CHUBB CORP
Form DEF 14A
March 13, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

The Chubb Corporation

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

DATE AND TIME	Tuesday, April 28, 2015 at 8:00 a.m., local time
PLACE	The Chubb Corporation Amphitheater 15 Mountain View Road Warren, New Jersey 07059
ITEMS OF BUSINESS	(1) To elect 14 directors to serve until the next annual meeting of shareholders and until their respective successors are elected and qualified. (2) To ratify the appointment of Ernst & Young LLP as independent auditor. (3) To hold an advisory vote on the compensation paid to our named executive officers. (4) To vote on a shareholder proposal regarding the preparation of an annual sustainability report.
RECORD DATE	You are entitled to vote at the annual meeting and at any adjournment or postponement thereof if you were a shareholder of record at the close of business on March 2, 2015.
ADJOURNMENTS AND POSTPONEMENTS	Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.
VOTING BY PROXY	The notice you received providing instructions on accessing our annual meeting materials through the internet includes instructions for voting online or by telephone. Also, in the event that you affirmatively request paper copies of our annual meeting materials, you may complete, sign, date and return the accompanying proxy card in the enclosed addressed envelope. The giving of a proxy will not affect your right to revoke the proxy by appropriate written notice or to vote in person should you later decide to attend the annual meeting.
ADMISSION TO THE MEETING	You are entitled to attend the annual meeting if you were a shareholder as of the close of business on March 2, 2015. For admittance to the meeting, please be prepared to present a valid, government-issued photo identification (federal, state or local), such as a driver s license or passport, and proof of beneficial ownership if you hold your shares through a broker, bank or other nominee. The annual meeting will begin promptly at 8:00 a.m., local time. Please allow yourself ample time for the check-in procedures. Video and audio recording devices and other electronic devices will not be permitted at the meeting, and attendees may be subject to security inspections.

By order of the Board of Directors,

Maureen A. Brundage

Executive Vice President, General Counsel and Corporate Secretary

March 13, 2015

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2015 ANNUAL MEETING OF SHAREHOLDERS

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PROXY STATEMENT

PROXY AND VOTING INFORMATION

Our Board of Directors (our Board) has provided you with these proxy materials in connection with its solicitation of proxies to be voted at the 2015 Annual Meeting of Shareholders of The Chubb Corporation (the 2015 Annual Meeting). We will hold the 2015 Annual Meeting on Tuesday, April 28, 2015, in the Amphitheater at The Chubb Corporation, 15 Mountain View Road, Warren, New Jersey 07059, beginning at 8:00 a.m., local time. Please note that throughout these proxy materials we may refer to The Chubb Corporation as Chubb, we, us or our.

Information about the Delivery of our Annual Meeting Materials

As permitted by rules adopted by the Securities and Exchange Commission (the SEC), we have made our annual meeting materials, which include this proxy statement, the proxy card, voting instructions and our Annual Report on Form 10-K for the year ended December 31, 2014 (the 2014 10-K), available to our shareholders electronically via the internet. On or about March 13, 2015, we mailed to our shareholders a notice containing instructions on how to access our annual meeting materials, how to request paper copies of these materials and how to vote online or by telephone. Unless you affirmatively request a paper copy of our annual meeting materials by following the instructions set forth in this notice, you will not receive a paper copy of our annual meeting materials in the mail. Due to an ambiguity in the regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended (ERISA), unless we have previously received a written consent to deliver materials electronically, we have assumed that participants in the Capital Accumulation Plan of The Chubb Corporation (the CCAP) have affirmatively requested paper copies of our annual meeting materials and, therefore, have mailed or will mail copies of the annual meeting materials to each participant in the CCAP whose account holds shares of our stock.

The SEC s rules also permit us to deliver a single notice or set of annual meeting materials to one address shared by two or more of our shareholders. This delivery method is referred to as householding and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one notice or set of annual meeting materials to multiple shareholders who share an address, unless we received a request to send multiple copies of our annual meeting materials prior to the mailing date. Each shareholder retains a separate right to vote on all matters presented at the 2015 Annual Meeting. We agree to deliver promptly, upon written or oral request, a separate copy of the notice or set of annual meeting materials to any shareholder at the shared address to which a single copy of those documents was delivered. For future meetings, if you prefer to receive separate copies of our annual meeting materials, please contact Broadridge Financial Solutions, Inc. (Broadridge) at 800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you are currently a shareholder sharing an address with another shareholder and are currently receiving multiple copies but wish to receive only one copy of our future annual meeting materials for your household, please contact Broadridge at the above phone number or address.

Who Can Vote

Our Board has set March 2, 2015 as the record date for the 2015 Annual Meeting. Shareholders of record of our common stock at the close of business on March 2, 2015 may vote at the 2015 Annual Meeting.

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How Many Shares Can Be Voted

Each shareholder has one vote for each share of our common stock owned at the close of business on the record date. On the record date, 230,522,584 shares of our common stock were outstanding.

How You Can Vote

Record Holders

If your shares are registered in your name with Broadridge, our dividend agent, transfer agent and registrar, you are considered a shareholder of record, and the notice containing instructions on accessing our annual meeting materials online or requesting a paper copy thereof is being sent directly to you by us. Shareholders of record can vote in person at the 2015 Annual Meeting or give their proxy to be voted at the 2015 Annual Meeting in any one of the following ways:

- over the internet;
- by telephone; or
- for shareholders requesting a paper copy of our annual meeting materials, by completing, signing, dating and returning the proxy card accompanying the paper copy.

CCAP Participants

If you are a participant in the CCAP, your proxy will include all shares allocated to you in the CCAP (Plan Shares), which you may vote in person at the 2015 Annual Meeting or over the internet, by telephone or, provided that you have not delivered a written consent to receive our materials electronically, by completing and mailing the proxy card accompanying your paper copy of the annual meeting materials. Your proxy will serve as a voting instruction for the trustee of the CCAP. If your voting instructions are not received by April 23, 2015, any Plan Shares you hold will not be voted by the trustee.

Brokerage and Other Account Holders

You are considered to be the beneficial owner of shares you hold in an account maintained by a broker, bank or other nominee, which may be referred to as shares held in street name. For shares held in street name, your broker, bank or other nominee, who is the shareholder of record, has forwarded to you the instructions for accessing, or requesting paper copies of, our annual meeting materials. You have the right to instruct your broker, bank or other nominee on how to vote these shares, and your broker, bank or other nominee has provided you with a voting instruction card to use in submitting such instructions. The availability of telephone and internet voting for beneficial owners will depend on the voting options offered by their particular broker, bank or other nominee. Please refer to the voting instructions provided by your broker, bank or other nominee for directions as to how to vote shares that you beneficially own. You may also attend the 2015 Annual Meeting. Beneficial owners of shares who wish to vote in person at the 2015 Annual Meeting must obtain a legal proxy from their broker, bank or other nominee and present it at the 2015 Annual Meeting.

Voting

Whether you vote in person, over the internet, by telephone or by mail, you can specify whether you vote your shares:

- FOR or AGAINST each of the nominees for election as a director (Proposal 1 on the proxy card); and
- FOR, AGAINST or ABSTAIN with respect to:

* the ratification of Ernst & Young LLP (EY) as independent auditor (Proposal 2 on the proxy card);

* the compensation of our named executive officers (Proposal 3 on the proxy card); and

* the shareholder proposal regarding the preparation of an annual sustainability report (Proposal 4 on the proxy card).

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In the absence of instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with our Board s recommendations, which are FOR each of the nominees for election as a director specified under Proposal 1, FOR Proposals 2 and 3, and AGAINST Proposal 4. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

If you hold your shares in street name, your broker, bank or other nominee may not vote your shares in the absence of your voting instructions with respect to any matter that is not considered routine by the New York Stock Exchange (the NYSE). At the 2015 Annual Meeting, your broker, bank or other nominee may vote your shares without receiving voting instructions on Proposal 2, because the auditor ratification proposal is considered routine, but may not vote your shares without instructions on Proposals 1, 3 or 4. Accordingly, if you are a beneficial owner of shares held in street name and do not return your voting instruction card or fail to indicate your voting selections, your shares will not be voted on Proposals 1, 3 or 4, resulting in a broker non-vote with respect to those proposals.

Revocation of Proxies

If you are a shareholder of record or a holder of Plan Shares, you may revoke your proxy at any time before it is exercised in any of four ways:

- by notifying our Corporate Secretary of the revocation in writing;
- by delivering a duly executed proxy card bearing a later date;
- by properly submitting a new, timely and valid proxy via the internet or by telephone after the date of the proxy you wish to revoke; or
- by voting in person at the 2015 Annual Meeting.

You will not revoke a proxy merely by attending the 2015 Annual Meeting. To revoke a proxy, you must take one of the actions described above.

If you hold your shares in a brokerage or other account, you may submit new voting instructions by contacting your broker, bank or other nominee.

Quorum; Required Votes

The presence, in person or by proxy, of the holders of a majority of all outstanding shares of our common stock entitled to vote at the 2015 Annual Meeting is necessary to constitute a quorum. Abstentions are counted as shares present at the 2015 Annual Meeting for purposes of determining a quorum. Similarly, because brokers, banks and other nominees are authorized to vote uninstructed shares on Proposal 2, such shares will be counted as shares present at the 2015 Annual Meeting for purposes of determining a quorum.

Each of the proposals to be voted upon at the 2015 Annual Meeting requires the affirmative vote of a majority of the votes cast on the proposal. For purposes of each of the proposals, abstentions and broker non-votes are not considered votes cast, will not be counted either for or against these proposals and, accordingly, will have no effect on the voting results.

Adjournments and Postponements

Any action on the items of business described above may be considered at the 2015 Annual Meeting at the time and on the date specified above or at any time and date to which the 2015 Annual Meeting may be properly adjourned or postponed.

2014 10-K

The instructions for accessing the 2014 10-K online and for requesting a paper copy are included in the notice you received regarding our annual meeting materials. **The 2014 10-K is available on our website at**

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***www.chubb.com/investors/chubb2890.html*, as well as on a website maintained by Broadridge at *www.proxyvote.com*. It also is available without charge by sending a written request to our Corporate Secretary at 15 Mountain View Road, Warren, New Jersey 07059.**

Important Notice about Security

Before entering the 2015 Annual Meeting, attendees may be asked to present a valid, government-issued photo identification (federal, state or local), such as a driver s license or passport, and proof of beneficial ownership if they hold shares through a broker, bank or other nominee. Attendees may be subject to security inspections. Video and audio recording devices and other electronic devices will not be permitted at the 2015 Annual Meeting.

