CHUBB CORP
Form 424B3
May 15, 2006

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-104310

REMARKETING PROSPECTUS SUPPLEMENT
(To Prospectus dated June 18, 2003 and Prospectus Supplement dated June 18, 2003)

The Chubb Corporation

$460,000,000

5.472% Senior Notes due 2008

On June 24, 2003, we issued $460,000,000 aggregate principal amount of 2.25% senior notes due 2008, referred to in this remarketing prospectus supplement as the senior notes, in connection with our issuance of 18,400,000 Equity Units. The senior notes were issued as a component of the Equity Units, each of which initially consisted of (1) a purchase contract obligating its holder to purchase from us no later than August 16, 2006, at a purchase price of $25, a number of shares of our common stock and (2) a senior note in the principal amount of $25, together called a Corporate Unit. This remarketing prospectus supplement relates to a remarketing of $460,000,000 aggregate principal amount of those senior notes on behalf of the Corporate Unit holders.

The senior notes will mature on August 16, 2008. The interest rate on the senior notes will be reset to 5.472% per annum, effective on and after May 16, 2006. Interest on the senior notes is payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year. The first interest payment on the senior notes following the remarketing will be made on August 16, 2006.

We will not receive any proceeds from the remarketing of the senior notes.

The senior notes are senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness. The senior notes will not be listed on any national securities exchange.

Investing in the senior notes involves risks. See Risk Factors beginning on page R-6 of this remarketing prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this remarketing prospectus supplement or the accompanying prospectus supplement and related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Remarketed offering price(1)	99.8712 %	$459,407,520.00
Remarketing fee to remarketing agents(2)	0.2484 %	$1,142,800.52
Net proceeds to participating holders(3)	99.6228 %	$458,264,719.48

(1) Plus accrued interest from May 16, 2006 if settlement occurs after that date.

(2) Equals 0.25% of the treasury portfolio purchase price.

(3) We will not receive any proceeds from the remarketing. See Use of Proceeds in this remarketing prospectus supplement.

The remarketing agents expect the senior notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about May 16, 2006.

Joint Lead Remarketing Agents

Citigroup **Goldman, Sachs & Co.**

Deutsche Bank Securities **Merrill Lynch & Co.**

May 11, 2006

This document is in three parts. The first part is this remarketing prospectus supplement, which describes the specific terms of this remarketing of the senior notes and also adds to and updates information contained in the accompanying prospectus supplement and prospectus and the documents incorporated by reference in this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus. The second and third parts are the accompanying prospectus supplement and prospectus, respectively, which give more general information, some of which does not apply to the senior notes. While the information contained in the remarketing prospectus supplement should be read together with the information contained in the accompanying prospectus supplement and prospectus, if the description of the remarketing varies between this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus, you should rely on the information in this remarketing prospectus supplement. You should carefully read this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus, as well as the documents they incorporate by reference, before making an investment decision. Unless we state otherwise or the context otherwise requires, references appearing in this remarketing prospectus supplement to Chubb, we, us and our should be read to refer t The Chubb Corporation.

You should rely only on the information contained or incorporated by reference in this remarketing prospectus supplement and in the accompanying prospectus supplement and prospectus. Neither we nor the remarketing agents have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the remarketing agents are making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this remarketing prospectus supplement and the accompanying prospectus supplement and prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

TABLE OF CONTENTS

Remarketing Prospectus Supplement

Prospectus Supplement

Prospectus

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995 (PSLRA). These forward-looking statements are made pursuant to the safe harbor provisions of the PSLRA and include our loss reserve estimates and reinsurance recoverables, including our estimated gross and net losses from Hurricane Katrina; reinsurance pricing; commercial insurance rates; the impact of regulatory investigations and developments on our business; continuation of our financial strength and credit ratings; our estimated CFS credit derivatives exposure; and the possible recognition of additional impairment losses if real estate is not sold or does not perform as contemplated and the effect thereof on our results of operations. Forward-looking statements are made based upon management s current expectations and beliefs concerning trends and future developments and their potential effects on us. These statements are not guarantees of future performance. Actual results may differ materially from those suggested by forward-looking statements as a result of risks and uncertainties, which include, among others, those discussed or identified from time to time in our public filings with the Securities and Exchange Commission and those associated with:

