.8%	11.1%	2.6%	4.2%	3.1%	2.9%	2.8%	2.7%
Total North America Commercial P&C Insurance	12,191.0	12,402.0	12,922.0	13,964.0	15,461.0	17,107.0	17,764.5	18,765.2	19,466.9	20,112.6	20,748.8	21,356.3
% Growth		1.7%	4.2%	8.1%	10.7%	10.6%	3.8%	5.6%	3.7%	3.3%	3.2%	2.9%
Total North America Personal P&C Insurance	4,399.0	4,593.0	4,694.0	4,866.0	4,915.0	5,180.0	5,117.4	5,268.8	5,388.9	5,499.5	5,605.7	5,713.9
% Growth		4.4%	2.2%	3.7%	1.0%	5.4%	-1.2%	3.0%	2.3%	2.1%	1.9%	1.9%
Total North America Agricultural Insurance	1,508.0	1,569.0	1,795.0	1,822.0	2,338.0	2,838.0	2,866.4	2,877.6	2,893.4	2,932.2	2,976.1	3,020.8
% Growth		4.0%	14.4%	1.5%	28.3%	21.4%	1.0%	0.4%	0.6%	1.3%	1.5%	1.5%
Total Overseas General Insurance	8,131.0	8,612.0	8,882.0	9,285.0	10,441.0	10,803.0	11,003.2	11,338.3	11,662.5	11,968.2	12,297.1	12,635.0
% Growth		5.9%	3.1%	4.5%	12.5%	3.5%	1.9%	3.0%	2.9%	2.6%	2.7%	2.7%
Total Global Reinsurance	704.0	670.0	654.0	698.0	798.0	922.0	938.8	967.1	991.4	1,013.9	1,035.8	1,056.2
% Growth		-4.8%	-2.4%	6.7%	14.3%	15.5%	1.8%	3.0%	2.5%	2.3%	2.2%	2.0%
Total Life Insurance	2,101.0	2,218.0	2,343.0	2,482.0	2,402.0	3,539.0	3,766.2	3,968.7	4,131.0	4,287.0	4,428.0	4,573.7
% Growth		5.6%	5.6%	5.9%	-3.2%	47.3%	6.4%	5.4%	4.1%	3.8%	3.3%	3.3%
Net Investment Income	3,125.0	3,305.0	3,426.0	3,375.0	3,456.0	3,742.0	4,228.5	4,482.2	4,657.0	4,820.0	4,977.1	5,126.4
% Growth		5.8%	3.7%	-1.5%	2.4%	8.3%	13.0%	6.0%	3.9%	3.5%	3.3%	3.0%
Net Realized Gains (Losses)	84.0	(652.0)	(530.0)	(498.0)	1,152.0	(965.0)	--	--	--	--	--	--
% Growth		-876.2%	-18.7%	-6.0%	331.3%	-183.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Net Revenue	32,243	32,717	34,186	35,994	40,963	43,166	45,685	47,668	49,191	50,633	52,069	53,482
% Growth		1.5%	4.5%	5.3%	13.8%	5.4%	5.8%	4.3%	3.2%	2.9%	2.8%	2.7%
Expenses												
Losses and loss expenses	(18,454.0)	(18,067.0)	(18,730.0)	(21,710.0)	(21,980.0)	(23,342.0)	(23,179.5)	(23,961.6)	(24,645.9)	(25,331.1)	(26,024.7)	(26,707.2)
% of NPW (Excl. Life Insurance)	68.5%	64.9%	64.7%	70.9%	64.7%	63.3%	61.5%	61.1%	61.0%	61.0%	61.0%	61.0%
Policy benefits	(676.0)	(590.0)	(740.0)	(784.0)	(699.0)	(1,492.0)	(1,506.5)	(1,444.6)	(1,416.9)	(1,318.5)	(1,361.9)	(1,406.7)
% of Life Insurance Income	32.2%	26.6%	31.6%	31.6%	29.1%	42.2%	40.0%	36.4%	34.3%	30.8%	30.8%	30.8%
Policy acquisition costs	(5,781.0)	(5,912.0)	(6,153.0)	(6,547.0)	(6,918.0)	(7,392.0)	(7,620.0)	(7,928.7)	(8,168.5)	(8,395.6)	(8,625.5)	(8,851.7)
% of NPW	21.5%	21.2%	21.3%	21.4%	20.4%	20.1%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
Administrative costs	(2,833.0)	(2,886.0)	(3,030.0)	(2,979.0)	(3,136.0)	(3,395.0)	(3,563.4)	(3,718.1)	(3,836.9)	(3,949.4)	(4,061.3)	(4,171.6)
% of Revenues	8.8%	8.8%	8.9%	8.3%	7.7%	7.9%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Interest expenses	(607.0)	(641.0)	(552.0)	(516.0)	(492.0)	(570.0)	(473.1)	(496.7)	(527.0)	(560.5)	(595.8)	(632.3)
% Cost of Debt	4.8%	5.1%	3.4%	3.5%	3.0%	4.1%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Other (income) expense	400.0	434.0	596.0	994.0	2,365.0	(74.0)	--	--	--	--	--	--
% of Revenues	-1.2%	-1.3%	-1.7%	-2.8%	-5.8%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization of purchased intangibles	(260.0)	(339.0)	(305.0)	(290.0)	(287.0)	(285.0)	--	--	--	--	--	--
% of Revenues	0.8%	1.0%	0.9%	0.8%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Chubb integration expenses	(310.0)	(59.0)	(23.0)	--	--	(48.0)	--	--	--	--	--	--
% of Revenues	1.0%	0.2%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Expenses	(28,521)	(28,060)	(28,937)	(31,832)	(31,147)	(36,598)	(36,343)	(37,550)	(38,595)	(39,555)	(40,669)	(41,770)
% Revenue	(88.5%)	(85.8%)	(84.6%)	(88.4%)	(76.0%)	(84.8%)	(79.6%)	(78.8%)	(78.5%)	(78.1%)	(78.1%)	(78.1%)
Income before taxes (EBT)	3,722	4,657	5,249	4,162	9,816	6,568	9,342	10,118	10,596	11,078	11,399	11,713
EBT Margin (%)	11.5%	14.2%	15.4%	11.6%	24.0%	15.2%	20.4%	21.2%	21.5%	21.9%	21.9%	21.9%
% Growth		25.1%	12.7%	(20.7%)	135.8%	(33.1%)	42.2%	8.3%	4.7%	4.6%	2.9%	2.8%
Income Tax Expense	139	(695)	(795)	(629)	(1,277)	(1,255)	(1,682)	(1,821)	(1,907)	(1,994)	(2,052)	(2,108)
Tax Rate (%)	3.7%	(14.9%)	(15.1%)	(15.1%)	(13.0%)	(19.1%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)
Net Income	3,861	3,962	4,454	3,533	8,539	5,313	7,661	8,297	8,689	9,084	9,347	9,605
% Growth		2.6%	12.4%	(20.7%)	141.7%	(37.8%)	44.2%	8.3%	4.7%	4.6%	2.9%	2.8%
Dividends on Common	(1,317)	(1,344)	(1,360)	(1,398)	(1,392)	(1,379)	(1,992)	(2,157)	(2,259)	(2,362)	(2,430)	(2,497)
% Growth		2.1%	1.2%	2.8%	(0.4%)	(0.9%)	44.4%	8.3%	4.7%	4.6%	2.9%	2.8%
Payout Ratio	34.1%	33.9%	30.5%	39.6%	16.3%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Dividends	1,317	1,344	1,360	1,398	1,392	1,379	1,992	2,157	2,259	2,362	2,430	2,497
Discount Period							1.0	2.0	3.0	4.0	5.0	6.0
Cost of Equity							8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
PV of Dividends							1,836	1,832	1,768	1,704	1,616	1,530

