

CHUBB INSURANCE INVESTMENT HOLDINGS LTD
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Company Number 6408046

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CHUBB INSURANCE INVESTMENT HOLDINGS LTD

DIRECTORS

R Munro
K O'Shiel

SECRETARY

R Munro

AUDITORS

Ernst & Young LLP
1 More London Place
LONDON
SE1 2AF

REGISTERED OFFICE

106 Fenchurch Street
LONDON
EC3M 5NB

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

DIRECTOR'S REPORT

The directors present their annual report and accounts for the year ended 31 December 2009

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is to act as a European holding company for The Chubb Corporation's insurance operations in Europe

Although 2009 showed a loss, as the company did not receive any dividends, the directors expect the business to return to profitability. The directors anticipate receiving dividends in 2010 that would lead to a profit for that year.

RESULTS AND DIVIDENDS

The loss for the year ended 31 December 2009, after taxation, amounted to £7,703,000 (2008: profit of £4,086,000)

The directors do not recommend a dividend for the year

PRINCIPAL RISKS

The company has debt in the form of a subordinated loan. An overview of its repayment terms are given in note 9. The company ensures that it has sufficient funds to meet the repayment terms of that loan by obtaining funds from its subsidiary undertaking, either through dividends or short-term loans.

DIRECTORS

The directors as at 31 December 2009 were as follows:

R Munro
K O'Shield

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



R Munro
Company Secretary

29 March 2010

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUBB INSURANCE INVESTMENT HOLDINGS LTD

We have audited the financial statements of Chubb Insurance Investment Holdings Ltd for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

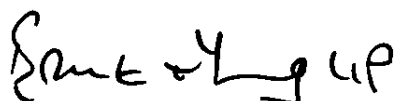
We have nothing to report in respect of the following matters where the Companies Act 2006 required us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit.



Tim Leggett (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 March 2010

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	Period from 24 October 2007 to 31 December 2008
	Notes	£000	£000
Income from shares in group undertakings		-	12,517
Other interest receivable and similar income		17	7
Interest payable and similar charges	2	(8,890)	(9,996)
(Loss)/profit on ordinary activities before tax		(8,873)	2,528
Tax on (loss)/profit on ordinary activities	5	1,170	1,558
Retained (loss)/profit for the year/period	11	(7,703)	4,086

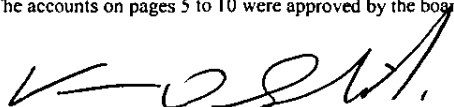
A Statement of Total Recognised Gains and Losses has not been prepared as there are no recognised gains and losses other than the retained loss for the year

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

BALANCE SHEET AS AT 31 DECEMBER 2009

		At 31 December 2009	At 31 December 2008
	Notes	£000	£000
Fixed assets			
Investments	6	417,788	417,788
		<u>417,788</u>	<u>417,788</u>
Current assets			
Debtors	7	-	1,796
Cash at bank and in hand		761	499
		<u>761</u>	<u>2,295</u>
Creditors amounts falling due within one year	8	(6,928)	(759)
		<u>(6,167)</u>	<u>1,536</u>
Net current (liabilities)/assets			
		<u>411,621</u>	<u>419,324</u>
Total assets less current liabilities			
Creditors amounts falling due after more than one year	9	(150,000)	(150,000)
		<u>261,621</u>	<u>269,324</u>
Net assets			
		<u>261,621</u>	<u>269,324</u>
Capital and reserves			
Called up share capital	10	2,148	2,148
Share premium account	11	263,090	263,090
Profit and loss account	11	(3,617)	4,086
		<u>261,621</u>	<u>269,324</u>
Equity shareholders' funds	12		
		<u>261,621</u>	<u>269,324</u>

The accounts on pages 5 to 10 were approved by the board of directors and were signed on its behalf by



K O'Shiel
Director

29 March 2010

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

A summary of the company's accounting policies, which have been applied consistently, is set out below

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The company has taken advantage of the exemption given in Financial Reporting Standard 1 (Revised) to subsidiaries from the preparation of a cash flow statement

The company has taken advantage of the exemption given in section 401 of the Companies Act 2006 and Financial Reporting Standard 2 to subsidiaries from the preparation of group accounts

Income from share in group undertakings

Dividends on ordinary shares are included by reference to the date dividends are approved to be paid by subsidiary undertakings