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CORPORATE GOVERNANCE

Commitment to Corporate Governance

Our Board and management have a strong commitment to effective corporate governance. We have in place a comprehensive corporate governance framework for our operations. The key components of this framework are set forth in the following documents:

- our Restated Certificate of Incorporation;
- our By-Laws;
- our Audit Committee Charter;
- our Corporate Governance & Nominating Committee Charter;
- our Finance Committee Charter;
- our Organization & Compensation Committee Charter;
- our Corporate Governance Guidelines;
- our Code of Business Conduct; and
- our Code of Ethics for CEO and Senior Financial Officers.

Copies of these documents are available on our website at *www.chubb.com/investors/chubb2890.html.* Copies also are available without charge by sending a written request to our Corporate Secretary.

Corporate Governance Guidelines

Our Corporate Governance Guidelines address a number of policies and principles employed in the operation of our Board and our business generally, including our policies and principles with respect to:

- the size of our Board;
- director independence;
- factors to be considered in selecting candidates to serve on our Board;

director nominating procedures, including the procedures by which shareholders may propose director candidates;

incumbent directors who do not receive a majority of the votes cast in uncontested elections;

term limits, director retirement, director changes in professional activities and Board vacancies;

directors outside directorships and outside audit committee service;

the role and responsibilities of the independent Lead Director;

director responsibilities;

director attendance at Board meetings, committee meetings and annual meetings of shareholders;

executive sessions of our independent directors;

director access to management and the ability of our Board and its committees to retain outside consultants;

director compensation;

stock ownership guidelines for directors and certain employees;

administration of our legal compliance and ethics program;

director orientation and continuing education;

- management succession;
- annual performance evaluations of our Board, each of our Audit Committee, Corporate Governance & Nominating Committee (our Governance Committee), Finance Committee and Organization & Compensation Committee (our Compensation Committee), and individual directors;
- contributions to director-affiliated charitable organizations; and
- shareholder access to our Board and Audit Committee.

Director Qualifications and Director Nominee Considerations

Our Board has established our Governance Committee, which is comprised solely of directors satisfying the independence requirements of the NYSE and our Corporate Governance Guidelines. A copy of the charter of our Governance Committee is available on our website at *www.chubb.com/investors/chubb2890.html.* Copies also are available by sending a written request to our Corporate Secretary. Our Board has delegated to our Governance Committee responsibility for, among other things:

- recruiting qualified, independent directors, consisting of persons with diverse backgrounds and skills who have the time and ability to exercise independent judgment and perform our Board s functions effectively and who meet the needs of our Board;
- recommending to our Board the appointment of persons to the appropriate committees of our Board and as chairs of such committees; and
- taking a leadership role in shaping our corporate governance policies.

We require that a majority of the directors on our Board meet the criteria for independence under applicable law and the requirements of the SEC, the NYSE and our Corporate Governance Guidelines. We believe that variety in the lengths of service among the directors benefits us and our shareholders. Accordingly, we do not have term limits for service on our Board. As an alternative to term limits, all director nominations are considered annually by our Governance Committee. Individuals who would be age 74 or older at the time of election are ineligible for nomination to serve on our Board. While our Board does not require directors to resign in every instance in which they retire or change from the position they held when they were elected to our Board, it does require that our Governance Committee consider the appropriateness of continued Board membership under the circumstances.

Our Governance Committee takes a holistic approach in identifying and considering director nominees. Our Governance Committee primarily focuses on the composition and competencies of our Board as a whole and how the traits possessed by individual director nominees will complement each other. While evaluating individual director nominees within this framework, the factors that our Governance Committee considers include:

- the personal and professional ethics, integrity and values of the candidate;
- the independence of the candidate under legal, regulatory and other applicable standards, including the ability of the candidate to represent all of our shareholders without any conflicting relationship with any particular constituency;

the diversity of our existing Board, with the aim of achieving a diversity of genders, ethnic and geographic backgrounds and professional and industry experience;

the professional experience and industry expertise of the candidate and whether it will add to or complement that of our existing Board;

the compatibility of the candidate with our existing Board;

the length of tenure of the members of our existing Board;

the number of other public company boards of directors on which the candidate serves or intends to serve, with the general expectation that the candidate would not serve on the boards of directors of more than four other public companies;

the number of public company audit committees on which the candidate serves or intends to serve, with the general expectation that, if the candidate is to be considered for service on our Audit Committee, the candidate would not serve on the audit committees of more than two other public companies;

the candidate s service on the boards of directors of other for-profit companies, not-for-profit organizations, trade associations or industry associations;

the ability and willingness of the candidate to devote sufficient time to carrying out his or her Board duties and responsibilities effectively;

the commitment of the candidate to serve on our Board for an extended period of time; and

such other attributes of the candidate and external factors as our Governance Committee deems appropriate.

Our Governance Committee has the discretion to weight these factors as it deems appropriate. The importance of these factors may vary from candidate to candidate.

Nominating Procedures

The primary purpose of our nominating procedures is to identify and recruit outstanding individuals to serve on our Board. Our Governance Committee meets periodically to consider the slate of nominees for election at our next annual meeting of shareholders. If appropriate, our Governance Committee schedules follow-up meetings and interviews with potential candidates. Our Governance Committee submits its recommended nominee slate to our Board for approval.

Our Governance Committee will consider candidates recommended by directors, members of management and our shareholders. In addition, our Governance Committee is authorized to engage one or more search firms to assist in the recruitment of director candidates.

The procedure for shareholders to follow to propose director candidates, including the information required to be submitted, is set forth in Article I, Section 10 of our By-Laws. Our Governance Committee may make such additional inquiries of the candidate or the proposing shareholder as our Governance Committee deems appropriate. This information is necessary to allow our Governance Committee to evaluate the shareholder s proposed candidate on the same basis as those candidates referred through directors, members of management or by search firms retained by our Governance Committee.

Shareholders wishing to propose a candidate for consideration should refer to Article I, Section 10 of our By-Laws, the information set forth under the heading 2016 Shareholder Proposals and Nominations and the SEC rules applicable to shareholder proposal submission procedures.

Director Election Procedures

In uncontested elections, our directors are elected by the affirmative vote of a majority of the votes cast. In the event that an incumbent director receives less than the affirmative vote of a majority of the votes cast and the director would otherwise remain in office by operation of New Jersey law, the affected director is required to tender his or her resignation. Our Governance Committee is required to promptly consider the resignation and make a recommendation to our Board as to whether or not to accept such resignation. Our Board is required to take action with respect to our Governance Committee s recommendation within 90 days after the date of the election. These procedures are described in full in our Corporate Governance Guidelines.

Director Independence

Our Governance Committee regularly reviews each director s independence in accordance with the standards set forth in our Corporate Governance Guidelines as well as the requirements of the SEC and the

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NYSE. No member of our Board will be considered independent unless our Board, upon the recommendation of our Governance Committee, determines that the director has no material relationship with us that would affect the director s independence and that the director satisfies the independence requirements of all applicable laws, rules and regulations. To facilitate the analysis of whether a director has a relationship with us that could affect his or her independence, our Board has identified in our Corporate Governance Guidelines standards for director independence. Our Corporate Governance Guidelines are available on our website at *www.chubb.com/investors/chubb2890.html.* Copies also are available without charge by sending a written request to our Corporate Secretary.

Based on the assessment by our Governance Committee, our Board determined that each of our directors, other than John D. Finnegan, who is our Chairman, President and Chief Executive Officer, is independent as defined in the listing standards of the NYSE and our Corporate Governance Guidelines. In addition, the Board determined that the members of our Compensation Committee are independent under the NYSE s heightened independence standards for Compensation Committee members, and that the members of our Audit Committee are independent under Section 10A(m)(3) of the Securities Exchange Act of 1934 (the Exchange Act) and the SEC s rules thereunder.

Annual Performance Evaluation

Each of our Board and our Audit, Governance, Finance and Compensation Committees conducts an annual evaluation to determine whether it is functioning effectively. In addition, each director receives an annual performance evaluation. Our Governance Committee has established the procedures for these evaluations and periodically reviews and, as appropriate, updates these procedures.

Stock Ownership Guidelines for Non-Employee Directors

Our Board has adopted stock ownership guidelines pursuant to which each of our non-employee directors is expected to maintain an ownership level in our common stock or common stock equivalents which has a value equal to seven times the annual stipend paid to non-employee directors for service on our Board. A non-employee director has five years from the date of his or her first election to achieve the ownership threshold. In the event of a change in the stock ownership guidelines, non-employee directors have five years to achieve the incremental change in ownership. A non-employee director will be deemed to satisfy the ownership guidelines, regardless of the actual value of his or her position in our common stock and common stock equivalents, if, for each of the last five years, the director has elected to defer receipt of all director stipends, committee stipends, meeting fees and equity compensation awards. All of our non-employee directors are currently in compliance with the stock ownership guidelines.

Related Person Transactions

Our Board has adopted a written policy addressing our review and approval process for transactions in which (1) we or any of our subsidiaries are a participant, (2) the amount involved exceeds $120,000 and (3) any of our executive officers, directors, director nominees, holders of more than 5% of our common stock or any of their respective immediate family members (as defined by the SEC) has a material direct or indirect interest. These individuals or entities, as applicable, collectively are referred to as Related Persons and such transactions are referred to as Related Person Transactions. Our policy prohibits a Related Person from participating in any Related Person Transaction unless:

- the transaction is a Permitted Transaction (as defined below);
- in the case of our executive officers and holders of more than 5% of our common stock, the transaction is reported to our General Counsel and approved by our Governance Committee; or
- in the case of our directors and nominees for director, the transaction is reported to our General Counsel and approved by a majority of the disinterested members of our Governance Committee or, if less than a majority of our Governance Committee is disinterested, a majority of the disinterested members of our Board.

In the event that a Related Person inadvertently fails to obtain the appropriate approvals prior to engaging in a Related Person Transaction, the Related Person should seek ratification of the Related Person Transaction by the appropriate decision maker referenced above as soon as reasonably practicable after discovery of such failure. In any case where the appropriate decision maker determines not to approve or ratify a Related Person Transaction that has been commenced without approval, the appropriate decision maker may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Person Transaction, or modification of the Related Person Transaction to make it acceptable for approval or ratification.