Dividend Discount Model Analysis

DDM indicates ~37% and ~33% from P/B and P/E Exit Multiples respectively

Exit P / B Multiple

Discount Rate	Exit P / B Multiple				
	1.2x	1.3x	1.4x	1.5x	1.6x
7.5%	\$252.9	\$263.1	\$273.3	\$283.5	\$293.7
8.0%	\$246.0	\$255.8	\$265.7	\$275.5	\$285.3
8.5%	\$239.3	\$248.8	\$258.3	\$267.8	\$277.3
9.0%	\$232.9	\$242.1	\$251.2	\$260.4	\$269.5
9.5%	\$226.8	\$235.6	\$244.4	\$253.2	\$262.0

Exit P / B Multiple

Discount Rate	Exit P / B Multiple				
	1.2x	1.3x	1.4x	1.5x	1.6x
7.5%	33.9%	39.3%	44.7%	50.1%	55.5%
8.0%	30.2%	35.4%	40.6%	45.8%	51.0%
8.5%	26.7%	31.7%	36.7%	41.7%	46.8%
9.0%	23.3%	28.1%	33.0%	37.8%	42.6%
9.5%	20.0%	24.7%	29.4%	34.0%	38.7%

Exit P / E Multiple

Discount Rate	Exit P / E Multiple				
	8.4x	9.4x	10.4x	11.4x	12.4x
7.5%	\$239.1	\$252.1	\$265.0	\$278.0	\$290.9
8.0%	\$232.7	\$245.2	\$257.7	\$270.1	\$282.6
8.5%	\$226.6	\$238.6	\$250.6	\$262.6	\$274.6
9.0%	\$220.6	\$232.2	\$243.8	\$255.4	\$267.0
9.5%	\$214.9	\$226.1	\$237.2	\$248.4	\$259.6

Exit P / E Multiple

Discount Rate	Exit P / E Multiple				
	8.4x	9.4x	10.4x	11.4x	12.4x
7.5%	26.6%	33.4%	40.3%	47.1%	54.0%
8.0%	23.2%	29.8%	36.4%	43.0%	49.6%
8.5%	19.9%	26.3%	32.7%	39.0%	45.4%
9.0%	16.8%	22.9%	29.0%	35.2%	41.3%
9.5%	13.8%	19.7%	25.6%	31.5%	37.4%

Exit Multiple Method

Cumulative PV of FCF to Equity	52,233.7
% of Equity Value	48.6%
Terminal Value	
Terminal Book Value	75,742.1
Exit P / B Multiple	1.4x
Terminal Value	106,038.9
PV of Terminal Value	55,176.2
% of Equity Value	51.4%
Total Equity Value	107,409.9
Diluted Shares Outstanding	415.8
Implied Share Price	\$258.3
Current Share Price	\$188.9
Implied Margin of Safety	36.7%

