

CHUBB CORP

Form 424B3

May 10, 2006

SUBJECT TO COMPLETION. DATED MAY 10, 2006

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The information in this preliminary remarketing prospectus supplement is not complete and may be changed without notice. This preliminary remarketing prospectus supplement and the accompanying prospectus supplement and prospectus are not an offer to sell these securities nor are they soliciting offers to buy these securities in any state where the offer or sale is not permitted. These securities may not be sold nor may offers to buy be accepted before the remarketing prospectus supplement is delivered in final form.

REMARKETING PROSPECTUS SUPPLEMENT

(To Prospectus dated June 18, 2003 and Prospectus Supplement dated June 18, 2003)

The Chubb Corporation

\$

% Senior Notes due 2008

On June 24, 2003, we issued \$460,000,000 aggregate principal amount of 2.25% senior notes due 2008, referred to in this remarketing prospectus supplement as the senior notes, in connection with our issuance of 18,400,000 Equity Units. The senior notes were issued as a component of the Equity Units, each of which initially consisted of (1) a purchase contract obligating its holder to purchase from us no later than August 16, 2006, at a purchase price of \$25, a number of shares of our common stock and (2) a senior note in the principal amount of \$25, together called a Corporate Unit. This remarketing prospectus supplement relates to a remarketing of \$ aggregate principal amount of those senior notes on behalf of the Corporate Unit holders.

The senior notes will mature on August 16, 2008. The interest rate on the senior notes will be reset to % per annum, effective on and after May 16, 2006. Interest on the senior notes is payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year. The first interest payment on the senior notes following the remarketing will be made on August 16, 2006.

We will not receive any proceeds from the remarketing of the senior notes.

The senior notes are senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness. The senior notes will not be listed on any national securities exchange.

Investing in the senior notes involves risks. See Risk Factors beginning on page R-6 of this remarketing prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this remarketing prospectus supplement or the accompanying prospectus supplement and related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Remarketed offering price(1)	%	\$
Remarketing fee to remarketing agents(2)	%	\$
Net proceeds to participating holders(3)	%	\$

(1) Plus accrued interest from May 16, 2006 if settlement occurs after that date.

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- (2) Equals 0.25% of the treasury portfolio purchase price.
- (3) We will not receive any proceeds from the remarketing. See Use of Proceeds in this remarketing prospectus supplement.

The remarketing agents expect the senior notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about May , 2006.

Joint Lead Remarketing Agents

Citigroup

Goldman, Sachs & Co.

Deutsche Bank Securities

Merrill Lynch & Co.

May , 2006

This document is in three parts. The first part is this remarketing prospectus supplement, which describes the specific terms of this remarketing of the senior notes and also adds to and updates information contained in the accompanying prospectus supplement and prospectus and the documents incorporated by reference in this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus. The second and third parts are the accompanying prospectus supplement and prospectus, respectively, which give more general information, some of which does not apply to the senior notes. While the information contained in the remarketing prospectus supplement should be read together with the information contained in the accompanying prospectus supplement and prospectus, if the description of the remarketing varies between this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus, you should rely on the information in this remarketing prospectus supplement. You should carefully read this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus, as well as the documents they incorporate by reference, before making an investment decision. Unless we state otherwise or the context otherwise requires, references appearing in this remarketing prospectus supplement to Chubb, we, us and our should be read to refer to The Chubb Corporation.

You should rely only on the information contained or incorporated by reference in this remarketing prospectus supplement and in the accompanying prospectus supplement and prospectus. Neither we nor the remarketing agents have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the remarketing agents are making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

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FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995 (PSLRA). These forward-looking statements are made pursuant to the safe harbor provisions of the PSLRA and include our loss reserve estimates and reinsurance recoverables, including our estimated gross and net losses from Hurricane Katrina; reinsurance pricing; commercial insurance rates; the impact of regulatory investigations and developments on our business; continuation of our financial strength and credit ratings; our estimated CFS credit derivatives exposure; and the possible recognition of additional impairment losses if real estate is not sold or does not perform as contemplated and the effect thereof on our results of operations. Forward-looking statements are made based upon management's current expectations and beliefs concerning trends and future developments and their potential effects on us. These statements are not guarantees of future performance. Actual results may differ materially from those suggested by forward-looking statements as a result of risks and uncertainties, which include, among others, those discussed or identified from time to time in our public filings with the Securities and Exchange Commission and those associated with:

- global political conditions and the occurrence of terrorist attacks, including any nuclear, biological, chemical or radiological events;
- the effects of the outbreak or escalation of war or hostilities;
- premium pricing and profitability or growth estimates overall or by lines of business or geographic area, and related expectations with respect to the timing and terms of any required regulatory approvals;
- adverse changes in loss cost trends;
- the ability to retain existing business;
- our expectations with respect to cash flow projections and investment income and with respect to other income;
- the adequacy of loss reserves, including:
- our expectations relating to reinsurance recoverables;
- the willingness of parties, including us, to settle disputes;
- developments in judicial decisions or regulatory or legislative actions relating to coverage and liability, in particular for asbestos, toxic waste and other mass tort claims;
- development of new theories of liability;
- our estimates relating to ultimate asbestos liabilities;
- the impact from the bankruptcy protection sought by various asbestos producers and other related businesses;
- the effects of proposed asbestos liability legislation, including the impact of claims patterns arising from the possibility of legislation and those that may arise if legislation is not passed;
- the availability and cost of reinsurance coverage;
- the occurrence of significant weather-related or other natural or human-made disasters, particularly in locations where we have concentrations of risk;

- the impact of economic factors on companies on whose behalf we have issued surety bonds, and in particular, on those companies that have filed for bankruptcy or otherwise experienced deterioration in creditworthiness;
- the effects of disclosures by, and investigations of, public companies relating to possible accounting irregularities, practices in the financial services industry and other corporate governance issues, including:
- the effects on the capital markets and the markets for directors and officers and errors and omissions insurance;
- claims and litigation arising out of actual or alleged accounting or other corporate malfeasance by other companies;
- claims and litigation arising out of practices in the financial services industry;
- legislative or regulatory proposals or changes;
- the effects of investigations into market practices, in particular contingent commissions and loss mitigation and finite reinsurance arrangements, in the U.S. property and casualty insurance industry together with any legal or regulatory proceedings, related settlements and industry reform or other changes with respect to contingent commissions or otherwise arising therefrom;
- the impact of legislative and regulatory developments on our business, including those relating to terrorism and large-scale catastrophes;
- any downgrade in our claims-paying, financial strength or other credit ratings;
- the ability of our subsidiaries to pay us dividends;
- general economic and market conditions including:
- changes in interest rates, market credit spreads and the performance of the financial markets;
- the effects of inflation;
- changes in domestic and foreign laws, regulations and taxes;
- changes in competition and pricing environments;
- regional or general changes in asset valuations;
- the inability to reinsure certain risks economically;
- changes in the litigation environment; and
- our ability to implement management's strategic plans and initiatives.

We assume no obligation to update any forward looking information set forth in this remarketing prospectus supplement, the accompanying prospectus supplement and the prospectus and the documents incorporated by reference herein and therein, which speak as of the date hereof and thereof, respectively, except as required by federal securities laws.

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SUMMARY INFORMATION

The Chubb Corporation

The Chubb Corporation was incorporated as a business corporation under the laws of the State of New Jersey in June 1967. Chubb is a holding company for a family of property and casualty insurance companies known informally as the Chubb Group of Insurance Companies and referred to in this remarketing prospectus supplement as the Chubb Group. Since 1882, the Chubb Group has provided property and casualty insurance to businesses and individuals around the world. According to A.M. Best, the Chubb Group is the 10th largest U.S. property and casualty insurance group based on 2004 net written premiums. At March 31, 2006, we had total assets of approximately \$47.7 billion and shareholders' equity of approximately \$12.6 billion. Together with our subsidiaries, we employed approximately 10,800 persons worldwide on December 31, 2005. The Chubb Group provides insurance coverage principally in the United States, Canada, Europe, Australia, and parts of Latin America and Asia.

The Chubb Group is divided into three strategic business units:

- commercial;
- specialty; and
- personal.

Chubb Commercial Insurance offers a full range of commercial customer insurance products, including coverage for multiple peril, casualty, workers' compensation and property and marine. Chubb Commercial Insurance is known for writing niche business, where its expertise can add value for our agents, brokers and policyholders. Chubb Specialty Insurance offers a wide variety of specialized professional liability products for privately and publicly owned companies, financial institutions, professional firms and health care organizations. Chubb Specialty Insurance also includes our surety business. Chubb Personal Insurance offers products for individuals with fine homes and possessions who require more coverage choices and higher limits than standard insurance policies. Chubb Personal Insurance also includes our accident business.

Our reinsurance assumed business, which we also operate as a separate business unit, is effectively in run-off following the sale in December 2005 of our continuing reinsurance assumed business and certain related assets, including renewal rights, to a new Bermuda-based reinsurance company called Harbor Point Limited. We retained the reinsurance liabilities relating to reinsurance contracts incepting prior to December 31, 2005 and the related assets. Other than pursuant to certain arrangements entered into with Harbor Point, we generally will no longer engage directly in the reinsurance assumed business. However, Harbor Point will have the right for a transition period of up to two years to underwrite specific reinsurance business on our behalf. We will retain a portion of any such business and will cede the balance to Harbor Point in return for a fronting commission.

Our principal executive offices are located at 15 Mountain View Road, Warren, New Jersey 07059, and our telephone number is (908) 903-2000.