Our Board, upon the recommendation of our Governance Committee, has identified categories of Related Person Transactions that are considered to be appropriate and may be in, or may not be inconsistent with, the best interests of us and our shareholders. Accordingly, the following types of Related Person Transactions (Permitted Transactions) do not require that the Related Person seek approval or ratification under our policy:

- the purchase of insurance products or services from us on an arm s length basis in the ordinary course of business and on terms and conditions generally available to other insureds; and
- claims activity relating to insurance policies administered on an arm s length basis in the ordinary course of business and consistent with the administration of the claims of other insureds.

The following transactions also do not require that the Related Person seek approval or ratification under our policy:

- our payment or reimbursement of a Related Person s expenses incurred in performing his or her Chubb-related responsibilities;
- the receipt of compensation and benefits by any of our executive officers or directors from us, provided that such arrangements are approved in accordance with the policies and procedures established by our Board or a committee thereof;
- any transaction in which a Related Person s interest arises solely from ownership of securities issued by us and all holders of such securities receive the same benefits pro rata as the Related Person;
- any transaction in which the Related Person s interest arises only: (i) from the Related Person s position as a director or an employee (other than an executive officer) of another corporation or organization that is a party to the transaction; (ii) from the direct or indirect ownership by the Related Person and all other Related Persons, in the aggregate, of less than a 10% equity interest in another party to the transaction (other than a partnership); or (iii) from both such position and ownership; and
- any transaction in which the Related Person s interest arises only from the Related Person s position as a limited partner in a partnership in which the Related Person and all other Related Persons have an interest of less than 10% and the person is not a general partner of and does not have another position in the partnership.

Related Person Transactions since January 1, 2014 are discussed under the heading Certain Transactions and Other Matters.

Board Leadership Structure and Risk Oversight

Board Structure

As noted in our Corporate Governance Guidelines, the determination of our Board s leadership structure is an integral part of our succession planning process. Based on our Board s current composition, as well as Mr. Finnegan s business experience and day-to-day involvement in our operations, our Board has determined that the most effective leadership structure for our Board is for the roles of Chief Executive Officer and Chairman of our Board (Chairman) to be combined. To ensure our Board s independence and proper functioning, our Board has also elected an independent Lead Director with substantial authority over our Board s operations. Our Board has determined that this structure currently is beneficial because it fosters the development and implementation of business strategies, while also providing the balance of an empowered and independent Board.

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Our Lead Director has the following authority and responsibilities:

- to act as a liaison between the Chairman and the independent directors;
- to call special meetings of our Board;
- to call special meetings of any committee of our Board;
- to call special meetings of our shareholders;
- in the absence of our Chairman, to preside at meetings of our Board;
- to preside at all executive sessions of the non-employee directors and the independent directors;
- in the absence of our Chairman, to preside at meetings of our shareholders;
- to provide direction regarding our Board s meeting schedule (including executive sessions), information to be sent to our Board and the agenda for our Board meetings to assure that there is sufficient time for discussion of all agenda items;
- to attend meetings of any committee of our Board on which he or she is not otherwise a member;
- to hire independent legal, financial or other advisors as he or she deems desirable or appropriate, without consulting or obtaining the approval of any member of management in advance; and
- to exercise such additional powers as may be conferred upon the office of our Lead Director by resolution of our Board or our Governance Committee from time to time.

Our Lead Director serves on our Executive Committee and is eligible to serve on any or all other committees of our Board. Our Lead Director is elected annually by our Board upon the recommendation of our Governance Committee and is not subject to term limits. James M. Zimmerman currently serves as our Lead Director.

Risk Oversight

Our Board recognizes that one of its key responsibilities is to understand and evaluate how the material risks to which we are subject interrelate, how they affect our business and how management addresses those risks. Our Board is responsible for the oversight of our Enterprise Risk Management (ERM) framework and, directly or through one or more of its committees, for reviewing significant enterprise-wide risks and supporting management in the maintenance, monitoring and enhancement of our risk management process. For additional information on our ERM framework, see Enterprise Risk Management in Part 1, Item 1 of our 2014 10-K.

At least annually, our Board and management review and discuss the risk areas that have been identified as providing the greatest exposure to our business. Our Board allocates oversight responsibility for these risk areas among itself and its committees. Our Chief Risk Officer and/or other members of senior management regularly report to our Board or the designated Board committee(s) on these subjects. For many risk areas, reports are provided quarterly and, for others, reports are provided annually or more frequently if warranted. Where a Board committee has primary oversight responsibility for one or more risk areas, the chair of that committee regularly reports on such matters to our Board.

Management Succession

Our Board believes that management succession is one of its most critical roles and retains robust procedures to carry out this responsibility, including regular Chief Executive Officer succession planning discussions among the independent directors and reviews of succession plans for our other key management positions.

As previously disclosed, John D. Finnegan, our Chairman, President and Chief Executive Officer, and our Board have agreed that Mr. Finnegan will retire from Chubb on December 31, 2016. Our Board s Chief Executive Officer succession planning is ongoing.

Contacting our Board

Parties interested in contacting our Board, any committee of our Board, our Chairman, our Lead Director, the non-employee directors as a group or any individual director are invited to do so by writing to any of them at:

c/o Corporate Secretary

The Chubb Corporation

15 Mountain View Road

Warren, New Jersey 07059

Complaints and concerns relating to our accounting, internal control over financial reporting or auditing matters should be communicated to our Audit Committee using the special procedures described below. Communications addressed to a particular director will be referred to that director.

Special Procedures for Contacting our Audit Committee

Complaints and concerns relating to our accounting, internal control over financial reporting or auditing matters should be communicated to our Audit Committee, which consists solely of independent directors. Any such communication may be anonymous and may be reported to our Audit Committee through our General Counsel by writing to:

General Counsel

The Chubb Corporation

15 Mountain View Road

Warren, New Jersey 07059

GeneralCounsel@chubb.com

All such concerns will be reviewed under our Audit Committee s direction with oversight by our General Counsel, our Internal Audit Department or such other persons as our Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of our Audit Committee. Our General Counsel will prepare a periodic summary report of all such communications for our Audit Committee.

Our Code of Business Conduct provides that we will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of complaints regarding accounting matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

Meeting Attendance and Related Matters

Our directors are expected to attend all Board meetings, meetings of Board committees on which they serve and annual meetings of shareholders. All 14 of our directors attended the 2014 Annual Meeting of Shareholders. Our directors also are expected to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. In 2014, our Board met eight times. All of our directors attended at least 75% of the meetings of our Board and the Board committees on which they serve.

Audit Committee

Each member of our Audit Committee satisfies the independence requirements under Section 10A(m)(3) of the Exchange Act and the rules promulgated thereunder, and the independence standards set forth in our Corporate Governance Guidelines. Our Audit Committee is directly responsible for the appointment, compensation and retention (or termination) of our independent auditor. Our Audit Committee also is responsible for the oversight of the integrity of our financial statements, our operating risks and other major risk exposures, including the significant policies and guidelines employed to manage corporate risk, compliance with legal and regulatory requirements, the performance of our internal audit function and independent auditor and other significant financial matters. The principal duties and responsibilities of our Audit Committee are set forth in its charter, which is available on our website at *www.chubb.com/investors/chubb2890.html*.

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Our Board has designated Timothy P. Flynn, Karen M. Hoguet, Lawrence W. Kellner, Martin G. McGuinn and Jess Søderberg as our audit committee financial experts (as defined by SEC rules). In 2014, our Audit Committee met eight times. The Audit Committee Report for 2014 is set forth under the heading Audit Committee Report.

Compensation Committee

Composition; Scope of Authority

Each member of our Compensation Committee satisfies the independence requirements of the NYSE and the independence standards set forth in our Corporate Governance Guidelines. Our Compensation Committee s primary responsibilities include establishing our general compensation philosophy and overseeing the development, implementation and administration of our compensation, benefit and perquisite programs. It also evaluates the performance and sets all aspects of the compensation paid to our Chief Executive Officer and reviews and approves the compensation paid to our other executive officers. In addition, our Compensation Committee is responsible for recommending to our Governance Committee the form and amount of compensation for our non-employee directors. The principal duties and responsibilities of our Compensation Committee are set forth in its charter, which is available on our website at *www.chubb.com/investors/chubb2890.html*.

Processes and Procedures

In 2014, our Compensation Committee met five times.

During the first quarter of each year, our Compensation Committee evaluates our performance relative to the pre-established goals under:

- The Chubb Corporation Annual Incentive Compensation Plan (2011) (the 2011 Annual Incentive Plan), in the case of annual non-equity incentive compensation;
- The Chubb Corporation Long-Term Incentive Plan (2014) (the 2014 LTIP), in the case of long-term incentive awards; and
- Certain other plans in which our named executive officers identified under the heading Executive Compensation Summary Compensation Table (our NEOs) do not participate.

In addition, our Compensation Committee evaluates our Chief Executive Officer s overall individual performance and contributions during the prior year. Our Chief Executive Officer presents our Compensation Committee with his evaluation of each of our other NEOs, which includes compensation recommendations and a review of their contributions and performance during the prior year. Our Compensation Committee then makes a final determination of compensation amounts for each NEO with respect to each of the elements of the executive compensation program for both compensation based on prior year performance and target compensation for the current year.

Mid-year, typically in June following the conclusion of the proxy season after more data becomes available, our Compensation Committee considers each NEO s total compensation as compared with that of the named executive officers of a peer group of companies. Information regarding this peer group analysis is set forth under the heading Compensation Discussion and Analysis Setting of Executive Compensation. This peer group review provides our Compensation Committee with an external basis on which to evaluate our overall compensation program, including an assessment of its pay to performance relationship. Following this presentation of competitive market data, our Compensation Committee makes decisions, in consultation with our Chief Executive Officer, regarding our other NEOs, assessing the need for any modifications to executive compensation opportunities and overall program design for implementation in the following year. Final approval of any program or individual changes typically occurs in the first quarter of the following year, at or around the same time that our Compensation Committee is evaluating overall performance for the just-completed year to determine actual award amounts payable under our incentive-based plans and to establish target compensation for the current year.

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Role of Executive Officers

Our Compensation Committee, and through it our Board, retains final authority with respect to our compensation, benefit and perquisite programs and all actions taken thereunder. However, as noted above, our Chief Executive Officer recommends to our Compensation Committee compensation actions for each of our other NEOs. Our other NEOs evaluate the performance of and recommend compensation actions for other members of our senior management team to our Chief Executive Officer. Our Chief Executive Officer, after making any adjustments he deems appropriate, presents these recommendations to our Compensation Committee for consideration and compensation action. Compensation actions for the rest of our employees are determined by management, with our Compensation Committee receiving and approving aggregated information (e.g., aggregate incentive compensation and equity awards) by employee level with respect to such actions. None of our employees, other than our Chief Executive Officer (who does not receive compensation for services rendered as a member of our Board), has a role in determining or recommending the amount or form of non-employee director compensation.