Exit Multiple Method

Cumulative PV of FCF to Equity	52,233.7
% of Equity Value	50.1%
Terminal Value	
Terminal Earnings	9,604.5
Exit P / E Multiple	10.4x
Terminal Value	99,887.2
PV of Terminal Value	51,975.2
% of Equity Value	49.9%
Total Equity Value	104,208.9
Diluted Shares Outstanding	415.8
Implied Share Price	\$250.6
Current Share Price	\$188.9
Implied Margin of Safety	32.7%

Dividend Discount Model Analysis

Resilience in commercial lines and growth in life insurance after acquisition

Balance Sheet Projections

Balance Sheet Projections														
USD Millions, FY End Dec 31	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Beginning Shareholders Equity	48,275.0	51,172.0	50,312.0	55,331.0	59,441.0	59,714.0	50,540.0	54,002.6	57,893.9	62,116.6	66,531.4	71,074.2	75,742.1	80,525.9
Plus: Net Income	3,861.0	3,962.0	4,454.0	3,533.0	8,539.0	5,313.0	7,660.7	8,296.9	8,688.6	9,084.1	9,347.4	9,604.5	9,843.4	10,088.8
Less: Dividends	(1,317.0)	(1,344.0)	(1,360.0)	(1,398.0)	(1,392.0)	(1,379.0)	(1,991.8)	(2,157.2)	(2,259.0)	(2,361.9)	(2,430.3)	(2,497.2)	(2,559.3)	(2,623.1)
<i>Payout Ratio</i>	34.1%	33.9%	30.5%	39.6%	16.3%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Less: Share repurchases	(830.0)	(1,021.0)	(1,531.0)	(516.0)	(4,816.0)	(3,014.0)	(2,206.3)	(2,248.5)	(2,206.9)	(2,307.4)	(2,374.2)	(2,439.6)	(2,500.2)	(2,562.5)
<i>% of Net Income</i>	21.5%	25.8%	34.4%	14.6%	56.4%	56.7%	28.8%	27.1%	25.4%	25.4%	25.4%	25.4%	25.4%	25.4%
Plus/Less: Change in AOCI	543.0	(2,448.0)	619.0	2,869.0	350.0	(10,193.0)	--	--	--	--	--	--	--	--
Plus/Less: Other	640.0	(9.0)	2,837.0	(378.0)	(2,408.0)	99.0	--	--	--	--	--	--	--	--
Ending Shareholders' Equity	51,172.0	50,312.0	55,331.0	59,441.0	59,714.0	50,540.0	54,002.6	57,893.9	62,116.6	66,531.4	71,074.2	75,742.1	80,525.9	85,429.1
<i>% Growth</i>		-1.7%	10.0%	7.4%	0.5%	(15.4%)	6.9%	7.2%	7.3%	7.1%	6.8%	6.6%	6.3%	6.1%
Beginning Total Capital														
Short-term debt	500.0	1013.0	509.0	1299.0	0.0	999.0	670.2	683.8	725.6	776.6	831.5	888.4	947.1	1,007.2
<i>% of Total Cap</i>	0.8%	1.6%	0.7%	1.7%	0.0%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Long-term debt	12610.0	11556.0	12087.0	14858.0	14948.0	15169.0	13,403.2	13,676.8	14,512.5	15,532.5	16,629.7	17,768.7	18,941.4	20,144.5
<i>% of Total Cap</i>	19.5%	18.3%	17.7%	19.6%	19.9%	22.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Trust preferred equities	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0	308.0
<i>% of Total Cap</i>	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Total Shareholders' Equity	51,172.0	50,312.0	55,331.0	59,441.0	59,714.0	50,540.0	54,002.6	57,893.9	62,116.6	66,531.4	71,074.2	75,742.1	80,525.9	85,429.1
Ending Total Capital	64,590.0	63,189.0	68,235.0	75,906.0	74,970.0	67,016.0	68,384.0	72,562.5	77,662.7	83,148.6	88,843.4	94,707.2	100,722.4	106,888.8
<i>% Growth</i>		-2.2%	8.0%	11.2%	(1.2%)	(10.6%)	2.0%	6.1%	7.0%	7.1%	6.8%	6.6%	6.4%	6.1%

Model Assumptions

- Expect strong resilience among commercial lines and rapid growth in the life insurance line following their recent acquisitions with personal lines experiencing significant losses in the current environment
 - Primary gains due to strong pricing power in the commercial P&C industry raising rate ~10% for many products
 - Following numerous catastrophe's
- Forecasting a slowdown/moderation in agriculture growth, following large growth during the Ukraine crisis
- Expect growth in investment income with the increase in interest rates (i.e., 87% of investment portfolio is fixed income investments)
 - Their average reinvestment rate is now 5.6% with a portfolio yield of 3.6%, management guided to significant growth in 2023
- Lower administrative costs in the long-run following digital transition with decreasing losses and loss expenses as the economic environment stabilizes

