

CHUBB CORP
Form 10-Q
May 06, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8661

THE CHUBB CORPORATION

(Exact name of registrant as specified in its charter)

NEW JERSEY
(State or other jurisdiction of
incorporation or organization)

13-2595722
(I. R. S. Employer
Identification No.)

15 MOUNTAIN VIEW ROAD, WARREN, NEW JERSEY
(Address of principal executive offices)

07059
(Zip Code)

Registrant's telephone number, including area code (908) 903-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.(Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

The number of shares of common stock outstanding as of March 31, 2015 was 229,752,692.

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THE CHUBB CORPORATION

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Part I. FINANCIAL INFORMATION

Item 1 Financial Statements

THE CHUBB CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31

(in millions)

	2015	2014
Revenues		
Premiums Earned	\$ 3,105	\$ 3,029
Investment Income	339	358
Other Revenues	2	3
Realized Investment Gains (Losses), Net		
Total Other-Than-Temporary Impairment Losses on Investments	(23)	
Other Realized Investment Gains, Net	34	116
Total Realized Investment Gains, Net	11	116
Total Revenues	3,457	3,506
Losses and Expenses		
Losses and Loss Expenses	1,920	1,845
Amortization of Deferred Policy Acquisition Costs	626	622
Other Insurance Operating Costs and Expenses	347	356
Investment Expenses	12	11
Other Expenses	4	5
Corporate Expenses	66	64
Total Losses and Expenses	2,975	2,903
Income Before Federal and Foreign Income Tax	482	603
Federal and Foreign Income Tax	107	154
Net Income	\$ 375	\$ 449
Net Income Per Share		

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Basic	\$ 1.61	\$ 1.81
Diluted	1.60	1.80
Dividends Declared Per Share	.57	.50
See Notes to Consolidated Financial Statements.		

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THE CHUBB CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31
(in millions)

	2015	2014
Net Income	\$ 375	\$ 449
Other Comprehensive Income (Loss), Net of Tax		
Change in Unrealized Appreciation of Investments	109	235
Change in Postretirement Benefit Costs Not Yet Recognized in Net Income	17	6
Foreign Currency Translation Losses	(176)	(19)
	(50)	222
Comprehensive Income	\$ 325	\$ 671

See Notes to Consolidated Financial Statements.

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THE CHUBB CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions)

	March 31 2015	December 31 2014
Assets		
Invested Assets		
Short Term Investments	\$ 1,220	\$ 1,318
Fixed Maturities (cost \$36,483 and \$36,958)	38,457	38,780
Equity Securities (cost \$1,074 and \$1,089)	1,964	1,964
Other Invested Assets	1,408	1,423
TOTAL INVESTED ASSETS	43,049	43,485
Cash	52	47
Accrued Investment Income	406	410
Premiums Receivable	2,434	2,560
Reinsurance Recoverable on Unpaid Losses and Loss Expenses	1,583	1,639
Prepaid Reinsurance Premiums	249	256
Deferred Policy Acquisition Costs	1,280	1,284
Goodwill	467	467
Other Assets	1,332	1,138
TOTAL ASSETS	\$ 50,852	\$ 51,286
Liabilities		
Unpaid Losses and Loss Expenses	\$ 22,515	\$ 22,678
Unearned Premiums	6,463	6,581
Long Term Debt	3,300	3,300
Dividend Payable to Shareholders	133	117
Deferred Income Tax	50	15
Accrued Expenses and Other Liabilities	2,229	2,299
TOTAL LIABILITIES	34,690	34,990
Shareholders' Equity		
Common Stock - \$1 Par Value; 371,980,460 Shares	372	372

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Paid-In Surplus	135	171
Retained Earnings	23,762	23,520
Accumulated Other Comprehensive Income	1,060	1,110
Treasury Stock, at Cost - 142,227,768 and 139,551,071 Shares	(9,167)	(8,877)

TOTAL SHAREHOLDERS EQUITY	16,162	16,296
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TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 50,852	\$ 51,286
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See Notes to Consolidated Financial Statements.

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THE CHUBB CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31
(in millions)

	2015	2014
Common Stock		
Balance, Beginning and End of Period	\$ 372	\$ 372
Paid-In-Surplus		
Balance, Beginning of Year	171	171
Changes Related to Stock-Based Employee Compensation (includes tax benefit of \$3 and \$14)	(36)	(63)
Balance, End of Period	135	108
Retained Earnings		
Balance, Beginning of Year	23,520	21,902
Net Income	375	449
Dividends Declared (per share \$.57 and \$.50)	(133)	(124)
Balance, End of Period	23,762	22,227
Accumulated Other Comprehensive Income		
Unrealized Appreciation of Investments Including Unrealized Other-Than-Temporary Impairment Losses		
Balance, Beginning of Year	1,753	1,225
Change During Period, Net of Tax	109	235
Balance, End of Period	1,862	1,460
Postretirement Benefit Costs Not Yet Recognized in Net Income		
Balance, Beginning of Year	(589)	(253)
Change During Period, Net of Tax	17	6
Balance, End of Period	(572)	(247)
Foreign Currency Translation Gains (Losses)		
Balance, Beginning of Year	(54)	63
Change During Period, Net of Tax	(176)	(19)
Balance, End of Period	(230)	44

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Accumulated Other Comprehensive Income, End of Period	1,060	1,257
Treasury Stock, at Cost		
Balance, Beginning of Year	(8,877)	(7,383)
Repurchase of Shares	(326)	(409)
Shares Issued Under Stock-Based Employee Compensation Plans	36	54
Balance, End of Period	(9,167)	(7,738)
TOTAL SHAREHOLDERS EQUITY	\$ 16,162	\$ 16,226

See Notes to Consolidated Financial Statements.

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