- global political conditions and the occurrence of terrorist attacks, including any nuclear, biological, chemical or radiological events;
- the effects of the outbreak or escalation of war or hostilities;
- premium pricing and profitability or growth estimates overall or by lines of business or geographic area, and related expectations with respect to the timing and terms of any required regulatory approvals;
- adverse changes in loss cost trends;
- the ability to retain existing business;
- our expectations with respect to cash flow projections and investment income and with respect to other income;
- the adequacy of loss reserves, including:
- our expectations relating to reinsurance recoverables;
- the willingness of parties, including us, to settle disputes;
- developments in judicial decisions or regulatory or legislative actions relating to coverage and liability, in particular for asbestos, toxic waste and other mass tort claims;
- development of new theories of liability;
- our estimates relating to ultimate asbestos liabilities;
- the impact from the bankruptcy protection sought by various asbestos producers and other related businesses;
- the effects of proposed asbestos liability legislation, including the impact of claims patterns arising from the possibility of legislation and those that may arise if legislation is not passed;
- the availability and cost of reinsurance coverage;
- the occurrence of significant weather-related or other natural or human-made disasters, particularly in locations where we have concentrations of risk;

R-1

- the impact of economic factors on companies on whose behalf we have issued surety bonds, and in particular, on those companies that have filed for bankruptcy or otherwise experienced deterioration in creditworthiness;

- the effects of disclosures by, and investigations of, public companies relating to possible accounting irregularities, practices in the financial services industry and other corporate governance issues, including:

- the effects on the capital markets and the markets for directors and officers and errors and omissions insurance;

- claims and litigation arising out of actual or alleged accounting or other corporate malfeasance by other companies;

- claims and litigation arising out of practices in the financial services industry;

- legislative or regulatory proposals or changes;

- the effects of investigations into market practices, in particular contingent commissions and loss mitigation and finite reinsurance arrangements, in the U.S. property and casualty insurance industry together with any legal or regulatory proceedings, related settlements and industry reform or other changes with respect to contingent commissions or otherwise arising therefrom;

- the impact of legislative and regulatory developments on our business, including those relating to terrorism and large-scale catastrophes;

- any downgrade in our claims-paying, financial strength or other credit ratings;

- the ability of our subsidiaries to pay us dividends;

- general economic and market conditions including:

- changes in interest rates, market credit spreads and the performance of the financial markets;

- the effects of inflation;

- changes in domestic and foreign laws, regulations and taxes;

- changes in competition and pricing environments;

- regional or general changes in asset valuations;

- the inability to reinsure certain risks economically;

- changes in the litigation environment; and

- our ability to implement management s strategic plans and initiatives.

We assume no obligation to update any forward looking information set forth in this remarketing prospectus supplement, the accompanying prospectus supplement and the prospectus and the documents incorporated by reference herein and therein, which speak as of the date hereof and thereof, respectively, except as required by federal securities laws.

R-2

SUMMARY INFORMATION

The Chubb Corporation

The Chubb Corporation was incorporated as a business corporation under the laws of the State of New Jersey in June 1967. Chubb is a holding company for a family of property and casualty insurance companies known informally as the Chubb Group of Insurance Companies and referred to in this remarketing prospectus supplement as the Chubb Group. Since 1882, the Chubb Group has provided property and casualty insurance to businesses and individuals around the world. According to A.M. Best, the Chubb Group is the 10th largest U.S. property and casualty insurance group based on 2004 net written premiums. At March 31, 2006, we had total assets of approximately $47.7 billion and shareholders equity of approximately $12.6 billion. Together with our subsidiaries, we employed approximately 10,800 persons worldwide on December 31, 2005. The Chubb Group provides insurance coverage principally in the United States, Canada, Europe, Australia, and parts of Latin America and Asia.

The Chubb Group is divided into three strategic business units:

- commercial;
- specialty; and
- personal.

Chubb Commercial Insurance offers a full range of commercial customer insurance products, including coverage for multiple peril, casualty, workers compensation and property and marine. Chubb Commercial Insurance is known for writing niche business, where its expertise can add value for our agents, brokers and policyholders. Chubb Specialty Insurance offers a wide variety of specialized professional liability products for privately and publicly owned companies, financial institutions, professional firms and health care organizations. Chubb Specialty Insurance also includes our surety business. Chubb Personal Insurance offers products for individuals with fine homes and possessions who require more coverage choices and higher limits than standard insurance policies. Chubb Personal Insurance also includes our accident business.