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The Remarketing

Issuer	The Chubb Corporation, a New Jersey corporation.
Securities Remarketed	\$ aggregate principal amount of senior notes on behalf of holders of Corporate Units.
Maturity	The senior notes will mature on August 16, 2008.
Interest Rate	The interest rate on the senior notes will be reset to % per annum effective on and after May 16, 2006.
Interest Payment Dates	Interest on the senior notes is payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year. The first interest payment on the senior notes following this remarketing will be made on August 16, 2006.
Ranking	The senior notes are senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness.
The Remarketing	<p>The senior notes were issued by us as a component of the Equity Units we issued and sold to the public on June 24, 2003. Each Equity Unit initially consisted of (1) a purchase contract obligating its holder to purchase shares of our common stock from us no later than August 16, 2006 for \$25 (a purchase contract) and (2) a senior note having a principal amount equal to \$25, together called a Corporate Unit. In order to secure their obligations under the purchase contract, holders of the Corporate Units pledged their senior notes to us through a collateral agent. Pursuant to the terms of the Equity Units, the remarketing agents will remarket the senior notes on behalf of the current holders of Corporate Units in accordance with the remarketing agreement among us, the remarketing agents and JPMorgan Trust Company, N.A., as purchase contract agent and attorney-in-fact for holders of purchase contracts. See Remarketing in this remarketing prospectus supplement.</p>

The terms of the Equity Units and senior notes require the remarketing agents to use their reasonable efforts to remarket the senior notes at a price of approximately (but not less than) 100.50% of the treasury portfolio purchase price, as defined in this remarketing prospectus supplement. The remarketing agents will reset the interest rate on the senior notes to the reset rate that the senior notes should bear in order for the remarketed senior notes to have an approximate aggregate market value on the remarketing date of 100.50% of the treasury portfolio purchase price. The reset rate shall in no event exceed the maximum rate permitted by applicable law.

Use of Proceeds

The proceeds from the remarketing of the senior notes will be \$ _____, before deduction of the remarketing agents' fee. We will not receive any proceeds from the remarketing. Instead, the proceeds from the remarketing will be used to purchase the treasury portfolio described in this remarketing prospectus supplement, which treasury portfolio will then be pledged to secure the obligations of the holders of Corporate Units. Proceeds remaining after the purchase of the treasury portfolio will be paid to the remarketing agents as the remarketing agents' fee, provided that the amount payable to the remarketing agent will not exceed 0.25% of the treasury portfolio purchase price. Any proceeds remaining after payment of the foregoing amounts will be remitted for the benefit of corporate unit holders. See "Use of Proceeds" in this remarketing prospectus supplement.

U.S. Federal Income Taxation

We have treated and will continue to treat the senior notes for U.S. federal income tax purposes as indebtedness that is subject to the Treasury regulations governing contingent payment debt instruments. These regulations are complex and, in some respects, uncertain in application. Generally, assuming that you report your income in a manner consistent with the method described in this remarketing prospectus supplement, the amount of income that you will recognize in respect of the senior notes should correspond to the economic accrual of income on the senior notes to you and the amount of income you would have recognized if the senior notes were not subject to the contingent payment debt regulations. However, no assurance can be given that the Internal Revenue Service, referred to throughout this remarketing prospectus supplement as the IRS, will agree with our position. For a detailed discussion, see "Certain United States Federal Income Tax Considerations" in this remarketing prospectus supplement.

Listing

The senior notes will not be listed on any national securities exchange.

RISK FACTORS

Investing in the senior notes involves risks, including the risks described below that are specific to us, our business and the senior notes. Risks related to the senior notes are set forth below. Risks pertaining to our business are incorporated by reference to sections entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006. See "Where You Can Find More Information" in this remarketing prospectus supplement. You should not purchase senior notes unless you understand these investment risks. Although we have tried to discuss key risk factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Before purchasing any senior notes, you should carefully consider the discussion of risks below and contained in the reports referred to above, the factors listed under the heading "Forward-Looking Statements," and the other information contained or incorporated by reference in this remarketing prospectus supplement and in the accompanying prospectus supplement and prospectus.

The secondary market for the senior notes may be illiquid.

The senior notes are not listed on any national securities exchange and have no established trading market. The remarketing agents have advised us that they intend to make a market in the senior notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. We cannot predict how the senior notes will trade in the secondary market or whether the market will be liquid or illiquid. There can be no assurance as to the liquidity of any market that may develop for the senior notes, your ability to sell these securities or whether a trading market, if it develops, will continue.

Even if a trading market for the senior notes does develop, you may not be able to sell your senior notes at a particular time, if at all, or you may not be able to obtain the price you desire for your senior notes. If the senior notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on many factors including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the senior notes, the price of any other securities we issue, the performance prospects and financial condition of our company as well as of other companies in our industry.

The senior notes are subject to the rules governing contingent payment debt instruments.

The senior notes are subject to the contingent payment debt rules. As a result, all holders of the senior notes, regardless of whether such holders use a cash or accrual method of accounting, will be subject to the accrual method of accounting with respect to the senior notes.

Although you may have purchased a senior note for an amount that differs from the adjusted issue price of the senior note at the time of purchase, you will be required to accrue original issue discount on the senior note in accordance with the comparable yield (as defined in this remarketing prospectus supplement) even if market conditions have changed since the date of issuance. However, you will be required to adjust the amount of your original issue discount accrual to take this difference into account.

The trading price of the senior notes may not fully reflect the value of their accrued but unpaid interest.

The senior notes may trade at a price that does not fully reflect the value of their accrued but unpaid interest. If you dispose of your senior notes between record dates for interest payments, you will be required to include in gross income the daily portions of original issue discount through the date of disposition in income as ordinary income, and to add this amount to your adjusted tax basis in the senior notes disposed of. To the extent the selling price is less than your adjusted tax basis, you will recognize a loss.

USE OF PROCEEDS

We are remarketing \$ _____ aggregate principal amount of senior notes to investors on behalf of holders of Corporate Units.

We will not directly receive any cash proceeds from the remarketing of the senior notes. Instead, the proceeds of the remarketing will be used as follows:

- \$ _____ of the proceeds (which is equal to the treasury portfolio purchase price, described below) will be used to purchase the treasury portfolio (described below), that will then be pledged to The Bank of New York, as collateral agent, to secure the Corporate Unit holders' obligation to purchase our common stock under the purchase contracts on August 16, 2006;
- \$ _____ of the proceeds, which equals an amount not to exceed 25 basis points (0.25%) of the treasury portfolio purchase price, will be deducted and retained by the remarketing agents as a remarketing fee; and
- any proceeds from the remarketing of senior notes remaining after deducting the treasury portfolio purchase price and the remarketing fee attributable to such senior notes will be remitted to JPMorgan Trust Company, N.A., as the purchase contract agent, for payment to the holders of the Corporate Units as of 5 p.m., New York City time, on May 10, 2006.

The treasury portfolio consists of:

- U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to August 15, 2006 in an aggregate amount at maturity equal to the aggregate principal amount of the senior notes and
- with respect to the scheduled interest payment date of the senior notes that occurs on August 16, 2006, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to August 15, 2006 in an aggregate amount at maturity equal to the aggregate interest payment, assuming an interest rate of 2.25%, that would be due on August 16, 2006 on the aggregate principal amount of the senior notes.

The treasury portfolio purchase price is the price paid on the date of this remarketing prospectus supplement to purchase the treasury portfolio described above for settlement on May 16, 2006.

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RATIO OF CONSOLIDATED EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of consolidated earnings to fixed charges for each of the years in the five year period ended December 31, 2005 and for the three month period ended March 31, 2006:

	For the Three Months Ended March 31,			For the Year Ended December 31,				
	2006			2005	2004	2003	2002	2001
Ratio of Consolidated Earnings to Fixed Charges		24.15		15.28	12.36	6.25	2.59	0.49 (1)

For the purpose of computing the above ratios of consolidated earnings to fixed charges, consolidated earnings consist of income from continuing operations before income taxes excluding income or loss from equity investees, plus those fixed charges that were charged against income and distributions from equity investees. Fixed charges consist of interest expense before reduction for capitalized interest and the portion of rental expense (net of rental income from subleased properties) which is considered to be representative of the interest factors in the leases.

(1) For the year ended December 31, 2001, consolidated earnings were not sufficient to cover fixed charges by \$46 million. Consolidated earnings for the period, as defined, reflect a \$635 million loss before income taxes from the September 11 attack in the United States and net surety bond losses before income taxes of \$220 million arising from the bankruptcy of Enron Corp.

SUMMARY HISTORICAL FINANCIAL DATA

The following summary historical financial data for, and as of the end of, each of the five years in the period ended December 31, 2005 have been derived from Chubb's consolidated financial statements, which have been audited by Ernst & Young LLP, Chubb's independent registered public accounting firm. The data as of March 31, 2006 and 2005 and for the three months ended March 31, 2006 and 2005 have been derived from Chubb's unaudited consolidated financial statements, which include, in the opinion of Chubb's management, all adjustments, consisting of normal recurring accruals, necessary to present fairly Chubb's consolidated results of operations and financial position for the periods and dates presented. The summary financial data should be read in conjunction with Chubb's consolidated financial statements and the notes to the consolidated financial statements that are incorporated by reference in this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus. Results for the three months ended March 31, 2006 are not necessarily indicative of results for the full year.

