

**CHUBB®**

Personal Risk Services  
PO Box 1600, Whitehouse Station, NJ 08889-1600  
Group Personal Excess

### Group Personal Excess Rate:

The two drivers that impact liability rates are loss severity (cost of a claim) and loss frequency (occurrence trends).

Personal Excess liability for the most part is driven by auto liability, with larger claims associated with automobile accidents. The more costly claims involve multiple injuries and/or individual claims with injuries requiring extensive medical and/or long-term economic impact.

- Social inflation has increased, which reflects societal trends and views toward increased litigation, broader definitions of liability, and growing size of compensatory jury awards.
- Growing cost of defense:  
Average hourly rates for lawyers in several major markets at or above \$300 per hour across all firms, however top defense firms can exceed \$1000 per hour. Chubb's defense costs are outside of the policy limits.
- Loss Severity is driven by the rising cost of medical. As long as medical costs continue to increase, then it is likely to impact liability rates into the future. BI losses are increasing 6.9%, Personal Injury protection 6.5% and UM 19%.
- Loss Frequency trends are also increasing despite improved auto technology. This may be because technology can also be distracting and causing claims. In addition, there is anecdotal evidence emerging that social inflation is impacting settlements. In others, the threshold to sue appears to be lower and targeted to individuals that are affluent. The most recent statistics from the National Highway Traffic Safety Administration (NHTSA) shows that in 2017 alone, 3,166 people were killed in motor vehicle crashes involving distracted drivers
- Uninsured motorist trends have continued to increase since 2010. According to a 2017 study by the Insurance Research Council (IRC), 1 in 8 (13%) motorists was uninsured in 2015 nationally. This number was as high as 26.7% in FL, increasing the exposure for anyone who drives in that state to a higher than average potential for an uninsured motorist claim.

Drivers are at risk anywhere they travel, and our policy responds to the Uninsured Motorist claims when they occur, including lost wages. The Group Personal Excess rate for Uninsured Motorist Coverage is the same no matter how many vehicles are regularly operated. Typically, individual policies charge per vehicle.

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Benefits of a Chubb Group Personal Excess Program:

- Minimal underwriting at lower limits of coverage
- No updates to the policy information are required
- No rate change midterm, even with an increase in exposure
- Broad worldwide coverage

Global expertise with offices in 54 countries

- \$37 billion of gross premiums written and \$167 billion in total assets
- Total capital, which reflects our capacity to take on risk, of \$64 billion
- Our commitments to policyholders are backed by more than \$48 billion in net loss reserves
- Chubb is the premier provider of coverage to successful individuals and families
- Chubb is now the world's largest publicly traded property and casualty insurer
- Commitment to investing in the distinctive Chubb brand which stands for excellence, quality and service – a unique reputation in the industry. This includes enhancing claims and engineering service capabilities and continuing investments in data acquisition, management and analytics

**Current Ratings<sup>1</sup>**

Rating Agency Ratings	Financial Strength Rating	Outlook
S&P	AA	Stable
A.M. Best	A++	Stable
Fitch	AA	Stable
Moody's	Aa3	Positive

<sup>1</sup>Ratings apply to Chubb's core operating insurance companies as of April 15, 2020. For ratings of individual insurance companies, see Investor Information on [investors.chubb.com](http://investors.chubb.com).