Delegation of Authority

Subject to an aggregate limit of 800,000 shares of our common stock, our Compensation Committee has delegated authority to our Chief Executive Officer to make equity grants to employees at or below the level of Senior Vice President. In accordance with the terms of this delegation of authority, our Compensation Committee periodically reviews all such awards. If our Compensation Committee ratifies the awards, the number of shares so ratified is restored to our Chief Executive Officer s pool of awardable shares. Our Chief Executive Officer uses this authority to grant performance, promotion, retention and new hire awards. Our Compensation Committee has retained exclusive authority for granting equity awards to employees above the level of Senior Vice President, as well as for certain of our Senior Vice Presidents, including those subject to the reporting requirements of Section 16 of the Exchange Act.

Role of Executive Compensation Consultant

Pursuant to its charter, our Compensation Committee has the sole authority to retain any compensation consultant to be used to assist in the evaluation of executive compensation and to approve the fees and terms of such retention. In accordance with this authority, our Compensation Committee directly engaged a compensation consulting firm, Compensation Advisory Partners LLC (CAP or the Compensation Consultant) in 2014. CAP was engaged by our Compensation Committee to assist in reviewing our overall compensation strategy and total compensation package; provide input on the competitive market for executive talent, evolving executive and director compensation market practices, program design and regulatory compliance; and perform a risk assessment of our compensation plans. CAP does not provide any services to us other than advising our Compensation Committee and, with respect to director compensation, our Governance Committee. The Compensation Committee evaluated the independence of CAP in light of the compensation consultant independence factors set forth in the NYSE s listing standards and determined that the services performed by CAP raised no conflicts of interest.

Executive Committee

Our Executive Committee, which consists of our Chairman, our Lead Director and the Chairs of our Audit, Compensation, Finance and Governance Committees, is responsible for overseeing our business, property and affairs during the intervals between the meetings of our Board, if necessary. Our Executive Committee did not meet during 2014.

Finance Committee

Our Finance Committee oversees and regularly reviews our capital structure, capital management, investment policies, investment portfolio, rating agency relationships and retirement plan funding. The principal duties and responsibilities of our Finance Committee are set forth in its charter, which is available on our website at *www.chubb.com/investors/chubb2890.html*. In 2014, our Finance Committee met four times.

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Governance Committee

As noted above, our Governance Committee assists our Board in identifying individuals qualified to become members of our Board and oversees the annual evaluation of our Board and each committee thereof. Our Governance Committee also makes recommendations to our Board on a variety of corporate governance and nominating matters, including recommending standards of independence, director nominees, appointments to Board committees, designees for chairs of each of our Board committees, non-employee director compensation and corporate governance guidelines. The principal duties and responsibilities of our Governance Committee are set forth in its charter, which is available on our website at *www.chubb.com/investors/chubb2890.html*. In 2014, our Governance Committee met four times.

Compensation Committee Interlocks and Insider Participation

During our 2014 fiscal year, each of Sheila P. Burke, James I. Cash, Jr., Martin G. McGuinn, William C. Weldon, James M. Zimmerman and Alfred W. Zollar served on our Compensation Committee. None of these individuals has at any time been an officer or employee of Chubb. During our 2014 fiscal year, none of our executive officers served as a member of the board of directors or compensation committee of any entity for which a member of our Board or Compensation Committee served as an executive officer.

Directors Compensation

Our Board, upon the recommendation of our Governance Committee, with the assistance of our Compensation Committee, is responsible for approving the form and amount of non-employee director compensation. Our Governance Committee is responsible for overseeing non-employee director compensation. Our Compensation and Governance Committees consult periodically with the Compensation Consultant to evaluate and, if appropriate, adjust non-employee director compensation. To benchmark the competitiveness of our non-employee director compensation, our Compensation and Governance Committees utilize the same peer group of companies described below under the heading Compensation Discussion and Analysis Setting of Executive Compensation. Consistent with our compensation philosophy for our NEOs, our non-employee director compensation program is designed to target total non-employee director compensation within a reference range of the 50th and 75th percentiles of the compensation paid to non-employee directors in this peer group.

Director Compensation Table

The following table sets forth the compensation we paid to our non-employee directors in 2014:

Name(1)	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(4)	Total ($)
Zoë Baird Budinger	$ 109,000	$ 129,918				$ 188	$ 239,106
Sheila P. Burke	115,333	129,918					245,251
James I. Cash, Jr.	113,167	129,918				23,119	266,204
Timothy P. Flynn(5)	115,000	129,918				25,000	269,918
Karen M. Hoguet(5)	113,000	129,918				18,500	261,418
Lawrence W. Kellner(6)	135,000	129,918				2,500	267,418
Martin G. McGuinn	122,000	129,918				26,234	278,152
Lawrence M. Small	107,000	129,918				27,560	264,478
Jess Søderberg	115,000	129,918				28,219	273,137
Daniel E. Somers	128,000	129,918				41,096	299,014
William C. Weldon(7)	115,000	129,918					244,918
James M. Zimmerman	131,000	129,918				5,000	265,918
Alfred W. Zollar	117,000	129,918				122	247,040

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(1) Compensation for Mr. Finnegan is not included in this table because he does not receive compensation for services that he renders as a member of our Board. Information regarding Mr. Finnegan s compensation is set forth under the headings Compensation Discussion and Analysis and Executive Compensation.

(2) Pursuant to the 2014 LTIP, on April 29, 2014, each non-employee director received deferred stock units representing the right to receive 1,414 shares of our common stock valued at $91.88 per share on the date of grant. The aggregate grant date fair value of each of these awards, calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, was $129,918 per non-employee director. These awards vested immediately upon grant, but the issuance of the shares underlying such awards was mandatorily deferred until the recipient s separation from service from our Board.

As of December 31, 2014, each of our non-employee directors other than Messrs. Flynn, Kellner and Weldon and Ms. Hoguet had the following outstanding equity awards:

Grant Date	Type of Award	Number of Units[(a)]
April 28, 2009	Deferred Stock Unit	2,481
April 27, 2010	Deferred Stock Unit	1,916
April 26, 2011	Deferred Stock Unit	1,590
April 24, 2012	Deferred Stock Unit	1,814
April 30, 2013	Deferred Stock Unit	1,479
April 29, 2014	Deferred Stock Unit	1,414
Total		10,694

(a) Each deferred stock unit has the equivalent value of one share of our common stock and settles following separation from service from our Board. The grant date fair value of each of these awards is estimated based on the fair market value of our common stock on the date of grant.

(3) Since the adoption of The Chubb Corporation Long-Term Stock Incentive Plan for Non-Employee Directors (2004) (2004 Director Plan) in April 2004, our Board s practice has been to refrain from granting stock options to non-employee directors. At December 31, 2014, Ms. Baird Budinger and Mr. Small held options to purchase 20,000 shares and 29,925 shares of our common stock, respectively, from grants received prior to 2004. These options are fully vested. None of our other non-employee directors held any options at December 31, 2014.

(4) Represents: (i) imputed income for premiums paid to purchase life insurance by the applicable non-employee director under the Directors Group Term Life Insurance Program; (ii) premiums paid by us for life insurance policies through which we will fund our non-employee directors charitable contributions under the Director s Charitable Award Program; (iii) imputed income for premiums paid by the applicable non-employee director to purchase life insurance under The Chubb Corporation Estate Enhancement Program for Non-Employee Directors; and/or (iv) matching charitable contributions under our Matching Gifts Program. See Directors Compensation All Other Compensation below for a description and quantification of these items for applicable non-employee directors.

(5) Mr. Flynn and Ms. Hoguet were elected to our Board on September 4, 2013. On September 4, 2013 and April 29, 2014, Mr. Flynn and Ms. Hoguet each received deferred stock units representing the right to receive 1,033 and 1,414 shares, respectively, of our common stock, in each case having the same terms as those described in footnote (2) above. As of December 31, 2014, these deferred stock units were Mr. Flynn and Ms. Hoguet s only outstanding equity awards.

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(6) Mr. Kellner was elected to our Board on April 26, 2011. On April 26, 2011, April 24, 2012, April 30, 2013 and April 29, 2014, Mr. Kellner received deferred stock units representing the right to receive 1,590, 1,814, 1,479 and 1,414 shares, respectively, of our common stock, in each case having the same terms as those described in footnote (2) above. As of December 31, 2014, these deferred stock units were Mr. Kellner s only outstanding equity awards.

(7) Mr. Weldon was elected to our Board on April 30, 2013. On April 30, 2013 and April 29, 2014, Mr. Weldon received deferred stock units representing the right to receive 1,479 and 1,414 shares, respectively, of our common stock, in each case having the same terms as those described in footnote (2) above. As of December 31, 2014, these deferred stock units were Mr. Weldon s only outstanding equity awards.

Fees Earned or Paid in Cash

The following table summarizes the cash components of our 2014 non-employee director compensation program:

Item	Amount
Annual Director Stipend	$ 60,000
Lead Director Annual Stipend	30,000
Audit Committee Chair Stipend	20,000
Audit Committee Member Stipend	7,500
Compensation Committee Chair Stipend	15,000
Compensation Committee Member Stipend	7,500
Executive Committee Stipend	7,500
Finance Committee Chair Stipend	12,500
Finance Committee Member Stipend	7,500
Governance Committee Chair Stipend	12,500
Governance Committee Member Stipend	7,500
Board Meeting Fee	2,000
Committee Meeting Fee	2,000

In December 2014, our Governance Committee, in consultation with our Compensation Committee and the Compensation Consultant, completed a review of our non-employee director compensation program. Based on this review, our Governance Committee recommended to our Board, and our Board approved, effective January 1, 2015, the following changes to the cash components of our non-employee director compensation program:

- eliminating meeting fees for attending meetings of our Board and the standing committees of our Board;
- eliminating the Executive Committee stipend;
- increasing the cash portion of the annual director stipend to $90,000;
- increasing the annual stipend for the Chairs of our Audit, Compensation, Finance and Governance Committees to $30,000, $20,000, $15,000 and $15,000, respectively; and
- increasing the annual stipend for members of our Audit and Compensation Committees to $15,000 and $10,000, respectively.