	As of or for the Year Ended December 31,				
	2005	2004	2003	2002	2001
	(in millions)				
Revenues	\$ 14,083	\$ 13,177	\$ 11,394	\$ 9,140	\$ 7,754
Net Income	1,826	1,548	809	223	112
Total Assets	48,061	44,260	38,361	34,081	29,416
Invested Assets	34,634	31,158	26,622	21,012	17,784
Long Term Debt	2,467	2,814	2,814	1,959	1,351
Shareholders' Equity	12,407	10,126	8,522	6,826	6,492

	As of or for the Three	
	Months Ended March 31,	
	2006	2005
	(in millions)	
Revenues	\$ 3,506	\$ 3,449
Net Income	672	470
Total Assets	47,701	45,548
Invested Assets	34,919	31,924
Long Term Debt	2,462	2,809
Shareholders' Equity	12,600	10,401

DESCRIPTION OF THE SENIOR NOTES

The following description is a summary of the terms of the senior notes. This remarketing prospectus supplement, the accompanying prospectus summary and the prospectus contain a description of certain terms of the senior notes and the indenture under which the senior notes were issued (referred to in this remarketing prospectus supplement as the indenture) but do not purport to be complete, and reference is hereby made to the indenture, which is incorporated by reference into the registration statement of which the remarketing prospectus supplement, the prospectus supplement and the prospectus are parts (referred to in this remarketing prospectus supplement as the registration statement), and to the Trust Indenture Act. To the extent inconsistent, this summary of certain provisions of the senior notes and the indenture supersedes and replaces the description of the senior notes and the senior debt securities in the accompanying prospectus supplement and prospectus.

General

The senior notes offered by this remarketing prospectus supplement are a series of our senior unsecured debt securities as described below and in the accompanying prospectus supplement and prospectus. The senior notes were initially issued in the aggregate principal amount of \$460,000,000 as components of Equity Units under an indenture, dated as of October 25, 1989, between Chubb and JPMorgan Trust Company, N.A., as successor to Bank One Trust Company, N.A. (formerly The First National Bank of Chicago), as indenture trustee.

The senior notes are senior debt securities that will be our direct unsecured obligations and will rank without preference or priority among themselves and equally with all of our existing and future senior indebtedness. The senior notes are our obligations exclusively, and are not the obligations of any of our subsidiaries.

We are a holding company and rely primarily on dividends from our subsidiaries to meet our obligations for payment of interest and principal on outstanding debt obligations. Accordingly, our ability to service our debt, including our obligations under the senior notes, and other obligations are primarily dependent on the earnings of our respective subsidiaries and the payment of those earnings to us, in the form of dividends, loans or advances and through repayment of loans or advances from us. In addition, any payment of dividends, loans or advances by those subsidiaries could be subject to statutory or contractual restrictions. Our subsidiaries have no obligation to pay any amounts due on the senior notes.

The senior notes are not subject to a sinking fund provision and are not subject to defeasance. The entire principal amount of the senior notes will mature and become due and payable, together with any accrued and unpaid interest, on August 16, 2008. The senior notes are not redeemable by us prior to the maturity date.

The senior notes are represented by one or more global certificates registered in the name of the depository or its nominee. So long as the senior notes are in book-entry form, you will receive payments and may transfer senior notes only through the facilities of the depository or a nominee of the depository, or a successor depository or nominee thereof. See Book-Entry System. We will maintain an office or agency in the Borough of Manhattan, the City of New York where notices and demands in respect of the senior notes and the indenture may be delivered to us and where certificated senior notes, if any are issued under the circumstances described under Book-Entry System, may be surrendered for payment or principal and interest, registration of transfer or exchange. That office or agency initially is the office of the trustee.

We will make payments on book-entry senior notes to the depository or its nominee, as the registered owner of the senior notes, by wire transfer of immediately available funds with respect to senior notes issued in certificated form. We have the option of paying interest by check mailed to the addresses of the

holders entitled to payment or by wire transfer to an account appropriately designated by the holder entitled to payment.

We will pay principal of the senior notes at maturity or otherwise upon presentation of the senior notes at the office of the trustee, who shall act as our paying agent. In our discretion, we may appoint one or more additional paying agents and security registrars and designate one or more additional places for payment and for registration of transfer, but we are obligated at all times to maintain a place of payment for the senior notes and a place for registration of transfer of the senior notes in the Borough of Manhattan, The City of New York.

Any monies or government obligations deposited with or paid to the trustee or any paying agent for the payment of principal of or interest on any senior note and not applied but remaining unclaimed for three years after such principal or interest has become due and payable shall, at our request and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, be repaid to us and the holder of the senior note shall thereafter look, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, only to us for the payment thereof.

The indenture does not contain provisions that afford holders of the senior notes protection in the event we are involved in a highly leveraged transaction or other similar transaction that may adversely affect holders. The indenture does not limit our ability to issue or incur other debt or issue preferred stock.

Interest

The interest rate on the senior notes will be reset to $\quad\quad\quad\%$ per annum, effective on and after May 16, 2006. Interest on the senior notes shall be payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year, each an interest payment date, commencing August 16, 2006, to the persons in whose name the senior notes are registered on the first business day of the month in which the interest payment date falls or any other day more than one and less than sixty business days prior to such interest payment date that we choose to be the record date for interest payments.

The amount of interest payable for any full quarterly period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed will be computed on the basis of a 30-day month and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. In the event that any scheduled interest payment date falls on a day that is not a business day, the payment of interest payable on that date will be made on the next succeeding day that is a business day (without any interest or other payment in respect of the delay), except that, if such business day is in the next calendar year, then such payment will be made on the preceding business day.

Book-Entry System

The senior notes will be represented by one or more global certificates, which are referred to as global securities, registered in the name of the depositary or its nominee. Except under the limited circumstances described below, senior notes represented by the global securities will not be exchangeable for, and will not otherwise be issuable as, senior notes in certificated form. The global securities described above may not be transferred except by the depositary to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or to a successor depositary or its nominee.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in such a global security.

Except as provided below, owners of beneficial interests in such a global security will not be entitled to receive physical delivery of senior notes in certificated form and will not be considered the holders (as defined in the indenture) thereof for any purpose under the indenture, and no global security representing senior notes shall be exchangeable, except for another global security of like denomination and tenor to be registered in the name of the depositary or its nominee or a successor depositary or its nominee. Accordingly, each beneficial owner must rely on the procedures of the depositary or if such person is not a participant, on the procedures of the participant through which such person owns its interest to exercise any rights of a holder under the indenture.

In the event that

- the depositary notifies us that it is unwilling or unable to continue as a depositary for the global security certificates and no successor depositary has been appointed within 90 days after this notice,
- an event of default occurs and is continuing with respect to the senior notes, or
- we determine in our sole discretion that we will no longer have senior notes represented by global securities,

certificates for the senior notes will be printed and delivered in exchange for beneficial interests in the global security certificates. Any global note that is exchangeable pursuant to the preceding sentence shall be exchangeable for senior note certificates registered in the names directed by the depositary. We expect that these instructions will be based upon directions received by the depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain of the United States federal income tax considerations related to the purchase, ownership and disposition of the senior notes as of the date hereof, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (referred to in this remarketing prospectus supplement as the Code), Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in United States federal income tax consequences different from those set forth below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This discussion is limited to holders who purchase senior notes in the remarketing at the remarketing offering price and who hold the senior notes as capital assets (generally, property held for investment). This discussion also does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction, or under United States federal estate or gift tax laws. In addition, this discussion does not address all tax considerations that may be applicable to a holder's particular circumstances or to holders that may be subject to special tax rules, including, without limitation:

- holders subject to the alternative minimum tax;
- banks, insurance companies, or other financial institutions;
- foreign persons or entities (except to the extent specifically set forth below);
- tax-exempt organizations;
- dealers in securities or commodities;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- U.S. holders (as defined below) whose functional currency is not the United States dollar;
- holders that hold senior notes as a position in a hedging transaction, straddle, conversion transaction, integrated transaction or other risk reduction transaction;
- persons deemed to sell the senior notes under the constructive sale provisions of the Code;
- regulated investment companies;
- real estate investment trusts;
- controlled foreign corporations;
- passive foreign investment companies;
- certain United States expatriates; or
- pass-through entities.

In addition, if a partnership (including any entity treated as partnership for United States federal tax purposes) or other pass-through entity holds senior notes, the tax treatment of a partner in the partnership or owner of the applicable pass-through entity generally will depend upon the status of the partner or owner and the activities of the partnership or pass-through entity. If you are a partnership or pass-through entity, or a partner or owner of a partnership or other pass-through entity, as applicable, holding our senior

notes, you should consult your tax advisor regarding the tax consequences of the ownership and disposition of senior notes.

No statutory, administrative or judicial authority directly addresses the treatment of the senior notes or instruments similar to the senior notes for United States federal income tax purposes. **As a result, no assurance can be given that the IRS will agree with the tax consequences described herein. Each prospective investor is urged to consult its tax advisor as to the particular tax consequences of purchasing, owning and disposing of the senior notes, including the application and effect of United States federal, state, local and foreign tax laws.**

Classification of the Senior Notes

Generally, characterization of an obligation as indebtedness for United States federal income tax purposes is made at the time of the issuance of the obligation. Consistent with our belief that the senior notes constituted indebtedness for United States federal income tax purposes at the time of the issuance of the senior notes, we have treated and will continue to treat the senior notes in that manner. It is possible that the IRS will successfully assert that the senior notes were not properly treated as indebtedness prior to the remarketing, in which case your tax consequences from the ownership and disposition of the senior notes may differ from those described below.