Comparable Company Analysis

CB trades at a slight discount on P/B basis despite superior operating metrics

Company Name	Equity	Share	P / TBV			P / B			P / E		
	Value (\$M)	Price (\$)	LTM	2023A	2024E	LTM	2023A	2024E	LTM	2023A	2024E
The Hartford Financial Services Group, In	\$20,906	\$66.78	2.0x	2.0x	1.8x	1.6x	1.6x	1.4x	11.5x	7.9x	7.3x
The Travelers Companies, Inc.	\$38,878	\$166.35	2.2x	2.4x	2.1x	1.8x	1.9x	1.7x	13.7x	11.6x	10.3x
The Progressive Corporation	\$82,612	\$141.12	5.5x	5.4x	4.6x	5.4x	5.3x	4.5x	N/A	21.3x	17.2x
American International Group, Inc.	\$34,990	\$47.46	1.0x	1.0x	0.9x	0.9x	0.9x	0.8x	3.4x	7.8x	6.9x
The Allstate Corporation	\$28,275	\$106.99	2.6x	2.7x	2.6x	1.8x	1.9x	1.8x	N/A	14.7x	8.2x
Median	\$34,990	\$106.99	2.2x	2.4x	2.1x	1.8x	1.9x	1.7x	11.5x	11.6x	8.2x
Average	\$41,132	\$105.74	2.7x	2.7x	2.4x	2.3x	2.3x	2.1x	9.5x	12.7x	10.0x

Chubb Limited	\$78,558	\$188.92	2.9x	3.0x	2.6x	1.5x	1.6x	1.4x	15.1x	10.4x	9.5x
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Company Name	Equity	Share	Revenue Growth		Net Income Growth		Operating Metrics		Return Metrics (LTM)		
	Value (\$M)	Price (\$)	2023E	2024E	2023E	2024E	P&C Ratio	Loss Ratio	Dividend Yield	ROA	ROE
The Hartford Financial Services Group, In	\$20,906	\$66.78	5.2%	4.3%	45.1%	8.2%	94.6%	59.1%	2.5%	2.1%	11.5%
The Travelers Companies, Inc.	\$38,878	\$166.35	0.6%	5.9%	17.5%	13.4%	95.6%	67.1%	2.2%	2.0%	11.3%
The Progressive Corporation	\$82,612	\$141.12	21.1%	10.7%	438.3%	23.9%	95.8%	77.3%	0.3%	1.2%	4.2%
American International Group, Inc.	\$34,990	\$47.46	(12.9%)	6.6%	(56.1%)	11.7%	91.9%	60.8%	2.7%	1.8%	20.3%
The Allstate Corporation	\$28,275	\$106.99	10.4%	6.2%	246.9%	78.7%	106.6%	83.6%	3.3%	(0.9%)	(6.4%)
Median	\$34,990	\$106.99	5.2%	6.2%	45.1%	13.4%	95.6%	67.1%	2.5%	1.8%	11.3%
Average	\$41,132	\$105.74	4.9%	6.7%	138.3%	27.2%	96.9%	69.6%	2.2%	1.2%	8.2%

Chubb Limited	\$78,558	\$188.92	5.8%	4.3%	61.1%	8.3%	87.6%	62.0%	2.9%	2.1%	9.6%
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Comparable Company Analysis Commentary

- CB's P&C combined ratio sits much lower than the industry average indicating the company's superior profitability
 - The Combined ratio is a key industry operating measure of operating expenses relative to total P&C premium earned over the same period of time
- CB shows a strong dividend yield and ROA compared to it's peers meaning that the company effectively uses its balance sheet to generate profits, and returns earnings back to shareholders in the form of dividends
- CB trades at a discount on P/B in comparison to close peers, indicating that the company may be undervalued considering its book value