Stock Awards

With respect to non-employee directors, the 2014 LTIP is administered by our Governance Committee with the assistance of our Compensation Committee. The 2014 LTIP was adopted by our shareholders at our 2014

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Annual Meeting of Shareholders on April 29, 2014. The 2014 LTIP replaced The Chubb Corporation Long-Term Incentive Plan (2009) (the 2009 LTIP) as of April 29, 2014, but does not affect the terms or conditions of any award granted under the 2009 LTIP. Subject to adjustment upon the occurrence of certain events described below, as of March 2, 2015, a maximum of 397,051 shares of our common stock were issuable to non-employee directors under the 2014 LTIP.

Based upon its market analysis, a peer group comparison and the recommendation of the Compensation Consultant and Compensation Committee, our Governance Committee approved deferred stock unit awards to each of our non-employee directors in the amount of $130,000 on April 29, 2014 (with any fractional unit payable in cash).

In December 2014, in connection with the review of our non-employee director compensation program described in Fees Earned or Paid in Cash above, our Governance Committee recommended to our Board, and our Board approved, effective January 1, 2015, an increase in the deferred stock unit portion of the annual director stipend to $150,000.

Option Awards

As noted above, our Board has not granted stock options to non-employee directors since the adoption of the 2004 Director Plan.

Change in Pension Value and Nonqualified Deferred Compensation Earnings

Cash Compensation. Under the Deferred Compensation Plan for Directors, non-employee directors may defer receipt of all or a portion of their cash compensation. Amounts of deferred compensation are payable at the option of the non-employee director either upon the non-employee director s separation from service from our Board or at a specified date chosen by the non-employee director at the time the deferral election is made. The Deferred Compensation Plan for Directors provides that amounts deferred may be invested in:

- an interest bearing account;
- a market value account; or
- a shareholders equity account.

A non-employee director participating in the Deferred Compensation Plan for Directors may elect to receive the compensation deferred in either a lump sum or in annual installments. All amounts are paid in cash, except for the market value accounts which we pay in shares of our common stock. Deferred compensation represents an unsecured obligation payable out of our general corporate assets.

Cash Accounts. Interest bearing accounts (cash accounts) bear interest at the lesser of 120% of the applicable long-term federal interest rate and Citibank, N.A. s prime rate in effect on the first day of each January, April, July and October during the deferral period. At December 31, 2014, we did not maintain cash accounts for any of our non-employee directors.

Market Value Accounts. Market value accounts, which are denominated in units with one unit having the equivalent value of one share of our common stock, track the value of shares of our common stock. On each date compensation otherwise would have been paid in accordance with our normal practice (the credit date), non-employee directors deferring cash compensation into market value accounts are credited with the number of market value units equal to the quotient of:

- the amount of compensation deferred by the non-employee director, divided by
- the closing share price of our common stock on the NYSE on the credit date or on the trading day preceding the credit date if the credit date is not a trading day.

When we pay cash dividends on our common stock, the market value account of each participating non-employee director is credited with the number of market value units equal to:

the product of (i) the amount of the dividend per share, multiplied by (ii) the number of units in the non-employee director s market value account on the dividend payment date, divided by

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the closing share price of our common stock on the NYSE on the dividend payment date or on the trading day preceding the dividend payment date if the dividend payment date is not a trading day.

At December 31, 2014, we maintained market value accounts for seven non-employee directors.

Shareholders Equity Accounts. Shareholders equity accounts, which are denominated in units, track the book value per share of our common stock. On each date compensation otherwise would have been paid in accordance with our normal practice, non-employee directors deferring cash compensation into shareholders equity accounts are credited with the number of shareholders equity units equal to the quotient of:

the amount of compensation deferred by the non-employee director, divided by

the shareholders equity per share as reported in our annual report to shareholders for the immediately preceding year.

When we pay cash dividends on our common stock, the shareholders equity account of each participating non-employee director is credited with the number of shareholders equity units equal to:

the product of (i) the amount of the dividend per share, multiplied by (ii) the number of units in the non-employee director s shareholders equity account on the dividend payment date, divided by

the closing share price of our common stock on the NYSE on the dividend payment date or on the trading day preceding the dividend payment date if the dividend payment date is not a trading day.

At December 31, 2014, we did not maintain shareholders equity accounts for any of our non-employee directors.

Equity Compensation. Prior to 2009, we offered non-employee directors the option of deferring receipt of all or a portion of their equity compensation. At December 31, 2014, we maintained deferred equity accounts for five non-employee directors who had elected to defer receipt of all or a portion of the shares they would have been entitled to receive upon settlement of pre-2009 equity grants. Amounts of voluntarily deferred equity are payable at the option of the non-employee director either upon the non-employee director s separation from service from our Board or at a specified date chosen by the non-employee director at the time the deferral election is made.

In 2009, our Governance Committee determined that deferred stock units would be the primary equity award structure for our non-employee directors. Accordingly, in April 2014, our non-employee directors were awarded deferred stock units which vested immediately upon grant, but the issuance of the shares underlying such awards was mandatorily deferred until following each recipient s separation from service from our Board.

Non-employee directors receive current payment of dividend equivalents on their deferred equity, whether such deferral is voluntary or mandatory. We declare and pay dividend equivalents on equity held in director deferral accounts at the same rate and at the same time as we declare and pay dividends on our common stock generally.

All Other Compensation

Directors Group Term Life Insurance Program. Under our Directors Group Term Life Insurance Program, our non-employee directors have the option of purchasing $50,000 in group term life insurance coverage for themselves. Directors pay the full cost of the coverage, which is based on coverage rates for our active employees. Ms. Baird Budinger and Messrs. Small, Somers and Zollar have elected to purchase life insurance coverage under this program. In connection with the premiums they paid to purchase life insurance policies under this program, income was imputed in 2014 to Ms. Baird Budinger in the amount of $188 and to Messrs. Small, Somers and Zollar in the respective amounts of $588, $362 and $122. The imputed income represented the difference between the group rates on these policies and the Internal Revenue Service (IRS) prescribed coverage values.

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Director s Charitable Award Program. Effective January 1, 1992, we established the Director s Charitable Award Program. Under this program, each non-employee director, following his or her first election to our Board by our shareholders, was entitled to request that we direct one or more charitable contributions totaling up to $500,000 to eligible tax exempt organizations. We have elected to fund the Director s Charitable Award Program through the proceeds of second-to-die life insurance policies that we have purchased on the lives of the participating non-employee directors. We are the owner and beneficiary of these policies. Non-employee directors have no rights in these policies or the benefits thereunder.

Under the terms of these policies, participating non-employee directors are paired and, upon the death of the second paired non-employee director, we use the proceeds of these policies to fund the contributions to the organizations selected by the non-employee directors. At December 31, 2014, eight non-employee directors were participating in the program. For five of these non-employee directors, we paid the full premium on the life insurance policies through which we fund the program prior to 2014. For Messrs. McGuinn, Søderberg and Somers, the premiums paid in 2014 in connection with their participation in this program, which also are reflected in the All Other Compensation column of the Director Compensation Table set forth under the heading Corporate Governance Directors Compensation, were $26,234, $28,219 and $26,234, respectively.

In March 2008, our Board voted to close the Director s Charitable Award Program to future participants (with currently eligible participants under the Director s Charitable Award Program being grandfathered). In addition, we may further amend or terminate the Director s Charitable Award Program at our election at any time. Participating non-employee directors are entitled to change their designated charities at any time.

Estate Enhancement Program. Prior to 2002, we maintained The Chubb Corporation Estate Enhancement Program for Non-Employee Directors. This program was offered to non-employee directors as an estate enhancement benefit pursuant to which a participant could exchange deferred compensation for a split-dollar whole-life insurance benefit. The program was designed so that it would be cost neutral to us, with the after-tax cost of the program (including amounts we will receive upon payout of the life insurance benefit) to us being intended to approximate the participant s foregone deferred compensation. During 2014, Mr. Small recognized imputed income of $1,972 in connection with the premiums paid by him on the insurance policies purchased in connection with his participation in the program.

Matching Gifts Program. Directors are eligible to participate in our Matching Gifts Program, which is available to all of our employees and non-employee directors as well as certain retired employees and non-employee directors. Under our Matching Gifts Program, we will match on a dollar-for-dollar basis contributions of $50 or more (up to a limit of $25,000 annually per participant) to eligible tax-exempt charitable organizations. During 2014, we matched contributions under our Matching Gifts Program for Ms. Hoguet and Messrs. Cash, Flynn, Kellner, Small, Somers and Zimmerman in the amounts of $18,500, $23,119, $25,000, $2,500, $25,000, $14,500 and $5,000, respectively.

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OUR BOARD OF DIRECTORS

Our Board oversees our business operations, assets, affairs and performance. In accordance with our long-standing practice, each of the director nominees other than our Chief Executive Officer is independent. Set forth below are the name, age, length of service on our Board and principal occupation of each director nominee, together with certain other biographical information and factors considered by our Governance Committee and the Board in nominating each director nominee for election to our Board. Unless otherwise indicated, each nominee has served for at least ten years in the business position currently or most recently held. The age of each director is as of April 28, 2015, the date of the 2015 Annual Meeting.

ZOË BAIRD BUDINGER (Age 62)

Director since 1998

Ms. Baird Budinger is President and Chief Executive Officer of the Markle Foundation, a private philanthropy that focuses on using information and communications technologies to address critical public needs, particularly in the areas of health care and national and economic security. Ms. Baird Budinger s career spans business, government and academia. She has been Senior Vice President and General Counsel of Aetna, Inc., a senior visiting scholar at Yale Law School, counselor and staff executive at General Electric Co., and a partner in the law firm of O Melveny and Myers. She was Associate General Counsel to President Jimmy Carter and an attorney in the Office of Legal Counsel of the Department of Justice. She served on President Clinton s Foreign Intelligence Advisory Board from 1993 - 2001 and on the International Competition Policy Advisory Committee to the Attorney General. Ms. Baird Budinger served on the Technology & Privacy Advisory Committee to the Secretary of Defense in 2003 to 2004, which advised on the use of technology to counter terrorism. She is on a number of non-profit and corporate boards, including the Council on Foreign Relations and Brookings Institution, among others.

In selecting Ms. Baird Budinger as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Ms. Baird Budinger s outside board service and business activities, including her knowledge of the insurance industry, legal matters, public policy matters, governmental affairs, information technology and international business operations.