Because of the manner in which the interest rate on the senior notes is reset, we have treated and will continue to treat the senior notes for United States federal income tax purposes as indebtedness that is subject to the Treasury regulations governing contingent payment debt instruments (the contingent payment debt regulations). By acquiring senior notes in the remarketing, you will be deemed to have agreed to treat the senior notes as indebtedness for United States federal income tax purposes subject to the contingent payment debt regulations. Accordingly, all payments on the senior notes including stated interest will be taken into account under these contingent payment debt regulations and actual cash payments of interest on the senior notes will not be reported separately as taxable income. As discussed more fully below, the effect of the contingent payment debt regulations will be to require a U.S. holder, regardless of its usual method of tax accounting, to use the accrual method with respect to the senior notes. The proper application of the contingent payment debt regulations to the senior notes following the remarketing is uncertain in a number of respects, and no assurance can be given that the IRS will not successfully assert that the senior notes should be treated differently than as described below. A different treatment of the senior notes could materially affect the timing and character of income, gain or loss with respect to an investment in the senior notes. Accordingly, you are urged to consult your tax advisor regarding the United States federal income tax consequences of owning the senior notes.

The remainder of this discussion assumes that the senior notes will be treated as contingent payment debt instruments subject to the contingent payment debt regulations for United States federal income tax purposes.

U.S. Holders

The following is a summary of the United States federal income tax consequences that will apply to you if you are a U.S. holder of senior notes. Certain consequences to non-U.S. holders of senior notes are described under **Non-U.S. Holders** below. You are a U.S. holder if you are a holder of senior notes, and you are:

- an individual citizen or resident of the United States as determined for federal income tax purposes;
- a corporation (or any entity treated as corporation for United States federal tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof or therein;

- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more United States persons or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Interest Income

Under the contingent payment debt regulations, each year a U.S. holder will be required to include in income original issue discount adjusted in the manner described below, regardless of its usual method of tax accounting. Such original issue discount will be based on the comparable yield of the senior notes. This amount will differ from the interest payments actually received by such holder. The comparable yield is generally the rate at which we would issue a fixed rate noncontingent debt instrument with terms and conditions similar to the senior notes.

Pursuant to the contingent payment debt regulations, we were required to provide the comparable yield and, solely for tax purposes, were also required to provide a projected payment schedule with respect to the senior notes. We determined, as of the issue date of the senior notes, that the comparable yield was an annual rate of 3.10%, compounded quarterly. Based on the comparable yield, the projected payments for the senior notes are \$0.268 for each quarter ending after May 16, 2006 and prior to the maturity date and \$25.268 at maturity (which includes the stated principal amount of the senior notes as well as the final projected interest payment).

We have been using and expect to continue to use the foregoing comparable yield and projected payment schedule for purposes of determining our own taxable income and for any required information reporting. U.S. holders are generally bound by the comparable yield and projected payment schedule provided by us unless either is unreasonable. If a U.S. holder of senior notes does not use this comparable yield and projected payment schedule to determine interest accruals, such U.S. holder must apply the contingent payment debt rules using its own comparable yield and projected payment schedule. A U.S. holder that uses its own comparable yield or projected payment schedule must explicitly disclose this fact and the reason why it has used its own comparable yield or projected payment schedule. In general, this disclosure must be made on a statement attached to the timely filed United States federal income tax return of the U.S. holder for the taxable year that includes the date of its acquisition of the senior notes.

The comparable yield and the projected payment schedule are not provided for any purpose other than the determination of a holder's interest accruals and adjustments thereof in respect of the senior notes and do not constitute a representation regarding the actual amount of the payment on a senior note.

The amount of original issue discount on a senior note for each accrual period is determined by multiplying the comparable yield of the senior note, adjusted for the length of the accrual period, by the senior note's adjusted issue price at the beginning of the accrual period, determined in accordance with the rules set forth in the contingent payment debt regulations. The adjusted issue price of each senior note as of the remarketing date is \$25.641 per \$25 principal amount. The adjusted issue price of each senior note at the beginning of each subsequent accrual period equals \$25.641, increased by the original issue discount previously accrued on the senior note starting from the remarketing date (disregarding any adjustments described below) and decreased by the payments projected to be made on the senior note through the beginning of the accrual period and starting from the remarketing date. The amount of original issue discount so determined is then allocated on a ratable basis to each day in the accrual period that a holder held the senior note.

Based on the reset rate of _____%, actual payments on the senior notes, per \$25 principal amount, will be approximately \$_____ for each quarterly payment date ending after May 16, 2006, and the differences

between the actual payments and the projected payments should be taken into account by a U.S. holder as a negative adjustment (i.e. decrease) or positive adjustment (i.e. increase), as appropriate, to interest income in a reasonable manner over the period to which they relate. We expect to account for any such difference with respect to a period as a negative or positive adjustment in the accrual of interest for that period. You are not required to use the same method as we do to account for the differences between the actual payments and the projected payments so long as you make the adjustments in a reasonable manner.

In addition, if a U.S. holder purchases a senior note for an amount that differs from the adjusted issue price of the senior note at the time of purchase, such holder will be required to reasonably allocate such difference to daily portions of original issue discount or to projected payments over the remaining term of the senior notes, which will result in an adjustment to the amount of original issue discount that will be accrued on the senior notes in the relevant period. Adjustments will cause, as the case may be, a positive or negative adjustment to a holder's original issue discount inclusion, as described more fully under *Adjusted Tax Basis of the Senior Notes; Additional Potential Adjustments*. If the purchase price of a senior note is less than its adjusted issue price, a positive adjustment will result, and if the purchase price is more than the adjusted issue price of a senior note, a negative adjustment will result. Any negative or positive adjustment of the kind described above made by a holder will decrease or increase, respectively, its basis in the senior note.

Assuming a U.S. holder follows the method for accounting for adjustments described above, the net effect of the foregoing is that the U.S. holder will accrue interest on a senior note for United States federal income tax purposes in a manner that generally reflects the yield to maturity of the senior note. In other words, the amount of income that you will recognize in respect of the senior notes should correspond to the economic accrual of income on the senior notes to you.

Certain U.S. holders will receive IRS Forms 1099-OID reporting interest accruals on their senior note. Those forms may not, however, reflect the effect of any positive or negative adjustments resulting from such holder's purchase of the senior note in the remarketing or otherwise at a price that differs from its adjusted issue price on the date of purchase. Each U.S. holder is urged to consult its tax advisor as to whether, and how, such adjustments should be made to the amounts reported on any IRS Form 1099-OID.

Adjusted Tax Basis of the Senior Notes; Additional Potential Adjustments

Your initial adjusted tax basis in a senior note acquired by you in the remarketing will equal the amount that you pay for the senior note. Your adjusted tax basis in the senior notes during any accrual period following the remarketing will be (x) the sum of your initial adjusted tax basis in the senior notes and any interest previously accrued on such senior notes starting from the remarketing date (disregarding any positive or negative adjustments, other than those described immediately below) minus (y) the total amount of the projected payments on the senior note for all previous accrual periods starting from the remarketing date.

If your initial adjusted tax basis in a senior note acquired in the remarketing differs from the adjusted issue price of such senior note on the date of your purchase, you will be required to make additional negative or positive adjustments to interest accrued in each period. You will take into account any difference between your initial adjusted tax basis in the senior note and the adjusted issue price of such senior note on the date of your purchase by reasonably allocating this difference to daily portions of interest or to projected payments over the remaining term of the senior notes. If your initial adjusted tax basis in a senior note is greater than its adjusted issue price on the date of your purchase, you will take the difference into account as a negative adjustment to interest on the date the daily portion accrues or the projected payment is made. If your initial adjusted tax basis in a senior note is less than its adjusted issue price on the date of your purchase, you will take the difference into account as a positive adjustment to interest on the date the daily portion accrues or the projected payment is made. The adjusted tax basis of a

senior note will be decreased by any such negative adjustments and increased by any such positive adjustments. To the extent that, within a tax year, a negative adjustment exceeds a positive adjustment, such excess is a net negative adjustment that is not subject to the two percent floor limitation imposed on miscellaneous itemized deductions under Section 67 of the Code.

Upon accruing interest income based on the comparable yield of 3.10% and making positive and negative adjustments that reflect the actual reset rate as described above under **Interest Income** and the possible difference between your initial adjusted tax basis in the senior note and its adjusted issue price on the date of your purchase as described in the preceding paragraph, the amount of income that you will recognize in respect of the senior notes generally should correspond to the economic accrual of income on the senior notes to you and the amount of income you would have recognized if the senior notes were not subject to the contingent payment debt regulations.

Sale, Exchange or Other Disposition of the Senior Notes

Upon a sale, exchange or other disposition of a senior note, you will generally recognize gain or loss equal to the difference between the amount realized on the disposition and your adjusted tax basis in the senior note. Such gain or loss generally will be capital gain or loss (except to the extent of any positive adjustment that you have not yet accrued and included in income, which will be treated as interest income) and generally will be long-term capital gain or loss if you held the senior note for more than one year immediately prior to such disposition. However, the capital gain or loss treatment of such gain or loss is not free from doubt. It is possible that gain and, to some extent, loss recognized on the sale, exchange or other disposition of a senior note that occurs during the six-month period following the date the interest rate is reset may be treated as ordinary income or loss unless no further payments are due during the remainder of such six-month period. Long-term capital gains of individuals are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

The following discussion applies to you if you are a holder of senior notes that is not a U.S. holder (a Non-U.S. holder). Special rules may apply to you if you or your direct or indirect owners are a controlled foreign corporation, passive foreign investment company, or are otherwise subject to special treatment under the Code. If you are or may be subject to these special rules, you should consult your tax advisor to determine the particular United States federal, state and local and other tax consequences that would apply to you.

