
CHUBB®

Chubb to Acquire Cigna's
Personal Accident,
Supplemental Health and Life
Insurance Business in Seven
Asia-Pacific Markets

*Asia Accident & Health Expansion
Opportunity*

October 7, 2021

Explanatory Note

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “anticipate,” “estimate,” “project,” “should,” “plan,” “expect,” “intend,” “hope,” “feel,” “foresee,” “will likely result,” or “will continue,” and similar expressions, may identify forward-looking statements which may include statements related to the acquisition of the businesses noted in this document, potential post-acquisition performance or otherwise, and reflect our current views with respect to future events, business transactions and business performance. Such statements involve risks and uncertainties that could cause actual results to differ materially from such statements, including without limitation, statements about the anticipated benefits of the proposed transaction, including future financial results; the expected timing of completion of the transaction and our ability to complete it; receipt of any required regulatory approvals and completion of other closing conditions; our ability to integrate the acquired businesses, operations and employees; general competitive, economic, political, insurance and reinsurance business market conditions; and judicial, legislative, regulatory and other governmental developments, as well as management’s responses to these factors, and other factors identified in our filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future events, or otherwise.

This document may also contain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most direct comparable GAAP measures and related information are provided in our most recent quarterly earnings press release and financial supplement, which are available on the Investor Relations section of our website at investors.chubb.com, and in the pages in this document.

Transaction Terms

Transaction	<ul style="list-style-type: none">▪ Chubb acquiring 100% of Cigna Life's insurance operations in Korea, Taiwan, Hong Kong, New Zealand, Thailand, Indonesia, and 51% stake of Turkey joint venture
Purchase Price	<ul style="list-style-type: none">▪ \$5.75 billion in cash
Financing	<ul style="list-style-type: none">▪ Financed from cash on hand▪ No impact to share repurchase plans▪ Chubb may ultimately issue up to \$1.1 billion of senior notes to fund the purchase price
Approvals	<ul style="list-style-type: none">▪ Customary regulatory approvals for all in-scope markets▪ No shareholder approvals required
Timing	<ul style="list-style-type: none">▪ Korea likely to close first in 2022▪ Other countries expected to close as approvals are received in 2022

Compelling Strategic Rationale

Market Leading Franchise

- Market-leading accident, supplemental health, and life protection products business across Asia - \$3 billion premium revenue
- Primarily A&H: 81% of new business (2021E), 78% of net earned premium (2020A)
- #1 direct marketing A&H insurer in Korea with leading profitability (21% statutory ROE in 2020)

Accelerates Key Chubb Strategic Objectives

- Further balances Asia's share of Chubb's global portfolio – from approx. \$4 billion to \$7 billion in premium, representing approx. 20% of Chubb total (ex China)
- Further builds leadership in global A&H, with premium growing from approx. \$3.7 billion to \$6.1 billion
 - Asia A&H business approx. \$1.0 billion to \$3.4 billion
- Nearly all Cigna business is written on life licenses, expanding the scale of our rapidly growing Asia life business, with premium to increase from approx. \$1 billion to \$4 billion

Scarcity Value

- Unique strategic fit (A&H, pan-Asia, direct channel, digital and agency); only existing business of its size and highly complementary to our own business

Chubb Knows Business and Markets Well, Brings New Capabilities

- We know the business well – predominantly risk-based product portfolio, complements and scales Chubb's existing operations across the region
 - Attractive product profile providing supplemental A&H, similar to Chubb's own products: personal accident, accidental death, critical illness, hospitalization, travel, dental, dementia, cancer and other specified conditions
- Adds significant presence and capabilities to our own:
 - Management and technical talent
 - Accelerate digitalization: life and non-life, whole company approach, unique for Asia
 - Leader in direct and telemarketing channels, complemented by long-term distribution partnerships
 - Opportunity to provide Chubb non-life consumer products to existing Cigna customers

Growth and Value Creation Opportunity

- Korea: Flagship market, with aging population and affordability gap in public safety net driving increased penetration of A&H products (cancer, dementia, etc.)
- Taiwan, Thailand, Hong Kong, Indonesia: Chubb will be better able to capitalize on market/product opportunity
- Digital: Opportunity across the region is growing and suitable for whole of company, consumer P&C, A&H, simple life

Attractive Financial Returns

Attractive Purchase Price and Returns

- \$5.75 billion purchase price, ~9.5x 2022E P/E (stand-alone, before PGAAP adjustments), for predominantly A&H business with stable, attractive returns; includes ~\$300 million of estimated excess capital embedded in the businesses
- Purchase price supports attractive financial returns, with low premium-to-embedded value
- Creates expense efficiencies of \$80+ million; improves operating leverage and scale to invest
- Estimated one-time integration costs of ~\$100 million