SHEILA P. BURKE (Age 64)

Director since 1997

Ms. 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. She also has been a Senior Public Policy Advisor at Baker, Donelson, Bearman, Caldwell & Berkowitz from 2009 to the present. From 2004 to 2007, Ms. Burke served as Deputy Secretary and Chief Operating Officer of the Smithsonian Institution. Ms. Burke previously was Under Secretary for American Museums and National Programs, Smithsonian Institution, from June 2000 to December 2003, and Executive Dean and Lecturer in Public Policy of the John F. Kennedy School of Government, Harvard University, from November 1996 until June 2000. Ms. Burke served as Chief of Staff to the Majority Leader of the U.S. Senate from 1985 to 1996. Ms. Burke also serves on a number of non-profit and corporate boards, including Ascension Health, the Bipartisan Policy Center, the Kaiser Commission on the Future of Medicaid and Uninsured, the Georgetown University School of Nursing and Health Sciences, and the Commonwealth Fund. Ms. Burke is also a member of the National Council of the Institute of Medicine, National Academy of Sciences and the American Academy of Nursing.

In selecting Ms. Burke as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Ms. Burke s outside board service and business activities, including her knowledge of public policy matters and governmental affairs.

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JAMES I. CASH, JR. (Age 67)

Director since 1996

Dr. Cash is the James E. Robison Emeritus Professor of Business Administration, Harvard University. Dr. Cash was a member of the Harvard Business School faculty from July 1976 to October 2003. He also serves on the boards of General Electric Company and Wal-Mart. He owns a private company - The Cash Catalyst, LLC - and serves as a Special Advisor or director of several private companies including Highland Capital Partners, Verne Global, Deutsche Bank of the Americas, Grain Management, Virtual Instruments and Veracode. Dr. Cash also serves on the non-profit boards of the National Association of Basketball Coaches Foundation, The Smithsonian Museum of African-American History and Culture and the Bert King Foundation.

In selecting Dr. Cash as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Dr. Cash s outside board service and business experience, including his knowledge of information technology, strategic planning and international business operations.

JOHN D. FINNEGAN (Age 66)

Director since 2002

Mr. Finnegan has served as President and Chief Executive Officer of The Chubb Corporation since December 2002 and Chairman since December 2003. Mr. Finnegan previously had been Executive Vice President of General Motors Corporation, which is primarily engaged in the development, manufacture and sale of automotive vehicles, and Chairman and President of General Motors Acceptance Corporation, a finance company and subsidiary of General Motors Corporation, from May 1999 to December 2002. He was Vice President and Group Executive of General Motors and also President of General Motors Acceptance Corporation from November 1997 to April 1999. Mr. Finnegan was associated with General Motors Corporation from 1976 to December 2002.

In selecting Mr. Finnegan as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Finnegan s role as our Chief Executive Officer and his extensive experience in the financial services industry as well as the perspective he has gained through his outside board service and business activities.

TIMOTHY P. FLYNN (Age 58)

Director since 2013

Mr. Flynn served as Chairman of KPMG International from 2007 to 2011 and Chairman and Chief Executive Officer of KPMG LLP from 2005 to 2008. Mr. Flynn held a number of key leadership positions throughout his 32 year tenure at KPMG. Mr. Flynn is also a director of JPMorgan Chase & Company, where he serves on the Risk Advisory Committee and Public Responsibility Committee, and a director of Wal-Mart, where he serves as Chair of the Audit Committee. Mr. Flynn is a trustee and member of the Trustees Executive Committee of The University of St. Thomas, St. Paul, Minnesota. He previously served as a trustee of the Financial Accounting Board, a member of the World Economic Forum s International Business Council and a Founding member of The Prince of Wales International Integrated Reporting Committee.

In selecting Mr. Flynn as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Flynn s outside board service and business activities, including his role as Chairman of a leading auditing firm.

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KAREN M. HOGUET (Age 58)

Director since 2013

Ms. Hoguet was elected Chief Financial Officer of Macy s, Inc. in October 1997. Ms. Hoguet joined Macy s in 1982 as a senior consultant in marketing and long-range planning after working with the Boston Consulting Group. She served in a range of financial management capacities at Macy s, including Senior Vice President for Planning and Treasurer of the corporation. Ms. Hoguet is a director of The Nielsen Company B.V. and is Chairman of the Audit Committee. She also serves on a number of boards of non-profit organizations, including the Hebrew Union College Jewish Institute of Religion.

In selecting Ms. Hoguet as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Ms. Hoguet s outside board service and business activities, including her role as Chief Financial Officer of a major public company.

LAWRENCE W. KELLNER (Age 56)

Director since 2011

Mr. Kellner is President of Emerald Creek Group, LLC, a private equity firm. He served as Chairman and Chief Executive Officer of Continental Airlines, Inc. from December 2004 through December 2009. He served as President and Chief Operating Officer of Continental Airlines from March 2003 to December 2004, as President from May 2001 to March 2003 and as a member of Continental Airlines board of directors from May 2001 to December 2009. Mr. Kellner serves as non-executive Chairman of the Board of Directors of Sabre Corporation and serves on the board of directors for The Boeing Company and Marriott International, Inc. He is active in several community and civic organizations.

In selecting Mr. Kellner as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Kellner s outside board service and business activities, including his roles as Chairman and Chief Executive Officer and Chief Financial Officer of a major public company.

MARTIN G. McGUINN (Age 72)

Director since 2007

Mr. McGuinn served as Chairman and Chief Executive Officer of Mellon Financial Corporation from January 1999 until February 2006, and he held a number of leadership positions at Mellon during his 25 years there. Mr. McGuinn also was Chairman of the Financial Services Roundtable in 2003 and President of the Federal Reserve Board s Advisory Council in 2005. Mr. McGuinn serves on the boards of Celanese Corporation, where he is Chairman of the Audit Committee, and iGate Corporation, where he is Chairman of the Audit Committee, and also is a member of the Advisory Board of CapGen Financial. Mr. McGuinn also serves on several boards of non-profit organizations, including the Carnegie Museums of Pittsburgh and the University of Pittsburgh Medical Center and he is Chairman of the Carnegie Museum of Art.

In selecting Mr. McGuinn as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. McGuinn s outside board service and business activities, including his role as Chairman and Chief Executive Officer of a major public financial services company.

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LAWRENCE M. SMALL (Age 73)

Director since 1989

Mr. Small served as Secretary of the Smithsonian Institution, the world s largest museum and research complex, from 2000 to 2007. Mr. Small previously had been President and Chief Operating Officer of Fannie Mae from 1991 to 2000. Before joining Fannie Mae, he served as Vice Chairman and Chairman of the executive committee of the boards of directors of Citicorp and Citibank, where he worked for 27 years. He currently also serves as a director on the board of New York City s Spanish Repertory Theatre.

In selecting Mr. Small as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Small s outside board service and business activities, including his senior leadership roles at major public financial services companies and a government institution.

JESS SØDERBERG (Age 70)

Director since 2007

Mr. Søderberg served as Partner and Group CEO of A.P. Moller-Maersk from 1994 to 2007. He joined A.P. Moller-Maersk after graduating with an MBA from the Copenhagen Business School in 1969, and has since held a number of senior financial positions in both the USA and Denmark. Mr. Søderberg was a member of JP Morgan Chase s International Council until 2007, a member of Danske Bank s Advisory Council until mid-2014, Vice Chairman of the board of Carlsberg A/S and is an adviser to Permira (a major international equity fund). Mr. Søderberg is honored as a Knight 1st Degree of the Order of Dannebrog and the Chilean Order of Bernardo O Higgins.

In selecting Mr. Søderberg as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Søderberg s outside board service and business activities, including his role as Chief Executive Officer of a major public company and his expertise in international business operations.

DANIEL E. SOMERS (Age 67)

Director since 2003

Mr. Somers served as Vice Chairman of Blaylock and Partners LP, an investment banking firm, from January 2002 until September 2007. Mr. Somers previously had been President and Chief Executive Officer of AT&T Broadband, a provider of cable and broadband services, from December 1999 to October 2001, and Senior Executive Vice President and Chief Financial Officer at AT&T Corp., a telecommunications company, from May 1997 to December 1999. Mr. Somers served on the board of The Lubrizol Corporation until February 2007.

In selecting Mr. Somers as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Somers outside board service and business activities, including his role as Chief Financial Officer of a major public company.

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WILLIAM C. WELDON (Age 66)

Director since 2013

Mr. Weldon served as Chairman and Chief Executive Officer of Johnson & Johnson from 2002 to 2012. After starting his career at Johnson & Johnson in 1971, Mr. Weldon was promoted to positions of increasing responsibility across business segments, including several sales, marketing and international management positions. He was appointed as President of the company s affiliate, Ethicon Endo-Surgery, Inc., in 1992, Company Group Chairman of Ethicon Endo-Surgery in 1995, and member of the Executive Committee and Worldwide Chairman, Pharmaceuticals Group, in 1998. Mr. Weldon joined the Johnson & Johnson board of directors and was named Vice Chairman of the board in 2001. He served as Chairman of the board and Chief Executive Officer from 2002 to 2012. Mr. Weldon brings vast knowledge of Johnson & Johnson s business, structure, history and culture to our Board. Mr. Weldon is a director of JPMorgan Chase & Company, ExxonMobil and CVS Caremark, and serves on the board of several non-profit organizations.

In selecting Mr. Weldon as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Weldon s outside board service and business activities, including his roles as Chairman and Chief Executive Officer of a major public company and his expertise in international business operations.

JAMES M. ZIMMERMAN (Age 71)

Director since 2008

Mr. Zimmerman formerly served as Chairman and Chief Executive Officer of Federated Department Stores, Inc. (Macy s). Mr. Zimmerman was Chairman of the Board of Federated from February 2003 until January 2004, Chairman and Chief Executive Officer from May 1997 to February 2003, and President and Chief Operating Officer from March 1988 to May 1997. He began his career with Federated in 1965 after graduating from Rice University in Houston, Texas. Mr. Zimmerman is also a director of Fossil, Inc. and serves on the boards of several private for-profit companies and non-profit community organizations.

In selecting Mr. Zimmerman as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Zimmerman s outside board service and business activities, including his role as Chairman and Chief Executive Officer of a major public company.

ALFRED W. ZOLLAR (Age 60)

Director since 2001

Mr. Zollar has been Executive Partner of SIRIS Capital Group, LLC since February 2014, and he was the General Manager of Tivoli Software, IBM Corporation, which manufactures and sells computer services, hardware and software, from July 2004 until his retirement in January 2011. Mr. Zollar served as General Manager, eServer iSeries, IBM Corporation, from January 2003 to July 2004; General Manager, Lotus Software, which designs and develops business software and was a subsidiary of IBM Corporation, from January 2000 to January 2003; General Manager, Network Computing Software Division, IBM Corporation from 1998 to 2000; and General Manager, Network Software, IBM Corporation, from 1996 to 1998. Mr. Zollar is a director of Public Service Enterprise Group.