All payments on a senior note made to you and any gain realized on a sale, exchange or other disposition of a senior note will be exempt from United States federal income and withholding tax, provided that:

- you do not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote;
 - you are not a controlled foreign corporation related, directly or indirectly, to us through stock ownership;
 - you are not a bank receiving certain types of interest;
 - you have fulfilled the certification requirement described below;
 - such payments are not effectively connected with the conduct by you of a trade or business in the United States;
- and

- in the case of gain realized on the sale, exchange or other disposition of a senior note, if you are a nonresident alien individual, you are not present in the United States for 183 or more days in the taxable year of the disposition where certain other conditions are met.

The certification requirement referred to above will be fulfilled if you certify to us on IRS Form W-8BEN or other applicable form, under penalties of perjury, that you are not a United States person for federal income tax purposes and provide your name and address.

If you are engaged in a trade or business in the United States, and if payments on a senior note are effectively connected with the conduct of this trade or business, you will generally be taxed in the same manner as a U.S. holder (see "U.S. Holders" above), except that you will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding tax. You should consult your tax advisor with respect to other tax consequences of the ownership of the senior notes, including the possible imposition of a 30% branch profits tax (or lower applicable income tax treaty rate).

Information Reporting and Backup Withholding

If you are a U.S. holder, information reporting requirements generally will apply to all payments we make to you and to the proceeds paid to you from a sale of senior notes, unless you are an exempt recipient (such as a corporation). If you are not an exempt recipient, backup withholding tax will apply to those payments if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report interest income in full.

If you are a Non-U.S. holder, we must report annually to the IRS and to you the amount of payments we make to you and the tax withheld with respect to such payments, regardless of whether withholding is required. Copies of the information returns reporting such payments and withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. In general, you will not be subject to backup withholding regarding payments we make to you provided that we do not have actual knowledge or reason to know that you are a United States person and we have received from you the statement described above under "Non-U.S. Holders" or an acceptable substitute. In addition, you will be subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale of a senior note made within the United States or conducted through a United States-related intermediary, unless the payor receives the statement described above and does not have actual knowledge or reason to know that you are a U.S. holder, or you otherwise establish an exemption.

Regardless of whether you are a U.S. holder or a Non-U.S. holder, any amounts withheld under the backup withholding rules will be allowed as a credit against your United States federal income tax liability and may entitle you to a refund, provided that you timely furnish the required information to the IRS.

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CERTAIN ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (referred to in this remarketing prospectus supplement as ERISA), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the senior notes. Such pension, profit-sharing or other employee benefit plan subject to ERISA are referred to in this remarketing prospectus supplement as Plans. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan.

In addition, we and certain of our subsidiaries and affiliates may each be considered a party in interest within the meaning of ERISA, or a disqualified person within the meaning of the Code, with respect to many Plans, as well as many individual retirement accounts and Keogh plans (also referred to in this remarketing prospectus supplement as Plans). Prohibited transactions within the meaning of ERISA or Section 4975 of the Code would likely arise, for example, if the senior notes are acquired by or with the assets of a Plan with respect to which we or any of our affiliates is a service provider, unless the senior notes are acquired pursuant to an exemption from the prohibited transaction rules. A violation of these prohibited transaction rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions (PTCEs) that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase, holding or disposition of the senior notes. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified asset managers).

Because we may be considered a party in interest with respect to many Plans, the senior notes may not be purchased or held by any Plan, any entity whose underlying assets include plan assets by reason of any Plan's investment in the entity (a Plan Asset Entity) or any person investing plan assets of any Plan, *unless* such purchaser or holder is eligible for exemptive relief, including relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or its purchase, holding and disposition is and will be otherwise not prohibited. Any purchaser, including any fiduciary purchasing on behalf of a Plan, or holder of the senior notes will be deemed to have represented, in its corporate and fiduciary capacity, by its purchase and holding thereof that it either (a) is not a Plan or a Plan Asset Entity and is not purchasing the senior notes on behalf of or with plan assets of any Plan or (b) is eligible for exemptive relief with respect to its purchase, holding and disposition of the senior notes or such purchase, holding or disposition is not and will not be prohibited by ERISA or Section 4975 of the Code.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the senior notes on behalf of or with plan assets of any Plan consult with their counsel regarding the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14.

Certain plans that are not subject to ERISA, including plans maintained by state and local governmental entities, are nonetheless subject to investment restrictions under the terms of applicable local law. Such restrictions may preclude the purchase of the senior notes and any such plan purchasing the senior notes will be deemed to have represented that its purchasing, holding and disposition of the senior notes will not violate any applicable law.

REMARKETING

The remarketing is being conducted under the terms and subject to the conditions contained in a remarketing agreement, dated as of May , 2006, among us, Citigroup Global Markets Inc., Deutsche Bank Securities, Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner and Smith Incorporated, as remarketing agents, and JPMorgan Trust Company, N.A., as purchase contract agent and attorney-in-fact for holders of the Equity Units. The remarketing agreement requires the remarketing agents to use their reasonable efforts to remarket the senior notes at a price equal to approximately (but not less than) 100.50% of the treasury portfolio purchase price.

On May 11, 2006, the remarketing agents will reset the rate of interest payable on the senior notes at the rate that the senior notes should bear in order for the remarketed senior notes to have an approximate aggregate market value on the reset date of 100.50% of the treasury portfolio purchase price. The reset rate will in no event exceed the maximum rate permitted by applicable law.

The proceeds from the remarketing of the senior notes will be \$, before deduction of the remarketing agents fee. We will not receive any proceeds of the remarketing. Instead, a portion of the proceeds from the remarketing of senior notes equal to the treasury portfolio purchase price of \$ will be applied to purchase the treasury portfolio, which will be pledged to secure the obligations of holders of Corporate Units under the purchase contracts to purchase shares of our common stock on August 16, 2006. The remarketing agents will retain a remarketing fee not exceeding 0.25% of the treasury portfolio purchase price from the proceeds of the remarketing. Corporate Unit holders will not otherwise be responsible for the payment of any remarketing fees in connection with the remarketing. See Use of Proceeds in this remarketing prospectus supplement.

The remarketing agents shall have no obligation to purchase any of the senior notes.

The remarketing agreement provides that the remarketing is subject to customary conditions precedent, including the delivery of officers certificates, legal opinions and accountants comfort letters.

The senior notes are not listed on any national securities exchange and have no established trading market. The remarketing agents have advised us that they intend to make a market in the senior notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for the senior notes.

In connection with the remarketing and in compliance with applicable law, the remarketing agents may effect transactions which stabilize, maintain or otherwise affect the market price of the senior notes at levels above those which might otherwise prevail in the open market. Such transactions may include placing bids for the senior notes or effecting purchases of the senior notes for the purpose of pegging, fixing, or maintaining the price of the senior notes or reducing a short position created in connection with the remarketing. The remarketing agents are not required to engage in any of these activities and such activities, if commenced, may be discontinued at any time.

We have agreed to indemnify the remarketing agents against or to contribute to payments that the remarketing agents may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The remarketing agents and their respective affiliates have in the past provided, and may in the future provide, investment banking and commercial banking services to us and our affiliates for which they have received, or will receive, customary compensation. On August 16, 2005, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co. and Merrill Lynch Pierce, Fenner and Smith Incorporated served as remarketing agents in connection with the remarketing of \$599,532,375 aggregate principal amount of our 4.00% Senior Notes due 2007, which were originally issued on December 2, 2002 as components of the our 7.00% Equity Units. On June 22, 2005, we entered into a \$500 million five-year

revolving credit agreement with a syndicate of financial institutions, including affiliates of Citigroup Global Markets Inc. and Goldman, Sachs, & Co., who act as lenders or in certain agency capacities. In addition, we have established a commercial paper issuance program in which affiliates of Goldman, Sachs & Co. and Deutsche Bank Securities Inc. act as dealers and in certain agency capacities.

Additionally, an affiliate of Goldman, Sachs & Co. is a co-investor with us in Allied World Assurance Holdings, Ltd., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated serves as the third-party administrator of our equity compensation plans and John D. Finnegan, our Chairman, President and Chief Executive Officer, is a member of the Board of Directors of Merrill Lynch & Co. Inc., serves on and is the Chair of such Board's Finance Committee and serves on such Board's Management Development and Compensation Committee and its Nominating and Corporate Governance Committee.

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of the senior notes described in this prospectus supplement may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the senior notes that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of senior notes described in this prospectus supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression "an offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

The sellers of the senior notes have not authorized and do not authorize the making of any offer of senior notes through any financial intermediary on their behalf, other than offers made by the remarketing agents with a view to the final placement of the senior notes as contemplated in this prospectus supplement. Accordingly, no purchaser of the senior notes, other than the remarketing agents, are authorized to make any further offer of the senior notes on behalf of the sellers or the remarketing agents.

This prospectus supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net

worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

Neither this prospectus supplement nor any other offering material relating to the senior notes described in this prospectus supplement has been submitted to the clearance procedures of the Autorité des Marchés Financiers or by the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The senior notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement nor any other offering material relating to the senior notes has been or will be

- released, issued, distributed or caused to be released, issued or distributed to the public in France or
- used in connection with any offer for subscription or sale of the senior notes to the public in France.

