

6408046

SHARE CANCELLATION AND AMENDMENT AGREEMENT

THIS DEED is made on 18 January

2008

PARTIES

- 1 Federal Insurance Company, an Indiana corporation having its principal office at One Indiana Square, Suite 1350, 211 North Pennsylvania St, PO Box 44903, Indianapolis, IN 46204, USA ("**Federal**").
- 2 Chubb Insurance Investment Holdings Ltd, a company registered in England under company number 6408046 and having its registered office at 106 Fenchurch Street, London EC3M 5NB ("**CIIH**")

WHEREAS

- (A) On 18 December 2007, Federal agreed to transfer 2,147,798 shares in the capital of Chubb Insurance Company of Europe SA (the "**CICE Shares**") to CIIH. The Parties had agreed that the consideration provided by CIIH in respect of the transfer to it of the CICE Shares would be 2,147,798 Ordinary Shares of £1 in CIIH (with the remaining value of the CICE Shares to be accounted for by CIIH as share premium)
- (B) However, due to a clerical error, the consideration actually provided by CIIH to Federal in respect of the transfer of the CICE Shares was 554,000,000 Ordinary Shares of £1 in CIIH (the "**Cancellation Shares**")
- (C) In order to amend the allotment agreement made on 18 December 2007 (the "**Original Agreement**") to rectify the share position set forth above, to give effect to the intentions of the parties and to fully and finally settle the liabilities of each of the Parties in respect of the error, the Parties are entering into this Agreement
- (D) It is the intent and desire of the Parties that, for all intents and purposes, this Agreement be effective as of 18 December 2007 (the "**Effective Date**")
- (E) The terms of this Agreement have been authorised by a written resolution of CIIH

IT IS HEREBY AGREED

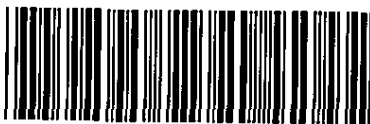
1 FULL AND FINAL SETTLEMENT

The Parties agree that the performance by each of its obligations under this Agreement shall extinguish all liabilities of that Party in relation to the other arising from the Original Agreement

WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY OF THE ORIGINAL

Loveells LLP

LOVELLS LLP
ATLANTIC HOUSE
HOLBORN VIADUCT
LONDON EC1A 2FG



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COMPANIES HOUSE

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2 INTENDED EFFECT OF AGREEMENT

This Agreement shall constitute an amendment to the Original Agreement and to the extent permitted by applicable law shall be effective as of the Effective Date

3 CORRECTION OF ISSUED SHARES

In order to bring the amount of issued share capital of CIH into line with the amount intended by the Parties as consideration for the transfer of the CICE Shares:

- (a) the Parties agree to procure that CIH shall acquire and cancel the Cancellation Shares upon, and in consideration of, CIH making a replacement issue of 2,147,798 Ordinary Shares of £1 to Federal (the "**Replacement Shares**"), with the remaining value in excess of the par value of the Replacement Shares being transferred to CIH's share premium account; and
- (b) Federal hereby applies for the allotment to it at par of 2,147,798 Ordinary Shares of £1 each in the capital of CIH on terms that the same shall be issued paid up in full and with the remaining value in excess of the par value of the Replacement Shares being accounted for as share premium, and CIH hereby accepts such application

4 COMPLETION

4.1 Completion of this Agreement shall take place on the date of this Agreement at the offices of CIH

4.2 At Completion

- (a) Federal shall deliver to CIH the share certificates relating to the Cancellation Shares,
- (b) CIH shall allot and issue the Replacement Shares to Federal on and subject to the terms of this Agreement.

5 FURTHER ASSURANCE

The parties shall do and execute, and shall use their best endeavours to procure any other necessary party to do and execute, all such further things, deeds and documents as may be necessary to give effect to the terms of this Agreement

6 WAIVER

No waiver by any of the parties of any of the requirements hereof or of any of its rights hereunder shall have effect unless given in writing and signed by such party or by a Director or other duly authorised officer of such party

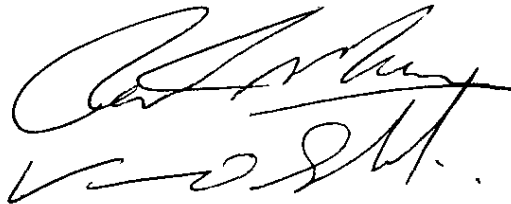
7 **VARIATIONS**

It is expressly declared that no variations hereof shall be effective unless made in writing and signed by or on behalf of all the parties

8 **GOVERNING LAW**

This Agreement shall be governed by and construed under English law and the parties hereby submit to the non-exclusive jurisdiction of the English Courts as regards any claim or matter arising under this Agreement

EXECUTED and DELIVERED)
as a Deed for and on)
behalf of **Chubb Insurance**)
Investment Holdings Ltd)



Director

Director/Secretary

EXECUTED and DELIVERED)
as a Deed for and on)
behalf of **Federal Insurance**)
Company)

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Director

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behalf of Federal Insurance)
Company)

Mr. [Signature]
Vice President and Secretary