In selecting Mr. Zollar as a director nominee, our Governance Committee and Board considered the factors set forth under the heading Corporate Governance - Director Qualifications and Director Nominee Considerations. In addition, our Governance Committee and Board considered Mr. Zollar s outside board service and business activities, including his experience with product management and information technology matters.

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COMMITTEE ASSIGNMENTS

Our Board has established the five committees described above under the headings Corporate Governance Audit Committee, Compensation Committee, Executive Committee, Finance Committee, and Governance Committee to assist our Board in fulfilling its responsibilities. The charter for each of our Audit, Compensation, Finance and Governance Committees, which are available on our website at *www.chubb.com/investors/chubb2890.html*, requires that all members satisfy the independence requirements of the NYSE and our Corporate Governance Guidelines. Our Governance Committee annually considers committee assignments, with appointments being effective as of the date of the annual meeting of shareholders. Current members of our committees are identified below:

Audit Committee

Lawrence W. Kellner (Chair)

Timothy P. Flynn

Karen M. Hoguet

Martin G. McGuinn

Jess Søderberg

Alfred W. Zollar

Compensation Committee

William C. Weldon (Chair)

Sheila P. Burke

James I. Cash, Jr.

Martin G. McGuinn

James M. Zimmerman

Alfred W. Zollar

Executive Committee

John D. Finnegan (Chair)

Sheila P. Burke

Lawrence W. Kellner

Daniel E. Somers

William C. Weldon

James M. Zimmerman

Finance Committee

Daniel E. Somers (Chair)

Zoë Baird Budinger

Timothy P. Flynn

Karen M. Hoguet

Lawrence W. Kellner

Lawrence M. Small

Jess Søderberg

Governance Committee

Sheila P. Burke (Chair)

Zoë Baird Budinger

James I. Cash, Jr.

Lawrence M. Small

Daniel E. Somers

William C. Weldon

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AUDIT COMMITTEE REPORT

Purpose

Our Audit Committee was formed by our Board to assist it in overseeing:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the independence and qualifications of our independent auditor;
- the performance of our internal auditors and independent auditor;
- the effectiveness of our internal control over financial reporting;
- our operating risks and other major risk exposures, including the significant policies and guidelines employed to manage corporate risk; and
- other significant financial matters.

Composition and Meetings

At December 31, 2014, our Audit Committee was comprised of six directors, each of whom our Board determined to be independent and each of whom satisfied the applicable legal and regulatory requirements. Mr. Kellner served as the Chair of our Audit Committee during 2014, and for 2014 our Board designated him, together with Messrs. Flynn, McGuinn, Søderberg and Somers and Ms. Hoguet, as our audit committee financial experts. Our Audit Committee met eight times during 2014.

Our Governance Committee and the full Board consider Audit Committee membership annually. Committee appointments are effective as of the date of the annual meeting of shareholders. Currently, in addition to Messrs. Flynn, Kellner, McGuinn and Søderberg and Ms. Hoguet (each of whom our Board has designated as an audit committee financial expert), Mr. Zollar serves on our Audit Committee. Our Board has determined each member of our Audit Committee to be independent and in satisfaction of the applicable legal and regulatory requirements.

Charter and Self-Assessment

Our Audit Committee operates pursuant to its written charter, which is available on our website at *www.chubb.com/investors/chubb2890.html*. The Audit Committee Charter has been approved by our Audit Committee and our Board and it is subject to review at least annually. It was last revised in December 2014.

Pursuant to its charter, our Audit Committee performs an annual self-assessment. For 2014, our Audit Committee concluded that, in all material respects, it had fulfilled its responsibilities and satisfied the requirements of its charter and applicable laws and regulations.

Appointment of Independent Auditor

Under its charter, our Audit Committee, among other things, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us. Our Audit Committee has appointed EY to serve as independent auditor for 2015. Our Audit Committee has recommended to our Board that EY s appointment as independent auditor be submitted for ratification by our shareholders. This matter is described under the heading Proposal 2 Ratification of Appointment of Independent Auditor.

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Review of Financial Information

Management is responsible for our internal control over the financial reporting process, and the independent auditor is responsible for performing independent audits of our consolidated financial statements in accordance with generally accepted auditing standards and our internal control over financial reporting, and for issuing reports on its audits. Our Audit Committee is charged with overseeing and monitoring these activities on behalf of our Board. During 2014 and the first quarter of 2015, our Audit Committee reviewed and discussed with management and the independent auditor our quarterly financial statements and our audited consolidated financial statements for the year ended December 31, 2014. Our Audit Committee discussed with the independent auditor the matters required to be discussed by the statement on Auditing Standards No. 16, Communication with Audit Committees, issued by the Public Company Accounting Oversight Board (PCAOB).

Auditor Independence

Our Audit Committee has received the written disclosures and the letter from the independent auditor required by the applicable requirements of the PCAOB regarding the independent auditor s communications with our Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor s independence.

Inclusion of Consolidated Financial Statements in the 2014 10-K

Based on the foregoing, our Audit Committee recommended to our Board that the audited consolidated financial statements be included in the 2014 10-K filed with the SEC.

The foregoing report has been furnished by the following members of our Board who comprise our Audit Committee:

Lawrence W. Kellner (Chair)	Martin G. McGuinn
Timothy P. Flynn	Jess Søderberg
Karen M. Hoguet	Alfred W. Zollar

This Audit Committee Report shall not be deemed to be soliciting material, to be filed with the SEC or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically request that the information be treated as soliciting material, nor shall it be incorporated by reference into any document filed under the Securities Act of 1933, as amended (Securities Act), or the Exchange Act unless we specifically incorporate it by reference.

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COMPENSATION COMMITTEE REPORT

Our Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis included under the heading Compensation Discussion and Analysis pursuant to Item 402(b) of SEC Regulation S-K.

Based upon the review and discussion described in the preceding paragraph, our Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in our proxy statement on Schedule 14A prepared in connection with the 2015 Annual Meeting and that the Compensation Discussion and Analysis be incorporated by reference into the 2014 10-K.

The foregoing report has been furnished by the following members of our Board who comprise our Compensation Committee:

William C. Weldon (Chair)	Martin G. McGuinn
Sheila P. Burke	James M. Zimmerman
James I. Cash, Jr.	Alfred W. Zollar

This Compensation Committee Report shall not be deemed to be soliciting material, to be filed with the SEC or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically request that the information be treated as soliciting material, nor shall it be incorporated by reference into any document filed under the Securities Act or the Exchange Act unless we specifically incorporate it by reference.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the 2014 compensation program for our NEOs. During 2014, our executive management team consisted of the following NEOs:

- John D. Finnegan, Chief Executive Officer;
- Richard G. Spiro, Chief Financial Officer;
- Paul J. Krump, President of Personal Lines and Claims;
- Dino E. Robusto, President of Commercial and Specialty Lines; and
- Harold L. Morrison, Jr., Chief Global Field Officer and Chief Administrative Officer.

2014 Executive Summary

We had excellent results in 2014. We earned $2.1 billion in net income and $1.9 billion in operating income for the full year. Our underwriting results were also highly profitable. Our combined loss and expense ratio (combined ratio), the key measure of underwriting profitability in the property and casualty insurance industry, was 88.3%. In 2014, we also produced an attractive return on equity, increased our book value per share by approximately 8% and returned more than $2 billion of capital to shareholders through our share repurchase program and regular dividends. Our relative performance compared to other property and casualty insurance companies was also strong. For example, based upon a preliminary estimate published in February 2015 by a well-known insurance-rating and information agency, our 2014 combined ratio was 8.9 percentage points better than the industry average for U.S. property and casualty insurance companies. We achieved these results through disciplined underwriting and a focus on bottom line profitability while maintaining our commitment to superior customer service as demonstrated by the continued high marks we received in industry claims handling surveys.

The key components of our executive compensation program, which generally apply to our NEOs in the same manner as our entire senior management team, are designed to reward and hold our executives accountable for our business performance by tying compensation to achievement of performance goals. For example, the size of our 2014 non-equity incentive compensation award pool decreased by only 8.1% from 2013 (the best year in our history in terms of operating income per share), reflecting the impact of higher rates, high retention levels and strong underwriting performance.

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The following table sets forth the key components of our executive compensation program, including a breakdown of fixed and at risk target compensation.

(1) Annual cash incentive compensation awards under the 2011 Annual Incentive Plan (i) are tied to the achievement of corporate, business and individual performance goals; and (ii) can be reduced to zero.

(2) Performance unit awards (i) are tied to the relative performance of our stock (stock price appreciation plus dividends) versus the companies in the S&P 500 and our peer group of companies; and (ii) closely align the interests of senior management and our other long-term shareholders. The value of restricted stock unit (RSU) awards is tied to the absolute change in our stock price, and the three-year cliff vesting structure of these awards closely aligns the interests of management and our other long-term shareholders.

Key features of our executive compensation program are as follows:

	What We Do
ü	Tie a significant portion of annual compensation for our NEOs (74% for our Chief Executive Officer) to company performance through our annual non-equity incentive compensation plan and our three-year performance unit awards.
ü	Provide a balanced approach in delivering compensation to our executives (i.e., fixed vs. variable, cash vs. equity, and short-term vs. long-term compensation).
ü	Conduct an annual review of our executive compensation program to ensure it rewards executives for strong performance, aligns with shareholder interests and retains our top talent.
ü	Require double-trigger vesting of equity awards upon a change in control (i.e., unless awards are not assumed, change in control and involuntary or constructive termination of employment must occur in order for accelerated vesting of unvested awards to occur).
ü	Maintain a robust recoupment policy for any bonus or other incentive-based or equity-based compensation.
ü	Require our executives and non-employee directors to own a significant portion of our common stock through our stock ownership guidelines.
ü	Discourage unnecessary risk-taking by our NEOs by reviewing annually the risks associated with our executive compensation program.
ü	Have an independent Compensation Committee and Compensation Consultant.
	What We Do Not Do
×	We have determined not to enter into any new agreement with any executive officer that would provide for a gross-up for excise taxes.
×	Unearned performance units do not accrue or pay dividends during the performance period.
×	Underwater stock options cannot be repriced, replaced or cashed out without shareholder approval.
×	Our executives and non-employee directors are not allowed to engage in hedging transactions, conduct short sales, purchase put or call options on our securities or engage in similar activities.
×	Perquisites do not include a tax gross-up.
×	Our deferred compensation plans do not provide for above-market returns.