Such offers, sales and distributions will be made in France only

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, Article L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier* or
- to investment services providers authorized to engage in portfolio management on behalf of third parties or
- in a transaction that, in accordance with article L.411-2-II-1-or-2-or 3 of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The senior notes may be resold directly or indirectly, only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

The senior notes may not be offered or sold by means of any document other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the senior notes may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to senior notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

The senior notes have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each remarketing agent has agreed that it will not offer or sell any senior notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the senior notes may not be circulated or distributed, nor may the senior notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the senior notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the senior notes under Section 275 except:

- (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA;
- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

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LEGAL MATTERS

W. Andrew Macan, Vice President, Corporate Counsel and Secretary of The Chubb Corporation, will pass upon certain legal matters relating to the remarketing of the senior notes on behalf of Chubb and on matters of New Jersey law. Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, will also pass upon certain legal matters relating to the remarketing of the senior notes on behalf of Chubb. Davis Polk & Wardwell, New York, New York, will pass upon the validity of the senior notes for the remarketing agents. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Davis Polk & Wardwell will rely for matters of New Jersey law on the opinion of W. Andrew Macan.

EXPERTS

The consolidated financial statements and schedules of The Chubb Corporation appearing in The Chubb Corporation's Annual Report (Form 10-K) for the year ended December 31, 2005 and The Chubb Corporation's management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005, included therein have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein and incorporated herein by reference. Such consolidated financial statements and schedules and management's assessment referred to above are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, as well as proxy statements and other information with the SEC. You may read and copy any document we file with the SEC, including the registration statement of which the accompanying prospectus is a part, at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain further information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public over the Internet at the SEC's web site at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants like us that file electronically with the SEC.

In addition, our common stock is listed on the New York Stock Exchange, and such reports and other information concerning us may also be inspected at their offices at 20 Broad Street, New York, New York 10005. Our common stock's ticker symbol is CB.

The accompanying prospectus is part of a registration statement on Form S-3 filed by us with the SEC under the Securities Act of 1933. As permitted by SEC rules, our prospectus does not contain all of the information included in the registration statement and the accompanying exhibits filed with the SEC. You may refer to the registration statement and its exhibits for more information.

The SEC allows us to incorporate by reference into the accompanying prospectus the information we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of the prospectus. If we subsequently file updating or superseding information in a document that is incorporated by reference into the prospectus, the subsequent information will also become part of the prospectus and will supersede the earlier information.

We are incorporating by reference the following documents that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2005;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006; and
- our Current Reports on Form 8-K filed on March 8, 2006, April 19, 2006 and April 28, 2006.

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The preceding list supersedes and replaces the documents listed in the accompanying prospectus supplement and prospectus under the heading Incorporation of Certain Documents by Reference.

We are also incorporating by reference into the accompanying prospectus all of our future filings with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering has been completed.

You may obtain a copy of any of our filings that are incorporated by reference, at no cost, by contacting us at:

The Chubb Corporation
15 Mountain View Road
Warren, New Jersey 07059
Attention: Corporate Secretary
Telephone: (908) 903-2000

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**PROSPECTUS SUPPLEMENT
(To Prospectus Dated June 18, 2003)**

16,000,000 EQUITY UNITS

THE CHUBB CORPORATION

7.00% EQUITY UNITS

We will issue 16,000,000 purchase contracts to purchase our common stock (18,400,000 purchase contracts if the underwriters exercise their option to purchase additional purchase contracts in full) and \$400,000,000 aggregate principal amount of 2.25% senior notes due August 16, 2008 (\$460,000,000 aggregate principal amount of 2.25% senior notes due August 16, 2008 if the underwriters exercise their option to purchase additional 2.25% senior notes due August 16, 2008 in full). The purchase contracts and senior notes will be issued together in the form of Equity Units, each of which will represent one purchase contract and \$25 principal amount of senior notes. After issuance, purchase contracts and senior notes may be separated as described in this prospectus supplement.

- Each purchase contract will obligate you to purchase from us, no later than August 16, 2006, for a stated amount of \$25 in cash, a number of shares of our common stock as described in this prospectus supplement.
- We will also pay you quarterly contract adjustment payments at a rate of 4.75% per year on the stated amount of \$25 per purchase contract, or \$1.1875 per year, as described in this prospectus supplement.
- The senior notes will initially bear interest at a rate of 2.25% per year, payable quarterly. The senior notes will be remarketed as described in this prospectus supplement. Following a successful remarketing, the interest rate on the senior notes may be reset.
- All of the Equity Units will be issued as Corporate Units. Unless you separate your senior notes from your purchase contracts by substituting Treasury securities for your senior notes, your Equity Units will remain Corporate Units.
- If the senior notes are remarketed successfully before the third business day immediately preceding August 16, 2006, or if a special event redemption described in this prospectus supplement occurs before August 16, 2006, the senior notes represented by the Corporate Units will be replaced by the Treasury portfolio described in this prospectus supplement.
- You can create Treasury Units from Corporate Units by substituting Treasury securities for the senior notes or your applicable ownership interest in the Treasury portfolio represented by the Corporate Units, and you can recreate Corporate Units by substituting senior notes or your applicable ownership interest in the Treasury portfolio for the Treasury securities represented by the Treasury Units.
- The senior notes or, if substituted for the senior notes, the Treasury securities or your applicable ownership interest in the Treasury portfolio, as the case may be, will be pledged to us to secure your obligation under the related purchase contract.

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 13,500,000 shares of our common stock (or 15,525,000 shares if the underwriters for that offering exercise their option to purchase additional shares in full). Neither offering is contingent upon the other.

The Corporate Units have been approved for listing on the New York Stock Exchange under the symbol **CBPrB**, subject to official notice of issuance. Our common stock is traded on the New York Stock Exchange under the symbol **CB**. On June 18, 2003, the reported last sale price of our common stock on the New York Stock Exchange was \$60.21 per share.

INVESTING IN THE EQUITY UNITS INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE S-19 OF THIS PROSPECTUS SUPPLEMENT.

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	Per Corporate Unit	Total
Public offering price	\$ 25.00	\$ 400,000,000
Underwriting discounts and commissions	\$ 0.75	\$ 12,000,000
Proceeds, before expenses, to Chubb	\$ 24.25	\$ 388,000,000

To the extent that the underwriters sell more than 16,000,000 Corporate Units, the underwriters have the option to purchase up to an additional 2,400,000 Corporate Units at the public offering price less the underwriting discounts and commissions within a 13 day period beginning on the date of first issuance of the Corporate Units.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Corporate Units will be ready for delivery on or about June 24, 2003.

Joint Book-Running Managers

Citigroup
ABN Amro Rothschild LLC

Goldman, Sachs & Co.

BNY Capital Markets, Inc.

Merrill Lynch & Co.

HSBC

The Date of this Prospectus Supplement is June 18, 2003

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS SUPPLEMENT.

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SUMMARY

This summary highlights certain information incorporated by reference or appearing elsewhere in this prospectus supplement or the accompanying prospectus. As a result, it is not complete and does not contain all of the information that you should consider before purchasing our Equity Units. You should read the following summary in conjunction with the more detailed information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. References to Chubb are to The Chubb Corporation. Unless the context otherwise requires, references to we, us and our refer to The Chubb Corporation and its consolidated subsidiaries.

THE CHUBB CORPORATION

The Chubb Corporation, incorporated in New Jersey in 1967, is a holding company for a family of property and casualty insurance companies known informally as the Chubb Group of Insurance Companies. Since 1882, we have provided property and casualty insurance to businesses and individuals around the world. According to A.M. Best, we are the 12th largest U.S. property and casualty insurer based on 2002 net written premiums. Net premiums written means direct premiums written, plus reinsurance premiums assumed, less reinsurance premiums ceded.

At March 31, 2003, we had total assets of \$35.5 billion and shareholders' equity of \$7.1 billion, and for the year ended December 31, 2002 we had consolidated net income of \$222.9 million. We employed approximately 13,300 persons worldwide at December 31, 2002.

Our Business Units

Our property and casualty operations are divided into three strategic business units:

CHUBB COMMERCIAL INSURANCE, OR CCI, offers a full range of commercial customer insurance products, including coverage for multiple peril, casualty, workers' compensation and property and marine. CCI is known for writing niche business, where our expertise can add value for our agents, brokers and policyholders. CCI had net premiums written of \$3.4 billion in 2002, representing 37% of our total for the year.

CHUBB SPECIALTY INSURANCE, OR CSI, offers a wide variety of specialized executive protection and professional liability products for privately and publicly owned companies, financial institutions, professional firms and healthcare organizations. CSI also includes our surety and accident businesses, as well as our reinsurance assumed business produced by Chubb Re. CSI had net premiums written of \$3.3 billion in 2002, representing 37% of our total for the year.

CHUBB PERSONAL INSURANCE, OR CPI, offers products for individuals with fine homes and possessions who require more coverage choices and higher limits than are available with standard insurance policies. CPI had net premiums written of \$2.3 billion in 2002, representing 26% of our total for the year.

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The following table shows the growth in net premiums written at each of our strategic business units for 2001, 2002 and the first three months of 2003.

	THREE MONTHS ENDED MARCH 31,			YEAR ENDED DECEMBER 31,				
	2003 (IN MILLIONS)	% CHANGE	2002	2002	% CHANGE	2001	% CHANGE	2000
Commercial Insurance (CCI)	\$ 1,082.3	21.2 %	\$ 892.9	\$ 3,404.7	36.7 %	\$ 2,490.8	6.4 %	\$ 2,340.6
Specialty Insurance (CSI)	1,027.4	29.2	795.5	3,328.9	33.7	2,489.6	9.7	2,269.8
Personal Insurance (CPI)	565.0	12.4	502.5	2,313.7	16.8	1,981.1	15.0	1,722.8
Total net premiums written	\$ 2,674.7	22.1	\$ 2,190.9	\$ 9,047.3	30.0	\$ 6,961.5	9.9	\$ 6,333.2

Strategy

We believe that successfully executing the following strategies will permit us to achieve premium and profitability growth in the property and casualty insurance market.