Appendices

Dividend Discount Model Revenue Projections

Resilience in commercial lines and growth in life insurance after acquisition

Discounted Cash Flows Model														
USD Millions, FY End Dec 31														
	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Revenue														
Total Net Premiums Earned	29,034.0	30,064.0	31,290.0	33,117.0	36,355.0	40,389.0	41,486.1	43,217.1	44,566.8	45,847.1	47,126.2	48,391.7	49,679.3	51,002.4
% Growth	3.5%	4.1%	5.8%	9.8%	11.1%	2.9%	2.7%	4.2%	3.1%	2.9%	2.8%	2.7%	2.7%	2.7%
Total North America Commercial P&C Insurance	12,191.0	12,402.0	12,922.0	13,964.0	15,461.0	17,107.0	17,764.5	18,765.2	19,466.9	20,112.6	20,748.8	21,356.3	21,981.8	22,625.6
% Growth	1.7%	4.2%	8.1%	10.7%	10.6%	3.8%	3.8%	5.6%	3.7%	3.3%	3.2%	2.9%	2.9%	2.9%
Property & other short-tail lines	1,899.0	1,861.0	1,987.0	2,423.0	2,942.0	3,383.0	3,349.2	3,443.6	3,532.5	3,624.0	3,718.2	3,814.8	3,914.0	4,015.8
% Growth	-2.0%	6.8%	21.9%	21.4%	15.0%	-1.0%	2.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Casualty & all other	9,554.0	9,773.0	10,136.0	10,812.0	11,905.0	13,056.0	13,774.1	14,641.8	15,227.5	15,760.5	16,280.6	16,769.0	17,272.1	17,790.2
% Growth	2.3%	3.7%	6.7%	10.1%	9.7%	5.5%	6.3%	4.0%	3.5%	3.3%	3.0%	3.0%	3.0%	3.0%
A&H	738.0	768.0	799.0	729.0	614.0	668.0	641.3	679.8	706.9	728.2	750.0	772.5	795.7	819.5
% Growth	4.1%	4.0%	-8.8%	-15.8%	8.8%	-4.0%	6.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total North America Personal P&C Insurance	4,399.0	4,593.0	4,694.0	4,866.0	4,915.0	5,180.0	5,117.4	5,268.8	5,388.9	5,499.5	5,605.7	5,713.9	5,824.3	5,936.8
% Growth	4.4%	2.2%	3.7%	1.0%	5.4%	-1.2%	3.0%	2.3%	2.1%	1.9%	1.9%	1.9%	1.9%	1.9%
Personal automobiles	742.0	803.0	829.0	822.0	781.0	811.0	817.8	842.3	859.2	876.4	893.9	911.8	930.0	948.6
% Growth	8.2%	3.2%	-0.8%	-5.0%	3.8%	0.8%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Personal homeowners	3,014.0	3,127.0	3,183.0	3,327.0	3,384.0	3,557.0	3,485.9	3,588.3	3,674.8	3,754.9	3,830.0	3,906.6	3,984.8	4,064.5
% Growth	3.7%	1.8%	4.5%	1.7%	5.1%	-2.0%	2.9%	2.4%	2.2%	2.0%	2.0%	2.0%	2.0%	2.0%
Personal other	643.0	663.0	682.0	717.0	750.0	812.0	813.7	838.1	854.9	868.2	881.8	895.5	909.5	923.7
% Growth	3.1%	2.9%	5.1%	4.6%	8.3%	0.2%	3.0%	2.0%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Total North America Agricultural Insurance	1,508.0	1,569.0	1,795.0	1,822.0	2,338.0	2,838.0	2,866.4	2,877.6	2,893.4	2,932.2	2,976.1	3,020.8	3,066.1	3,112.1
% Growth	4.0%	14.4%	1.5%	28.3%	21.4%	1.0%	0.4%	0.6%	1.3%	1.5%	1.5%	1.5%	1.5%	1.5%
Total Overseas General Insurance	8,131.0	8,612.0	8,882.0	9,285.0	10,441.0	10,803.0	11,003.2	11,338.3	11,662.5	11,968.2	12,297.1	12,635.0	12,982.4	13,339.3
% Growth	5.9%	3.1%	4.5%	12.5%	3.5%	1.9%	3.0%	2.9%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%
Property & other short-tail lines	2,076.0	2,134.0	2,244.0	2,468.0	3,105.0	3,382.0	3,503.4	3,608.5	3,698.7	3,791.2	3,886.0	3,983.1	4,082.7	4,184.8
% Growth	2.8%	5.2%	10.0%	25.8%	8.9%	3.6%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Casualty & all other	2,266.0	2,429.0	2,494.0	2,738.0	3,114.0	3,232.0	3,351.6	3,468.9	3,586.8	3,701.6	3,812.7	3,927.0	4,044.8	4,166.2
% Growth	7.2%	2.7%	9.8%	13.7%	3.8%	3.7%	3.5%	3.4%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Personal lines	1,609.0	1,784.0	1,896.0	1,981.0	2,109.0	2,020.0	1,979.6	2,098.4	2,192.8	2,247.6	2,303.8	2,361.4	2,420.4	2,481.0
% Growth	10.9%	6.3%	4.5%	6.5%	-4.2%	-2.0%	6.0%	4.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
A&H	2,180.0	2,265.0	2,248.0	2,098.0	2,113.0	2,169.0	2,168.6	2,162.5	2,184.1	2,227.8	2,294.6	2,363.5	2,434.4	2,507.4
% Growth	3.9%	-0.8%	-6.7%	0.7%	2.7%	0.0%	-0.3%	1.0%	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Global Reinsurance	704.0	670.0	654.0	698.0	798.0	922.0	938.8	967.1	991.4	1,013.9	1,035.8	1,056.2	1,077.1	1,098.5
% Growth	-4.8%	-2.4%	6.7%	14.3%	15.5%	1.8%	3.0%	2.5%	2.3%	2.2%	2.0%	2.0%	2.0%	2.0%
Property	132.0	123.0	131.0	104.0	151.0	211.0	218.8	226.5	234.1	241.6	248.9	256.4	264.0	272.0
% Growth	-6.8%	6.5%	-20.6%	45.2%	39.7%	3.7%	3.5%	3.4%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Property catastrophe	198.0	170.0	142.0	173.0	190.0	208.0	212.7	225.5	236.8	246.2	253.6	261.2	269.1	277.1
% Growth	-14.1%	-16.5%	21.8%	9.8%	9.5%	2.3%	6.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Casualty & all other	374.0	377.0	381.0	421.0	457.0	503.0	507.2	515.1	520.5	526.0	533.3	538.6	544.0	549.4
% Growth	0.8%	1.1%	10.5%	8.6%	10.1%	0.8%	1.6%	1.1%	1.1%	1.4%	1.0%	1.0%	1.0%	1.0%
Total Life Insurance	2,101.0	2,218.0	2,343.0	2,482.0	2,402.0	3,539.0	3,795.9	4,000.2	4,163.6	4,320.7	4,462.7	4,609.5	4,747.7	4,890.2
% Growth	5.6%	5.6%	5.9%	-3.2%	47.3%	7.3%	5.4%	4.1%	3.8%	3.3%	3.3%	3.3%	3.0%	3.0%
Life	980.0	1,022.0	1,101.0	1,317.0	1,320.0	1,484.0	1,617.6	1,714.6	1,776.3	1,838.5	1,893.7	1,950.5	2,009.0	2,069.3
% Growth	4.3%	7.7%	19.6%	0.2%	12.4%	9.0%	6.0%	3.6%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
A&H	1,121.0	1,196.0	1,242.0	1,165.0	1,082.0	2,055.0	2,178.3	2,285.6	2,387.3	2,482.2	2,569.1	2,659.0	2,738.7	2,820.9
% Growth	6.7%	3.8%	-6.2%	-7.1%	89.9%	6.0%	4.9%	4.5%	4.0%	3.5%	3.5%	3.5%	3.0%	3.0%
Net Investment Income	3,125.0	3,305.0	3,426.0	3,375.0	3,456.0	3,742.0	4,395.7	4,659.5	4,841.2	5,010.6	5,174.0	5,329.2	5,462.4	5,599.0
% Growth	5.8%	3.7%	-1.5%	2.4%	8.3%	17.5%	6.0%	3.9%	3.5%	3.3%	3.0%	2.5%	2.5%	2.5%
Net Realized Gains (Losses)	84.0	(652.0)	(530.0)	(498.0)	1,152.0	(965.0)	--	--	--	--	--	--	--	--
% Growth	-876.2%	-18.7%	-6.0%	331.3%	-183.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Net Revenue	32,243	32,717	34,186	35,994	40,963	43,166	45,882	47,877	49,408	50,858	52,300	53,721	55,142	56,601
% Growth	1.5%	4.5%	5.3%	13.8%	5.4%	6.3%	4.3%	3.2%	2.9%	2.8%	2.7%	2.6%	2.6%	2.6%