Our reinsurance assumed business, which we also operate as a separate business unit, is effectively in run-off following the sale in December 2005 of our continuing reinsurance assumed business and certain related assets, including renewal rights, to a new Bermuda-based reinsurance company called Harbor Point Limited. We retained the reinsurance liabilities relating to reinsurance contracts incepting prior to December 31, 2005 and the related assets. Other than pursuant to certain arrangements entered into with Harbor Point, we generally will no longer engage directly in the reinsurance assumed business. However, Harbor Point will have the right for a transition period of up to two years to underwrite specific reinsurance business on our behalf. We will retain a portion of any such business and will cede the balance to Harbor Point in return for a fronting commission.

Our principal executive offices are located at 15 Mountain View Road, Warren, New Jersey 07059, and our telephone number is (908) 903-2000.

The Remarketing

Issuer	The Chubb Corporation, a New Jersey corporation.
Securities Remarketed	$460,000,000 aggregate principal amount of senior notes on behalf of holders of Corporate Units.
Maturity	The senior notes will mature on August 16, 2008.
Interest Rate	The interest rate on the senior notes will be reset to 5.472% per annum effective on and after May 16, 2006.
Interest Payment Dates	Interest on the senior notes is payable quarterly in arrears on February 16, May 16, August 16 and November 16 of each year. The first interest payment on the senior notes following this remarketing will be made on August 16, 2006.
Ranking	The senior notes are senior unsecured obligations and rank equally with all of our other unsecured and unsubordinated indebtedness.
The Remarketing	The senior notes were issued by us as a component of the Equity Units we issued and sold to the public on June 24, 2003. Each Equity Unit initially consisted of (1) a purchase contract obligating its holder to purchase shares of our common stock from us no later than August 16, 2006 for $25 (a purchase contract) and (2) a senior note having a principal amount equal to $25, together called a Corporate Unit. In order to secure their obligations under the purchase contract, holders of the Corporate Units pledged their senior notes to us through a collateral agent. Pursuant to the terms of the Equity Units, the remarketing agents are remarketing the senior notes on behalf of the current holders of Corporate Units in accordance with the remarketing agreement among us, the remarketing agents and JPMorgan Trust Company, N.A., as purchase contract agent and attorney-in-fact for holders of purchase contracts. See Remarketing in this remarketing prospectus supplement. The terms of the Equity Units and senior notes require the remarketing agents to use their reasonable efforts to remarket the senior notes at a price of approximately (but not less than) 100.50% of the treasury portfolio purchase price, as defined in this remarketing prospectus supplement. The remarketing agents reset the interest rate on the senior notes to 5.472% per annum, effective on and after May 16, 2006.

Use of Proceeds	The proceeds from the remarketing of the senior notes will be $459,407,520, before deduction of the remarketing agents fee. We will not receive any proceeds from the remarketing. Instead, the proceeds from the remarketing will be used to purchase the treasury portfolio described in this remarketing prospectus supplement, which treasury portfolio will then be pledged to secure the obligations of the holders of Corporate Units. Proceeds remaining after the purchase of the treasury portfolio will be paid to the remarketing agents as the remarketing agents fee, provided that the amount payable to the remarketing agent will not exceed 0.25% of the treasury portfolio purchase price. Any proceeds remaining after payment of the foregoing amounts will be remitted for the benefit of corporate unit holders. See Use of Proceeds in this remarketing prospectus supplement.
U.S. Federal Income Taxation	We have treated and will continue to treat the senior notes for U.S. federal income tax purposes as indebtedness that is subject to the Treasury regulations governing contingent payment debt instruments. These regulations are complex and, in some respects, uncertain in application. Generally, assuming that you report your income in a manner consistent with the method described in this remarketing prospectus supplement, the amount of income that you will recognize in respect of the senior notes should correspond to the economic accrual of income on the senior notes to you and the amount of income you would have recognized if the senior notes were not subject to the contingent payment debt regulations. However, no assurance can be given that the Internal Revenue Service, referred to throughout this remarketing prospectus supplement as the IRS, will agree with our position. For a detailed discussion, see Certain United States Federal Income Tax Considerations in this remarketing prospectus supplement.
Listing	The senior notes will not be listed on any national securities exchange.