MAINTAIN OUR POWERFUL BRAND AND STRONG COMPETITIVE POSITIONS IN OUR CHOSEN MARKETS. We have, and intend to maintain, leading franchises in each of our strategic markets. CCI is a leading provider of commercial insurance in the middle market, which we believe offers the most significant immediate growth and profit opportunities in the property and casualty market as a whole. CSI is a market leader in the executive protection and financial institutions business. CPI has a particularly strong position in the high net worth personal insurance market, where we benefit from our well-established Masterpiece(R) brand name.

CAPITALIZE ON THE PROPERTY AND CASUALTY PRICING ENVIRONMENT. In late 1998 we began increasing rates in our commercial segment. Since 2001, the rate structure within the property and casualty market has improved in each of our segments. Our clear focus on property and casualty products and our strong presence across the commercial, personal and specialty segments of the market have enabled us to capitalize on price trends by improving rates throughout our business units. We also have taken advantage of the favorable environment by tightening policy terms and conditions throughout our product lines.

Improved property and casualty pricing dynamics contributed to our 30% increase in net premiums written in 2002 compared to 2001, and to our 22% increase in net premiums written in the first quarter of 2003 over the comparable period in 2002. Our ability to increase our rates was also fundamental to our achieving cash flow from operating activities of \$2.4 billion in 2002 compared to \$1.0 billion in 2001, and \$691 million in the first quarter of 2003 compared to \$415 million for the comparable period in 2002.

CONTINUE TO IMPROVE UNDERWRITING PERFORMANCE. Our profitability is extremely sensitive to our underwriting results. The combined loss and expense ratio, expressed as a percentage, is the key measure of underwriting profitability traditionally used in the property and casualty business. We use the statutory definition of combined loss and expense ratio: the sum of the ratio of losses to premiums earned, or loss ratio, plus the ratio of statutory underwriting expenses to premiums written, or expense ratio, after reducing both premium amounts by dividends to policyholders. When the combined ratio is under 100%, underwriting results are generally considered profitable; when the combined ratio is over 100%, underwriting results are generally considered unprofitable.

We have undertaken a renewed focus on disciplined underwriting risk evaluation and expense control, which is designed to maximize our underwriting profitability within the constraints of a competitive

industry and the inherently unpredictable timing of the losses for which we insure. We believe that this initiative is bearing positive results. Our statutory combined ratio was 95.3% in the first quarter of 2003, which included 4.1 percentage points of catastrophe losses. For information concerning the calculation of our underwriting ratios, see [Calculation of Our Underwriting Ratios](#).

SUPPORT PROFITABILITY THROUGH POSITIVE INVESTMENT PERFORMANCE. In addition to the effect of underwriting results, an insurer's profitability is driven to a large degree by its income on invested assets. We have consistently recorded growth in our investment results. Property and casualty investment income before income taxes increased by 9% in the first quarter of 2003 over the comparable period in 2002. This performance reflected an increase in invested assets stemming from strong cash flow from operating activities over the period, as well as \$1 billion of capital contributions from Chubb to the operating subsidiaries in late 2002. We maintain a high quality, well diversified investment portfolio that supports our property and casualty business. At March 31, 2003, 87% of this portfolio consisted of fixed-income securities, 65% of which were rated AAA or equivalent.

MAINTAIN A STRONG BALANCE SHEET AND RATINGS TO TAKE ADVANTAGE OF GROWTH OPPORTUNITIES. The current property and casualty pricing environment, combined with our strong competitive position across the market, presents us with an attractive opportunity to grow premiums. To take advantage of this opportunity we strive to maintain a balance sheet that can support the strain of writing new business.

We believe the steps we have taken to manage our balance sheet provide us with both the flexibility we need to pursue premium growth and the financial strength our policyholders expect. In the fourth quarter of 2002 and the first quarter of 2003 we raised a total of \$1.1 billion in new financing, including \$600 million of equity units and \$500 million of notes. At the same time, we believe we have maintained a prudent degree of financial leverage, with a total debt-to-capital ratio of 26.9% at March 31, 2003. Our senior unsecured debt is currently rated A by S&P, A1 by Moody's, aa- by A.M. Best and A+ by Fitch. Our property and casualty subsidiaries' financial strength is rated AA by S&P, Aa2 by Moody's, A++ by A.M. Best and AA by Fitch. The outlook on each of these ratings is stable, except for the Fitch rating on our senior unsecured debt, which was placed on negative outlook in March 2003.

Recent Developments

Results of Operations for the First Quarter of 2003

The following discussion should be read in conjunction with [Summary Historical Financial Data](#) and our Quarterly Report on Form 10-Q for the period ended March 31, 2003, which is incorporated by reference.

Our net income was \$224.6 million in the first quarter of 2003, an increase of 13.3% over net income of \$198.2 million in the first quarter 2002.

Net premiums written were \$2.7 billion in the first quarter of 2003, an increase of 22% compared with the first quarter of 2002. U.S. premiums grew 21% over the comparable period in 2002, and we also achieved substantial premium growth outside the United States; non-U.S. premiums grew 26% on a reported basis and 16% in local currency terms. Premium growth in the first quarter was strong in all segments of our business due primarily to higher rates.

Our statutory combined ratio for the first quarter of 2003 was 95.3%, compared to 95.9% for the corresponding period in 2002. Catastrophe losses during the first quarter of 2003 amounted to \$94.9 million, which represented 4.1 percentage points of the statutory combined ratio, compared with \$13.3 million, or 0.7 of a percentage point, in the first quarter of 2002. Our statutory expense ratio decreased to 30.4% for the first quarter of 2003, compared with 31.5% for the first quarter of 2002. The decrease in the statutory expense ratio was due primarily to premiums written growing at a substantially higher rate than

overhead expenses. For information concerning the calculation of our underwriting ratios, see Calculation of Our Underwriting Ratios.

The following table shows our results by business unit for the first quarter of 2003:

	THREE MONTHS ENDED MARCH 31		STATUTORY COMBINED LOSS AND EXPENSE RATIO	
	NET PREMIUMS WRITTEN		2003	2002
	2003	2002		
Commercial Insurance (CCI).	\$ 1,082.3	\$ 892.9	86.5 %	95.7 %
Specialty Insurance (CSI)	1,027.4	795.5	99.2	95.4
Personal Insurance (CPI)	565.0	502.5	103.6	97.4
Total	\$ 2,674.7	\$ 2,190.9	95.3	95.9

Chubb Commercial Insurance. CCI had premium growth of 21% in the first quarter of 2003 over the comparable period in 2002. This premium growth resulted from continued price increases and an increase in our in-force policy count. Premiums from new accounts exceeded non-renewed business by a 2-to-1 margin.

CCI's statutory combined ratio in the first quarter of 2003 was 86.5%, compared to 95.7% in the first quarter of 2002. This improvement was due in large part to the cumulative effect of price increases, better terms and conditions and more stringent risk selection in recent years. CCI catastrophe losses accounted for 3.4 points of the statutory combined ratio in the first quarter of 2003, compared to 0.1 point in the first quarter of 2002.

Chubb Specialty Insurance. CSI had premium growth of 29% in the first quarter of 2003 over the comparable period in 2002. Growth in executive protection and the professional liability component of the financial institutions business was primarily attributable to higher rates. In the fidelity and standard commercial components of our financial institutions business, rates continued to increase as well. Growth in our other specialty business was primarily from Chubb Re; premiums produced by Chubb Re grew 58% in the first quarter of 2003 over the comparable period in 2002.

CSI's statutory combined ratio in the first quarter of 2003 was 99.2%, compared to 95.4% in the first quarter of 2002. Our executive protection business produced unprofitable underwriting results in the first quarter of 2003, compared with near breakeven results in the first quarter of 2002. Results in the first quarter of 2003 were affected by the adverse claim environment in directors and officers liability and errors and omissions liability insurance. Our financial institutions business produced unprofitable results in the first quarter of 2003, compared with profitable results in the comparable period of 2002. The fidelity and standard commercial components of the financial institutions business were highly profitable in the first quarters of 2003 and 2002, while results for the professional liability component were highly unprofitable in both periods, but more so in the first quarter of 2003. This deterioration was due to the same adverse claim trends experienced in our executive protection business. Other specialty results were highly profitable in the first quarters of both 2003 and 2002.

Chubb Personal Insurance. CPI had premium growth of 12% in the first quarter of 2003 over the comparable period in 2002. Premium growth occurred in all classes. However, as planned, growth in our in-force policy count continued to slow.

CPI's statutory combined ratio in the first quarter of 2003 was 103.6%, compared to 97.4% in the first quarter of 2002. This deterioration was due to higher catastrophe losses, which represented 10.9 points of the statutory combined ratio in the first quarter of 2003, compared to 2.4 points in the first quarter of 2002.

Restructuring Initiatives

We have recently undertaken two initiatives to exit from or restructure certain of our operations.

Run-off of CFS financial products business. In addition to our three strategic insurance business units, in 2000 we organized Chubb Financial Solutions, or CFS, to engage in developing and providing risk-financing services through the capital and insurance markets. We recently completed a review of CFS's strategic future. In April 2003 we announced our intention to run-off the financial products portfolio of CFS to pursue the more attractive alternative of deploying our capital to expand our traditional insurance business. We do not intend to write any new credit derivative transactions, but might enter into transactions for hedging and other risk management reasons in the future.

Restructuring of European operations. We have begun a profit improvement initiative with respect to our continental European operations, including exiting the personal insurance business, except for the ultra-high net worth market, and rationalizing our expense structure in the remaining commercial and specialty operations. Our European operations were profitable in the first quarter of 2003.