Dividend Discount Model Analysis

Cost of Equity Calculation

Cost of Equity Calculation

Comparable Companies - Unlevered Beta Calculation												
Company Name	Ticker	Levered Beta	Debt (\$M)	% Debt	Preferred Stock (\$M)	% Preferred	Equity Value (\$M)	% Equity	Total Value	Debt / Equity	Tax Rate	Unlevered Beta
The Hartford Financial Services Group, Inc.	NYSE:HIG	0.87	\$4,499	15.6%	--	--	\$24,265	84.4%	\$28,764	0.2x	19.6%	0.76
The Travelers Companies, Inc.	NYSE:TRV	0.63	\$7,570	15.0%	--	--	\$43,027	85.0%	\$50,597	0.2x	15.3%	0.54
The Progressive Corporation	NYSE:PGR	0.49	\$6,526	7.1%	--	--	\$85,226	92.9%	\$91,751	0.1x	21.8%	0.46
American International Group, Inc.	NYSE:AIG	1.16	\$28,230	38.8%	--	--	\$44,527	61.2%	\$72,757	0.6x	21.0%	0.78
The Allstate Corporation	NYSE:ALL	0.59	\$8,307	18.7%	\$1,970	4.4%	\$34,031	76.8%	\$44,308	0.2x	20.0%	0.61
Median		0.63	7,570	15.6%	--	--	\$43,027	84.4%	\$50,597	0.2x	20.0%	0.61
Chubb Limited	NYSE:CB	0.67	\$18,760	17.8%	145.0	0.1%	\$86,265	82.0%	\$105,170	0.2x	19.1%	0.57

Cost of Equity Calculation	Capital Structure	
	Current	Optimal
Median Unlevered Beta	0.57	0.61
Debt/Equity	0.2x	0.2x
Chubb Limited Tax Rate	19.11%	(18.00%)
Re-Levered Beta	0.67	0.74
Risk-Free Rate	3.67%	3.67%
Equity Risk Premium	6.33%	6.33%
Cost of Equity	7.92%	8.38%

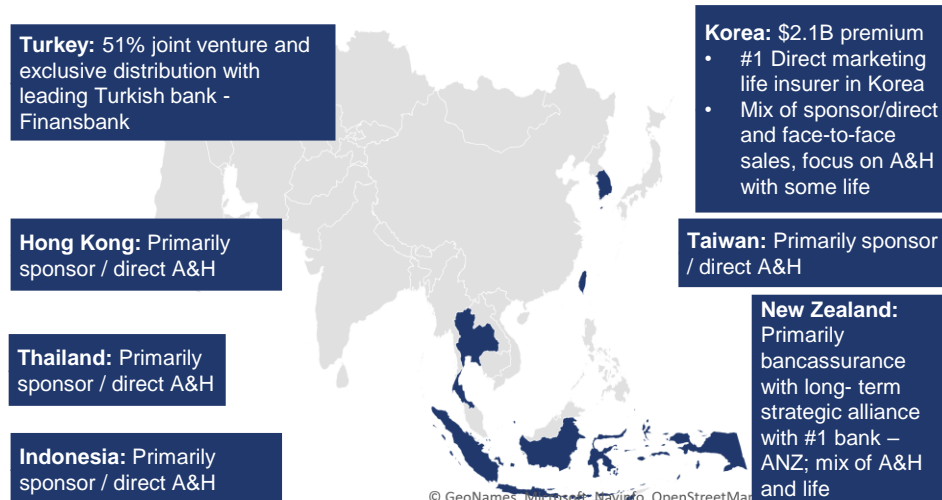
Cost of Equity Assumptions

- Cost of Equity was calculated by unlevering peers' levered beta using and relevering based on WBS's current capital structure
- 10-Year U.S. Treasury Bond Yield of 3.67% was used as proxy for Risk-Free Rate
- Equity Risk Premium of 6.33% was derived from S&P500 annualized return of 10.0% (proxy for Market Risk Premium) less Risk-Free Rate