Interest payable

Interest payable is calculated on an accruals basis

Investments

Investments in subsidiary undertakings are stated at directors' valuation less impairment, where applicable

Taxation

The current tax charge or credit represents the expected tax payable or recoverable on the result for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date

2 Interest payable and similar charges

	2009	Period from 24 October 2007 to 31 December 2008
	£000	£000
Interest payable to group undertakings	8,890	9,996

3 Employees

There were no employees during the year apart from the directors who received no remuneration

4 Auditors' remuneration

The audit fees of the company have been borne by a related group company and amounted to £6,000 (2008 £6,000)

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

5 Tax on loss/profit on ordinary activities

	2009	Period from 24 October 2007 to 31 December 2008
	£000	£000
Analysis of credit in year/period		
Current tax		
UK corporation tax at 28% (2008 28.6%) - group relief	(1,191)	(1,558)
Prior year tax adjustment	21	-
Total current tax	(1,170)	(1,558)

	2009	Period from 24 October 2007 to 31 December 2008
	£000	£000
Factors affecting tax credit for year/period		
(Loss)/profit on ordinary activities before tax	(8,873)	2,528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.6%)	(2,484)	723
Group dividends received not subject to UK corporation tax	-	(3,574)
Group relief given for no payment	1,293	1,293
Prior year tax adjustment	21	-
Current tax credit for year/period	(1,170)	(1,558)

The comparative figures, for the factors affecting the tax charge, have been re-analysed to be more consistent with the actual tax computations filed

6 Investments

	Shares in group undertakings
	£000
Cost and net book value	
At 1 January 2009 and 31 December 2009	417,788

At 31 December 2008, the cost and net book value of £417,787,564 consisted of an amount of £415,237,564 in respect of a 100% holding in Chubb Insurance Company of Europe S A and an amount of £2,550,000 in respect of a 100% holding in Chubb Insurance Company of Europe plc. On 1 January 2009, Chubb Insurance Company Europe S A and Chubb Insurance Company of Europe plc merged. The resulting merged company adopted the form of a Societas Europaea, registered in the UK, under the name Chubb Insurance Company of Europe SE.

Thus, the cost and net book value, as at 31 December 2009, of £417,787,564 consists solely of the company's 100% holding in Chubb Insurance Company of Europe SE.

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

7 Debtors

	At 31 December 2009	At 31 December 2008
	£000	£000
Amounts owed by group undertakings	-	1,796

8 Creditors amounts falling due within one year

	At 31 December 2009	At 31 December 2008
	£000	£000
Amounts owed to group undertakings	6,928	759

9 Creditors amounts falling due after more than one year

	At 31 December 2009	At 31 December 2008
	£000	£000
<u>Amounts falling due after more than five years</u>		
Amounts owed to group undertakings	150,000	150,000

Amounts owed to group undertakings consist of a subordinated loan issued on 5 December 2008 by another group company, Chubb Europe Finance Ltd. The subordinated loan is due for repayment on 5 December 2023 and its interest rate is LIBOR plus 4.5%.

10 Called up share capital

	At 31 December 2009	At 31 December 2008
	£000	£000
Authorised 600,000,000 ordinary shares of £1 each	600,000	600,000
Allotted, called up and fully paid 2,147,799 ordinary shares of £1 each	2,148	2,148

11 Capital and reserves

	Share capital	Share premium	Profit & loss account	Total
	£000	£000	£000	£000
At 1 January 2009	2,148	263,090	4,086	269,324
Loss for the year	-	-	(7,703)	(7,703)
At 31 December 2009	2,148	263,090	(3,617)	261,621

CHUBB INSURANCE INVESTMENT HOLDINGS LTD

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

12 Reconciliation of movements in shareholders' funds

	2009	2008
	£000	£000
Opening shareholders funds	269,324	265,238
(Loss)/profit for the financial year	(7,703)	4,086
Closing shareholders' funds	261,621	269,324

13 Related party transactions

The company has taken advantage of the exemption given in Financial Reporting Standard 8 to subsidiaries from disclosing related party transactions with other group companies

14 Parent undertaking and controlling party

The immediate parent company is Federal Insurance Company, a company registered in the United States of America

The ultimate parent company and ultimate controlling party is The Chubb Corporation, a company registered in the United States of America
Copies of The Chubb Corporation's consolidated accounts may be obtained from The Secretary, 15 Mountain View Road, PO Box 1615, Warren, New Jersey 07061-1615