New Senior Management Team

In December 2002, Chubb transitioned to a new leadership team. John D. Finnegan became our President and Chief Executive Officer and a member of our board of directors. Prior to taking this position at Chubb, Mr. Finnegan had been the Chairman and President of General Motors Acceptance Corporation and an Executive Vice President of General Motors Corporation. In assuming the role of Chief Executive Officer, Mr. Finnegan replaced our outgoing Chairman and Chief Executive Officer, Dean R. O'Hare, who retired after a 39-year career with us.

Also in December 2002, Joel J. Cohen, previously our lead director, became the Chairman of our board of directors, and the board elevated three veteran Chubb leaders to the position of Vice Chairman. Thomas F. Motamed became our Vice Chairman and Chief Operating Officer; John J. Degan was named Vice Chairman and Chief Administrative Officer; and Michael O'Reilly became Vice Chairman, Chief Investment Officer and acting Chief Financial Officer. We are conducting a search for a new Chief Financial Officer.

Recent Announcements

On June 6, 2003, we announced that our preliminary estimate for after-tax catastrophe losses in the two months ended May 31, 2003 is \$49 million. In the three months ended June 30, 2002, catastrophe losses were \$7.0 million after-tax. We also announced that we expect to record in the second quarter of 2003 an after-tax charge of \$17 million as a result of a recent adverse arbitration decision rendered against an insurance pool in which Chubb was formerly a 5.5% participant. The decision related to a fire loss that occurred in 1995 and involved property damage and business interruption.

Where You Can Find Us

Our principal executive offices are located at 15 Mountain View Road, Warren, New Jersey 07061-1615, and our telephone number is (908) 903-2000.

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SUMMARY HISTORICAL FINANCIAL DATA

The following summary historical financial data for, and as of the end of, each of the five years in the period ended December 31, 2002 have been derived from Chubb's consolidated financial statements, which have been audited by Ernst & Young LLP, Chubb's independent auditors. The data as of March 31, 2003 and 2002 and for the three months ended March 31, 2003 and 2002 have been derived from Chubb's unaudited consolidated financial statements, which include, in the opinion of Chubb's management, all adjustments, consisting of normal recurring accruals, necessary to present fairly Chubb's consolidated results of operations and financial position for the periods and dates presented. The summary financial data should be read in conjunction with Chubb's consolidated financial statements and the notes to the consolidated financial statements that are incorporated by reference in this prospectus supplement and the accompanying prospectus. Results for the three months ended March 31, 2003 are not necessarily indicative of results for the full year.

	AS OF OR FOR THE THREE MONTHS ENDED MARCH 31, 2003			AS OF OR FOR THE YEAR ENDED DECEMBER 31, 2001				1998
	2002	2002	2002	2001	2000	1999	1998	
	(UNAUDITED)			(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
Revenues	\$ 2,615.9	\$ 2,105.2	\$ 9,140.3	\$ 7,754.0	\$ 7,251.5	\$ 6,729.6	\$ 6,349.8	
Net Income	224.6	198.2	222.9	(1) 111.5	(2) 714.6	621.1	707.0 (3)	
Net Income Per Share (diluted)	\$ 1.31	\$ 1.15	\$ 1.29	\$ 0.63	\$ 4.01	\$ 3.66	\$ 4.19	
Dividends Declared per								
Common Share	\$ 0.36	\$ 0.35	\$ 1.40	\$ 1.36	\$ 1.32	\$ 1.28	\$ 1.24	
Total Assets	\$ 35,465.8	\$ 30,372.8	\$ 34,114.4	\$ 29,449.0	\$ 25,026.7	\$ 23,537.0	\$ 20,746.0	
Invested Assets	22,381.1	17,987.6	21,012.4	17,783.9	17,000.6	16,019.4	14,755.3	
Unpaid Claims and Claim								
Expenses	16,885.3	15,454.3	16,713.1	15,514.9	11,904.6	11,434.7	10,356.5	
Long-Term Debt	2,356.4	1,344.1	1,959.1	1,351.0	753.8	759.2	607.5	
Shareholders' Equity	7,118.9	6,641.4	6,859.2	6,525.3	6,981.7	6,271.8	5,644.1	
Shareholders' Equity per								
Common Share	\$ 41.49	(4) \$ 38.83	\$ 40.06	\$ 38.37	\$ 39.91	\$ 35.74	\$ 34.78	

(1) Net income has been reduced by aggregate net losses of \$700.0 million (\$455.0 million after-tax or \$2.63 per share) recognized in the third and fourth quarters related to asbestos and toxic waste claims. Net income has also been reduced by a tax valuation allowance of \$40.0 million (\$0.23 per share) from not being able to recognize, for accounting purposes, certain U.S. tax benefits related to European losses. Net income has been increased by a reduction in net surety bond losses of \$88.0 million (\$57.2 million after-tax or \$0.33 per share) resulting from the settlement of litigation related to Enron Corp.

(2) Net income has been reduced by net costs of \$645.0 million (\$420.0 million after-tax or \$2.39 per share) related to the September 11 attack and by net surety bond losses of \$220.0 million (\$143.0 million after-tax or \$0.81 per share) arising from the bankruptcy of Enron Corp.

(3) Net income has been reduced by a restructuring charge of \$40.0 million (\$26.0 million after-tax or \$0.15 per share).

(4) As adjusted for the sale of Equity Units in this offering and the concurrent offering of common stock, shareholders' equity per common share would be \$42.26, based on our offering price of \$59.50 per share.

THE OFFERING

What are we offering?

We are offering 16,000,000 purchase contracts to purchase our common stock (18,400,000 purchase contracts if the underwriters exercise their option to purchase additional purchase contracts in full) and \$400,000,000 aggregate principal amount of 2.25% senior notes due August 16, 2008 (\$460,000,000 aggregate principal amount of 2.25% senior notes if the underwriters exercise their option to purchase additional 2.25% senior notes in full). We are issuing them together as 16,000,000 Corporate Units (18,400,000 Corporate Units if the underwriters exercise their option to purchase additional Corporate Units in full). After they are issued, you can separate the senior notes from the purchase contracts by creating Treasury Units as we describe below under [How can I create Treasury Units from Corporate Units?](#) Corporate Units and Treasury Units are both referred to in this prospectus supplement as Equity Units. All references in this prospectus supplement to our common stock include the rights evidenced by such common stock to the extent provided in the Rights Agreement dated as of March 12, 1999 between Chubb and EquiServe Trust Company, N.A.

What does a Corporate Unit represent?

Each Corporate Unit has a stated amount of \$25 and will represent one purchase contract and, initially, \$25 principal amount of our 2.25% senior notes due August 16, 2008. You will own the senior note that is represented by a Corporate Unit, but it will be held by the collateral agent and pledged to us to secure your obligation under the purchase contract that is also represented by that Corporate Unit. If the senior notes are successfully remarketed prior to the third business day preceding August 16, 2006, or if a special event redemption occurs prior to August 16, 2006, in each case as described in this prospectus supplement, the applicable ownership interest in the Treasury portfolio described below under [What is the Treasury Portfolio?](#) will replace your senior notes as a component of each Corporate Unit you own and will be held by the collateral agent and pledged to us to secure your obligations under the purchase contract. The senior notes will not trade separately from the Corporate Units unless and until Treasury Units are created by substituting Treasury securities for senior notes, the purchase contracts are settled early or the senior notes are remarketed.

What are the terms of the purchase contracts?

Each purchase contract represented by an Equity Unit obligates the holder of the purchase contract to purchase, and obligates us to sell, on August 16, 2006, which we refer to as the purchase contract settlement date, for a stated amount of \$25 in cash, a number of newly issued shares of our common stock equal to the settlement rate. The settlement rate will be calculated, subject to adjustment under the circumstances set forth in [Description of the Purchase Contracts](#) [Anti-Dilution Adjustments](#), as follows:

- if the applicable market value of our common stock is greater than \$71.40, which we refer to as the threshold appreciation price, the settlement rate will be 0.3501 shares of our common stock per purchase contract;
- if the applicable market value of our common stock is less than or equal to the threshold appreciation price but greater than or equal to \$59.50, which we refer to as the reference price, the settlement rate will be a number of shares of our common stock per purchase contract equal to \$25 divided by the applicable market value; and
- if the applicable market value of our common stock is less than the reference price, the settlement rate will be 0.4202 shares of our common stock per purchase contract.

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Applicable market value means the average of the closing price per share of our common stock on each of the twenty consecutive trading days ending on the third trading day immediately preceding the purchase contract settlement date, subject to adjustment under the circumstances set forth in Description of the Purchase Contracts Anti-Dilution Adjustments. The reference price represents approximately a 1.2% discount to the reported last sale price of our common stock on the New York Stock Exchange on June 18, 2003. The threshold appreciation price represents a 20% appreciation over the reference price.

Can I settle a purchase contract early?

You can settle a purchase contract at any time on or prior to the fifth business day immediately preceding the purchase contract settlement date by paying \$25 cash, in which case we will issue to you 0.3501 shares of our common stock pursuant to the purchase contract, subject to anti-dilution adjustments. This is the minimum number of shares deliverable per purchase contract on the purchase contract settlement date. As a result, the market price of our common stock on or before the early settlement date will not affect the number of shares received upon early settlement. In addition, if we are involved in a merger in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, you will have the right to accelerate and settle the purchase contract early at the settlement rate in effect immediately prior to the closing of that merger.

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933 in effect covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. We have agreed that, if required by U.S. federal securities laws, we will use our commercially reasonable efforts to have a registration statement