Notable compensation actions and results for 2014 were:

Salary Adjustments. In recognition of their strong performance during 2013, effective April 1, 2014, our Compensation Committee increased annual salaries for Mr. Spiro by 3.9%, for Messrs. Krump and Robusto by 5.2%, and for Mr. Morrison by 5.3% to $925,000, $810,000, $810,000 and $695,000, respectively. Our Compensation Committee did not adjust Mr. Finnegan s annual salary during 2014.

Annual Non-Equity Incentive Opportunity Adjustment. In 2014, as part of its annual review, our Compensation Committee reviewed Mr. Finnegan s compensation in relation to market competitiveness and determined to increase his 2014 annual non-equity incentive target award to $3,312,500.

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Annual Non-Equity Incentive Compensation. In 2014, we produced strong operating income, which is the basis upon which the 2014 non-equity incentive compensation award pool was calculated under our 2011 Annual Incentive Plan. Our 2014 adjusted operating income (as described below under Compensation Discussion and Analysis Components of Executive Compensation Annual Non-Equity Incentive Compensation) was approximately 8.1% lower than in 2013. As a result, the overall 2014 non-equity incentive compensation award pool was also 8.1% lower than in 2013.

RSUs. For time-based RSUs granted to our NEOs and other officers in February 2011, the three-year vesting period ended February 23, 2014. The RSUs paid out at 143.5% of grant date value, reflecting significant share price appreciation during the three-year vesting period.

Performance Units. For performance units granted to our NEOs and other senior officers in February 2012, the three-year performance cycle ended December 31, 2014. Our total shareholder return (TSR) (the performance metric applicable to the 2012 performance unit awards as described in more detail below) was 61.0% during this performance cycle. During this same period, the median TSR for the companies in the S&P 500 (against whom our performance was benchmarked for 50% of each 2012 performance unit award) was 77.5%, and the median TSR for our peer group of companies (against whom our performance was benchmarked for the remaining 50% of each 2012 performance unit award) was 96.2%. This placed our performance during the performance cycle in the 35.2nd percentile of the companies in the S&P 500 and in the 12.9th percentile of the companies in our peer group, resulting in a payout equal to 35.2% of target for each applicable recipient of the 2012 performance unit awards, including each of our NEOs. This result is consistent with our starting from a higher stock price after nearly a decade of high relative TSR. Despite strong underlying operational and financial performance during the performance cycle, this below target payout reflects that we entered the three-year performance cycle with our stock price at what was then an all-time high, while the stock prices of the companies in the S&P 500 and in our peer group were still recovering from the global recession.

Role of Shareholder Say-on-Pay Votes

We provide our shareholders with the opportunity to cast an annual advisory vote on our executive compensation program for our NEOs (referred to as a say-on-pay proposal). At our annual meeting of shareholders held in April 2014, 97% of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the compensation paid to our NEOs. Our Compensation Committee believes that this affirms our shareholders support for our compensation program for our NEOs. Accordingly, our Compensation Committee did not make any changes to our executive compensation program as a result of the outcome of voting on the 2014 say-on-pay proposal. Our Compensation Committee will continue to consider the outcome of our shareholders votes on say-on-pay proposals when making future decisions on our compensation program for our NEOs. Our Compensation Committee continually reassesses the competitiveness of our pay programs and the appropriateness in supporting Chubb s business strategy.

Overall Executive Compensation Philosophy and Objectives

The property and casualty insurance industry is comprised of hundreds of companies vying for part of the multibillion-dollar market for personal, commercial and specialty lines of insurance coverage. Within this competitive environment, we are widely regarded as one of the world s preeminent insurers, offering extensive business and personal insurance solutions globally. We distinguish ourselves with an approach that focuses on providing premier customer service, quality underwriting and highly disciplined cost management. It is imperative to our success and long-term viability that our business continues to be managed by highly experienced, focused and capable executives who possess the dedication to oversee our global organization on a near term basis, as well as have the vision to anticipate and respond to market developments. It is also important that we concentrate on retaining and developing the capabilities of our emerging leaders to ensure that we continue to have an appropriate depth of executive talent.

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Our executive compensation program is intended to attract, reward and retain a management team with the individual and collective abilities that fit our profile described above. With this philosophy in mind, our executive compensation program is intended to motivate our employees to achieve the following objectives:

- enhance our market reputation as a provider of the highest quality customer service;
- attain superior financial performance, in both the short- and long-term;
- take accountability for the performance of the business units and functions for which they are responsible; and
- make decisions about our business that will maximize long-term shareholder value.

As discussed more fully below, the components of our executive compensation program support and reward achievement of our annual operating plan and long-term business goals. Specifically, compensation decisions for our NEOs are linked to (i) corporate financial results (with respect to merit-based salary increases and annual non-equity incentive compensation awards), (ii) relative and absolute stock price appreciation plus dividends (with respect to performance unit awards), and (iii) absolute stock price appreciation (with respect to RSUs).

Setting of Executive Compensation

Our Compensation Committee is responsible for establishing the philosophy and objectives that underlie our executive compensation program and guiding its design and administration. Additional information on the structure, scope of authority and operation of our Compensation Committee, as well as the roles of the Compensation Consultant and management in determining compensation, is set forth under the heading Corporate Governance Compensation Committee.

Market Data

Our Compensation Committee, with the assistance of the Compensation Consultant, reviews the components of our executive compensation program with those of a representative peer group of companies on an annual basis to ensure that our executive compensation program is competitive with the companies with which we believe we compete for executive talent. The overall peer group is comprised of companies similar in size and scope to us within the property and casualty and broader insurance industries as well as the financial services industry. In 2014, the 17 companies comprising our peer group were:

ACE Limited	Cigna Corporation	The Progressive Corporation
Aetna Inc.	CNA Financial Corporation	Principal Financial Group, Inc.
Aflac Incorporated	The Hartford Financial Services Group, Inc.	State Street Corporation
The Allstate Corporation	Lincoln National Corporation	The Travelers Companies, Inc.
The Bank of New York Mellon Corporation	Manulife Financial Corporation	XL Group plc
BB&T Corporation	The PNC Financial Services Group, Inc.	

Our Compensation Committee has established what it believes to be challenging performance goals both on an absolute basis and relative to our peer group of companies, with an emphasis on our property and casualty insurance industry peers. The emphasis on long-term performance-based compensation supports our need for executives to maintain a longer-term focus on our business, while merit-based salary increases and annual non-equity incentive compensation reward the delivery of strong annual results. The Compensation Committee considers a variety of factors in the determination of total compensation for our NEOs, including relevant business experience, tenure in position, individual performance, business unit performance, internal equity among comparably situated executives, assessment of future potential and relevant market compensation data for our peer group of companies.

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At the beginning of each year, target compensation opportunities are established to maintain internal compensation balance among senior executive positions and to ensure that we can compete for talent in the competitive marketplace. Total compensation for our NEOs is generally targeted within a reference range of the 50th and 75th percentiles of our peer group of companies. Actual compensation in any particular year may fall outside that range due to a variety of factors, including individual, business unit and company performance, additional responsibilities and tenure in a particular position.

Total actual compensation is a function of our actual performance measured against the performance goals established by our Compensation Committee. Based on our review in 2014, total actual compensation for each of Messrs. Finnegan and Spiro was at approximately the 75th percentile, reflecting his respective excellent individual performance, our strong absolute and relative performance, and the external market for retaining superior executive talent. Our Compensation Committee recognized the outstanding contributions to our financial results attributable to Messrs. Krump, Robusto and Morrison, which brought their total compensation within the targeted reference range of the 50th and the 75th percentiles.

Individual Performance

Our executive compensation program provides our Compensation Committee with the flexibility to make annual compensation decisions based on individual performance. Specifically, our program is designed to provide our Compensation Committee with the ability to adjust individual compensation, significantly in some cases, to the extent the executive achieves, or fails to achieve, individual annual performance goals and strengthens his or her competencies, performance and potential over a longer period. Our Compensation Committee believes that this flexibility is imperative to reward and recognize the key skills, talents and contributions to annual performance and overall long-term company success.

Our Compensation Committee evaluates Mr. Finnegan s performance on an annual basis. Mr. Finnegan, in turn, presents our Compensation Committee with his evaluation of each of the other NEOs, which includes a review of contributions and performance over the prior year, as well as compensation recommendations. Our Compensation Committee then makes a final determination of compensation amounts for each NEO with respect to each of the elements of the executive compensation program for actual compensation relative to the preceding year and target compensation for the current year.

Tally Sheets

On an annual basis, our Compensation Committee reviews tally sheets that have been prepared by management and reviewed by the Compensation Consultant. The tally sheets set forth all components of our NEOs compensation, including annual salary, annual non-equity incentive compensation, equity incentive awards, benefits and perquisites, retirement plan accruals and total payments upon various termination scenarios. Our Compensation Committee uses these tally sheets to confirm that it has a full understanding of our NEOs comprehensive compensation packages and to determine how changes to one form of compensation may affect payout of other forms of compensation.

Assessment of Compensation Programs and Risk

During 2014, with the assistance of the Compensation Consultant, our Compensation Committee performed an assessment of the primary components of our executive compensation program annual salary, annual non-equity incentive compensation and long-term equity incentive awards. Our Compensation Committee reviewed each component from an internal perspective, including the alignment of our overall executive compensation philosophy and objectives to our business strategy, and from an external perspective, which considered our peer group of companies and evolving market trends. Our Compensation Committee concluded that our overall 2014 executive compensation program was aligned with our business strategy of emphasizing operating income and shareholder return and reflected market practices in terms of incentive mix, metrics and equity use.

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In addition, in December 2014, with the assistance of the Compensation Consultant, our Compensation Committee conducted a risk assessment of the compensation programs in which our NEOs participate and other compensation programs in which our NEOs do not participate. Our Compensation Committee determined that these compensation programs do not encourage inappropriate risk-taking by our NEOs and, overall, do not create any risk that is reasonably likely to have a material adverse effect on us. In reaching these conclusions, our Compensation Committee noted that:

The financial performance objectives of our annual non-equity incentive program are the budgeted objectives that are reviewed and approved by our Compensation Committee.

We generally use the same financial performance measures under our 2011 Annual Incentive Plan for our NEOs that we use for all other plan participants.

A substantial component of our NEOs annual compensation takes the form of performance units that are subject to a three-year performance cycle, which mitigates excessive short-term risk taking.