Cigna Transaction Details

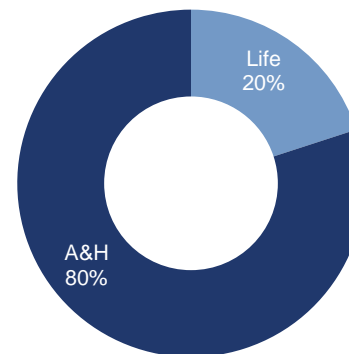
CB acquired Cigna's health and life insurance business in Asia-Pacific

Cigna Global Operations

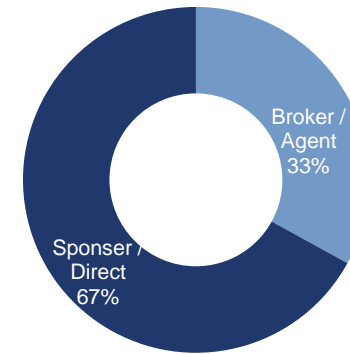


Cigna Business Breakdown

By Product



By Channel



Cigna Transaction Terms

Transaction	<ul style="list-style-type: none"> Chubb acquiring 100% of Cigna Life's insurance operations in Korea, Taiwan, Hong Kong, New Zealand, Thailand, Indonesia, and 51% stake of Turkey joint venture
Purchase Price	<ul style="list-style-type: none"> \$5.75B in cash
Financing	<ul style="list-style-type: none"> Financed from cash on hand No impact to share repurchase plans Chubb may ultimately issue up to \$1.1B of senior notes to fund the purchase price
Approvals	<ul style="list-style-type: none"> Customary regulatory approvals for all in-scope markets No shareholder approvals required
Timing	<ul style="list-style-type: none"> Korea likely to close first in 2022 Other countries expected to close as approvals are received in 2022

Key Management

Seasoned leaders who have facilitated growth in financial services worldwide

Executive Chairman

Evan G. Greenberg



- Evan G. Greenberg is Chairman and Chief Executive Officer of Chubb Limited and Chubb Group
- He is an experienced executive in the insurance industry, having held various senior management positions at companies such as American International Group (AIG)
- He holds positions on various boards including the P&C CEO Roundtable and Asia Society Trustee

President and Chief Operating Officer

John Keogh



- John Keogh is President and Chief Operating Officer of Chubb Group and has over 30 years of industry experience
- Before joining the company, he held a range of positions with increasing responsibility during a 20-year career with American International Group (AIG)
- He is also on the board of directors of the New York Police and Fire Widows' and Children's Benefit Fund, and the Brown University Sports Foundation

Chief Financial Officer

Peter Enns




- Peter Enns is Executive Vice President, Chubb Group and Chief Financial Officer and has more than 30 years of experience
- He succeeded Philip V. Bancroft as Chief Financial Officer of the Company on July 1, 2021
- He was formerly with Goldman Sachs in various senior roles for more than 20 years
- He holds an MBA degree in Finance and Accounting from the Wharton School of Business, University of Pennsylvania

Compensation and Incentive Programs

- Executive management is entitled to both fixed and variable compensation for their work
- Majority of compensation is in the form of annual cash bonuses and long-term equity awards and is directly linked to the company's financial performance
- Performance is measured across 4 key metrics against peers
 - Tangible book value per share growth
 - Operating return on equity
 - Operating income
 - P&C combined ratio






Board of Directors

Includes experienced C-suite executives with expertise in financial services

Name	Tenure	Background Experiences	
	Evan G. Greenberg	21 Years	<ul style="list-style-type: none"> ■ Evan G. Greenberg is Chairman and Chief Executive Officer of Chubb Limited and Chubb Group <ul style="list-style-type: none"> □ Prior to joining the company in 2001 as Vice Chairman, he spent 25 years at American International Group, where he served as President and Chief Operating Officer
	Michael P. Connors	12 Years	<ul style="list-style-type: none"> ■ Michael P. Connors is Chairman of the Board and Chief Executive Officer of Information Services Group, Inc., a technology insights, market intelligence and advisory services company <ul style="list-style-type: none"> □ Brings substantial corporate management experience through expertise in marketing, media and public relations
	Michael G. Atieh	32 Years	<ul style="list-style-type: none"> ■ Michael G. Atieh served as Executive Vice President and Chief Financial and Business Officer of Ophthotech Corporation (a biopharmaceutical company) <ul style="list-style-type: none"> □ Brings a wealth of diverse business experience which he gained at large and small biotechnology, technology and pharmaceutical companies
	Kathy Bonanno	1 Year	<ul style="list-style-type: none"> ■ Kathy Bonanno has served as Business Finance Officer of Google Cloud (cloud computing services) since August 2020 <ul style="list-style-type: none"> □ Brings significant financial and financial reporting experience and her extensive executive management experience with cloud computing and cybersecurity companies provides insights of key risks for the company
	Sheila P. Burke	7 Years	<ul style="list-style-type: none"> ■ Sheila P. Burke is a Faculty Research Fellow at the Malcolm Wiener Center for Social Policy, and has been a Member of Faculty at the John F. Kennedy School of Government, Harvard University, since 2007 <ul style="list-style-type: none"> □ Brings an extensive knowledge of public policy matters and governmental affairs, in both public service and private practice