RISK FACTORS

Investing in the senior notes involves risks, including the risks described below that are specific to us, our business and the senior notes. Risks related to the senior notes are set forth below. Risks pertaining to our business are incorporated by reference to sections entitled Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006. See Where You Can Find More Information in this remarketing prospectus supplement. You should not purchase senior notes unless you understand these investment risks. Although we have tried to discuss key risk factors, please be aware that other risks may prove to be important in the future. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Before purchasing any senior notes, you should carefully consider the discussion of risks below and contained in the reports referred to above, the factors listed under the heading Forward-Looking Statements, and the other information contained or incorporated by reference in this remarketing prospectus supplement and in the accompanying prospectus supplement and prospectus.

The secondary market for the senior notes may be illiquid.

The senior notes are not listed on any national securities exchange and have no established trading market. The remarketing agents have advised us that they intend to make a market in the senior notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. We cannot predict how the senior notes will trade in the secondary market or whether the market will be liquid or illiquid. There can be no assurance as to the liquidity of any market that may develop for the senior notes, your ability to sell these securities or whether a trading market, if it develops, will continue.

Even if a trading market for the senior notes does develop, you may not be able to sell your senior notes at a particular time, if at all, or you may not be able to obtain the price you desire for your senior notes. If the senior notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on many factors including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the senior notes, the price of any other securities we issue, the performance prospects and financial condition of our company as well as of other companies in our industry.

The senior notes are subject to the rules governing contingent payment debt instruments.

The senior notes are subject to the contingent payment debt rules. As a result, all holders of the senior notes, regardless of whether such holders use a cash or accrual method of accounting, will be subject to the accrual method of accounting with respect to the senior notes.

Although you may have purchased a senior note for an amount that differs from the adjusted issue price of the senior note at the time of purchase, you will be required to accrue original issue discount on the senior note in accordance with the comparable yield (as defined in this remarketing prospectus supplement) even if market conditions have changed since the date of issuance. However, you will be required to adjust the amount of your original issue discount accrual to take this difference into account.

The trading price of the senior notes may not fully reflect the value of their accrued but unpaid interest.

The senior notes may trade at a price that does not fully reflect the value of their accrued but unpaid interest. If you dispose of your senior notes between record dates for interest payments, you will be required to include in gross income the daily portions of original issue discount through the date of disposition in income as ordinary income, and to add this amount to your adjusted tax basis in the senior notes disposed of. To the extent the selling price is less than your adjusted tax basis, you will recognize a loss.

USE OF PROCEEDS

We are remarketing $460,000,000 aggregate principal amount of senior notes to investors on behalf of holders of Corporate Units.

We will not directly receive any cash proceeds from the remarketing of the senior notes. Instead, the proceeds of the remarketing will be used as follows:

- $457,120,209.84 of the proceeds (which is equal to the treasury portfolio purchase price, described below) will be used to purchase the treasury portfolio (described below), that will then be pledged to The Bank of New York, as collateral agent, to secure the Corporate Unit holders obligation to purchase our common stock under the purchase contracts on August 16, 2006;

- $1,142,800.52 of the proceeds, which equals an amount not to exceed 25 basis points (0.25%) of the treasury portfolio purchase price, will be deducted and retained by the remarketing agents as a remarketing fee; and

- $1,144,509.64 (or $0.062201 per Corporate Unit) from the remarketing of senior notes remaining after deducting the treasury portfolio purchase price and the remarketing fee will be remitted to JPMorgan Trust Company, N.A., as the purchase contract agent, for payment to the holders of the Corporate Units as of 5 p.m., New York City time, on May 10, 2006.

The treasury portfolio consists of:

- U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to August 15, 2006 in an aggregate amount at maturity equal to the aggregate principal amount of the senior notes and

- with respect to the scheduled interest payment date of the senior notes that occurs on August 16, 2006, U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to August 15, 2006 in an aggregate amount at maturity equal to the aggregate interest payment, assuming an interest rate of 2.25%, that would be due on August 16, 2006 on the aggregate principal amount of the senior notes.

The treasury portfolio purchase price is the price paid on the date of this remarketing prospectus supplement to purchase the treasury portfolio described above for settlement on May 16, 2006.

RATIO OF CONSOLIDATED EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of consolidated earnings to fixed charges for each of the years in the five year period ended December 31, 2005 and for the three month period ended March 31, 2006:

	For the Three Months Ended March 31,	For the Year Ended December 31,				
	2006	2005	2004	2003	2002	2001
Ratio of Consolidated Earnings to Fixed Charges	24.15	15.28	12.36	6.25		