Strong Cash Generation

- Underlying economics and value creation are very attractive
 - Strong, steady cash generator with high dividend payout capacity (~70% of operating income)
 - Significant in-force book of business with substantial pipeline profits; expected to generate a predictable stream of future earnings and future distributable capital

Attractive Deal ROE

- For illustrative purposes we expect core operating income of approximately \$450 million¹ in 2022 (assumes hypothetical closing on 1/1/22 and purchase accounting adjustments), producing an attractive deal ROE, steadily improving over 5 years (11% going to 14%)

Accretion to Chubb

- Accretive to operating earnings per share and operating ROE vs. Street estimates
 - Expected to close in 2022
 - EPS accretive: + 6% 2023
 - ROE accretive: + ~55bps 2023
 - TBVPS dilution expected to earn back within ~6 months

Enhances Chubb Returns Profile

- Stable earnings, not P&C cycle exposed
- Strong expected return on investment: 3-year ROI of 15%, IRR of ~20%
- Financed from cash on hand, with no impact to previously stated share repurchases objectives; Chubb may ultimately issue up to \$1.1 billion of senior notes

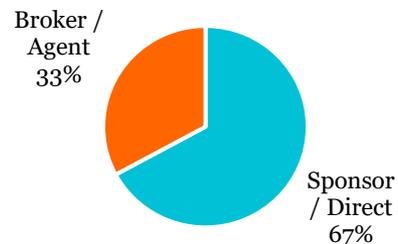
¹ Non-GAAP financial measure. Projected core operating income excludes from projected net income the after-tax estimated impact of mark to market gains on acquired private equity portfolio, integration related expenses, and amortization expense of fair value adjustments of acquired invested assets totaling approximately \$50M. We believe this presentation enhances the understanding of our projected underlying results related to this acquisition without the impact of market volatility and nonrecurring integration related expenses.

Business Overview

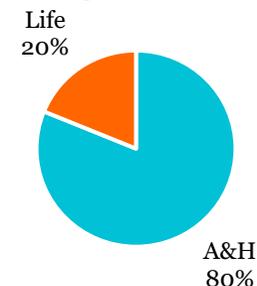
- Total business: \$3 billion of premium
- Provides a full range of supplemental products: medical, health, accident and life benefits predominately to individuals
- Distribution: direct marketing focused, complemented by broker and bancassurance in select markets

New Business

By Channel



By Product



Turkey

- 51% joint venture and exclusive distribution with leading Turkish bank – Finansbank



Hong Kong

- Primarily sponsor/direct A&H



Korea: \$2.1 billion premium

- #1 Direct marketing life insurer in Korea
- Mix of sponsor/direct and face-to-face sales, focus on A&H with some life



Taiwan

- Primarily sponsor/direct A&H



Thailand

- Primarily sponsor/direct A&H



New Zealand

- Primarily bancassurance with long-term strategic alliance with #1 bank – ANZ; mix of A&H and life

Indonesia

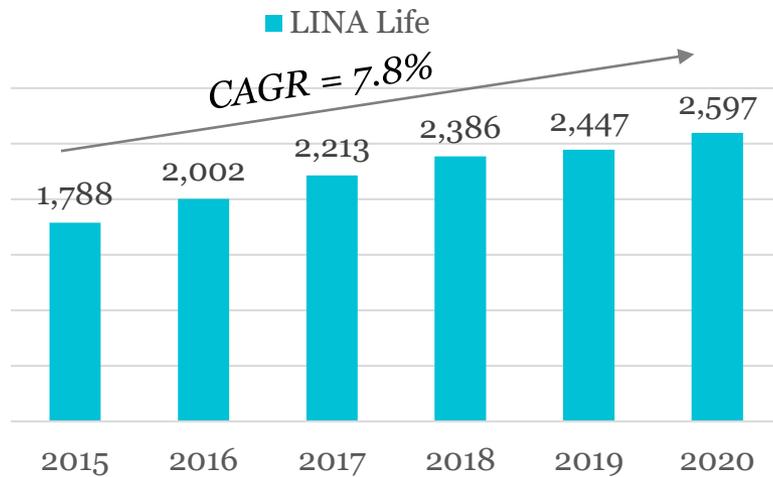
- Primarily sponsor/direct with mix of A&H and life



Focus on Korea

- Growth and superior returns in Korea vs. industry
- Life Insurance Company of North America (LINA) is leading brand in market

Revenue (B KRW)



Statutory ROE vs industry