Board of Directors

Includes experienced C-suite executives with expertise in financial services

Name	Tenure	Background Experiences	
	Mary A. Cirillo	17 Years	<ul style="list-style-type: none"> ■ Mary Cirillo is a retired banking executive and former advisor to Hudson Venture Partners L.P. <ul style="list-style-type: none"> □ She has led major turnaround efforts in global financial institutions, and has experience in private equity, commercial banking, and software product development
	Robert J. Hugin	2 Years	<ul style="list-style-type: none"> ■ Robert J. Hugin served as Chief Executive Officer of Celgene Corporation (a biopharmaceutical company) <ul style="list-style-type: none"> □ His experience as a CEO and his outside board service enable him to provide valuable insight on complex business and financial matters and guidance to management on strategy
	Robert W. Scully	9 Years	<ul style="list-style-type: none"> ■ Robert W. Scully was a member of the Office of the Chairman of Morgan Stanley from 2007 until his retirement in 2009, and he previously served at Morgan Stanley as Co-President, Chairman of global capital markets and Vice Chairman of investment banking <ul style="list-style-type: none"> □ His career in the global financial services industry brings expertise in capital markets activities and risk management
	Theodore E. Shasta	13 Years	<ul style="list-style-type: none"> ■ Theodore E. Shasta is a Director of MBIA, Inc. and also serves as the Chair of its Audit Committee and a member of its Finance and Risk Committee, Compensation and Governance Committee and Executive Committee <ul style="list-style-type: none"> □ His years of analysis of companies like Chubb and its peer group provide him with deep knowledge of particular issues
	David H. Sidwell	9 Years	<ul style="list-style-type: none"> ■ David H. Sidwell was Executive Vice President and Chief Financial Officer of Morgan Stanley from March 2004 to October 2007 <ul style="list-style-type: none"> □ He has a strong background in accounting, finance and capital markets, as well as the regulation of financial institutions, complementary to his role on the Audit Committee

Board of Directors

Includes experienced C-suite executives with expertise in financial services

Name	Tenure	Background Experiences
 Olivier Steimer	15 Years	<ul style="list-style-type: none">■ Olivier Steimer was Chairman of the Board of Banque Cantonale Vaudoise from October 2002 until December 2017<ul style="list-style-type: none">□ Previously, he worked for the Credit Suisse Group□ He has a strong background of leadership in chairman and chief executive officer roles
 Luis Téllez	2 Years	<ul style="list-style-type: none">■ Luis Téllez was Chairman and CEO of the Mexican Stock Exchange (MSE)<ul style="list-style-type: none">□ He brings to the Board significant business, executive, public policy, government and international affairs expertise
 Frances F. Townsend	3 Years	<ul style="list-style-type: none">■ Frances F. Townsend is Senior Counsel and former Executive Vice President for Corporate Affairs at Activision Blizzard (interactive gaming and entertainment)<ul style="list-style-type: none">□ Brings public policy, government, regulatory and legal experience and has a strong background in domestic and international affairs and intelligence and security matters

Key Management

Management Compensation Summary

Name and Position	Year	Cash Salary	Bonus	Stock Awards	Option Awards	Other Compensation	Total
Evan G. Greenberg	2021	1,400,000	7,500,000	11,625,143	3,022,290	1,159,233	24,706,666
Chairman, President, CEO	2020	1,400,000	5,700,000	10,125,007	2,996,944	1,185,811	21,407,762
	2019	1,400,000	6,700,000	10,125,070	1,917,286	1,267,971	21,410,327
Peter C. Enns	2021	649,846	1,404,500	3,080,272	513,532	195,544	5,843,694
Chief Financial Officer							
John W. Keogh	2021	1,050,000	2,980,100	3,900,006	1,154,372	464,594	9,549,072
President, COO	2020	975,000	2,802,000	3,207,976	654,389	465,666	8,105,031
	2019	963,462	2,505,000	3,001,466	936,436	452,934	7,859,298
Paul J. Krump	2021	900,000	2,018,800	2,137,622	632,684	352,544	6,236,235
Vice Chairman, Global Underwriting and Claims	2020	876,538	1,900,000	2,282,995	363,698	63,146	7,638,117
	2019	859,231	1,743,000	1,690,515	527,410	73,054	6,203,320
John J. Lupica	2021	900,000	2,650,000	3,647,665	783,668	469,214	8,450,547
President, NAM Insurance	2020	876,538	2,212,700	2,687,775	497,272	417,140	6,691,425
	2019	854,615	1,913,400	2,297,704	716,874	425,751	6,208,344