

CHUBB CORP
Form 424B2
March 26, 2007

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-141561

This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but it is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 26, 2007

**PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus Dated March 26, 2007)**

\$

The Chubb Corporation

% Directly-Issued Subordinated Capital Securities (DISCSsm) due 2067

The % Directly-Issued Subordinated Capital Securities (DISCSsm) due 2067, which are referred to in this prospectus supplement as the Debentures, are unsecured, subordinated debentures, and will bear interest from the date they are issued to but excluding _____, 2017 at an annual rate of %, payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2007. From and including _____, 2017, the Debentures will bear interest at an annual rate equal to three-month LIBOR plus %, payable quarterly in arrears on _____, _____, _____, and _____ of each year, beginning on _____, 2017. So long as no event of default with respect to the Debentures has occurred and is continuing, we have the right, on one or more occasions, to defer the payment of interest on the Debentures as described in this prospectus supplement. We will not be required to settle deferred interest pursuant to the alternative payment mechanism described in this prospectus supplement until we have deferred interest for five consecutive years or, if earlier, upon a payment of current interest during a deferral period. We may defer interest for up to ten consecutive years without giving rise to an event of default. Deferred interest will accumulate additional interest at an annual rate equal to the annual interest rate then applicable to the Debentures. In the event of our bankruptcy, holders of the Debentures may have a limited claim for any outstanding deferred interest.

The principal amount of the Debentures will become due on _____, 2037 (or if such day is not a business day, the following business day), which is referred to in this prospectus supplement as the scheduled maturity date, only to the extent that we have received sufficient net proceeds from the sale of certain qualifying capital securities during a 180-day period ending on a notice date not more than 15 nor less than 10 business days prior to such date. We will use our commercially reasonable efforts, subject to certain market disruption events, to sell enough qualifying capital securities to permit repayment of the Debentures in full on such scheduled maturity date. If any principal amount of the Debentures is not paid on the scheduled maturity date, it will remain outstanding and will continue to bear interest at three-month LIBOR plus %, and we will continue to use our commercially reasonable efforts to sell enough qualifying capital securities to permit repayment of the Debentures in full. On _____, 2067, which is referred to in this prospectus supplement as the final maturity date (or if such day is not a business day, the following business day), we must pay any remaining outstanding principal and interest in full on the Debentures whether or not we have sold qualifying capital securities.

We may redeem the Debentures in whole or in part at our option, or in whole but not in part after the occurrence of certain tax or rating agency events, at the applicable redemption price set forth in this prospectus supplement.

Investing in the Debentures involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and the Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2006 incorporated by reference in this prospectus supplement.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to The Chubb Corporation
Per Debenture	%(1)	%	%
Total	\$ (1)	\$	\$

(1) Plus interest accrued on the Debentures, if any, from , 2007.

The underwriters expect to deliver the Debentures in book-entry form only through The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, Luxembourg and/or Euroclear Bank N.V./S.A., on or about , 2007.

Joint Book-Running Managers

Citigroup
*Sole Structuring
Advisor*

Credit Suisse

Lehman Brothers

Goldman, Sachs & Co.

DISCSsm is a service mark of Citigroup Global Markets Inc. Citigroup Global Markets Inc. has applied for patent protection for certain aspects of the DISCSsm structure described in this prospectus supplement.

, 2007

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the heading "Where You Can Find More Information" on page 37 of the accompanying prospectus.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in the accompanying prospectus, this prospectus supplement and any related free writing prospectus issued by us. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference or referred to in this prospectus supplement or the accompanying prospectus which are made available to the public and in any related free writing prospectus issued by us. We have not, and the underwriters have not, 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.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in the accompanying prospectus, this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement and may not contain all of the information that is important to you. We encourage you to read this prospectus supplement and the accompanying prospectus, together with the documents identified under the heading "Where You Can Find More Information" on page 37 of the accompanying prospectus, in their entirety. You should pay special attention to the "Risk Factors" section of this prospectus supplement and the "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2006. Unless otherwise mentioned, all references in this prospectus supplement to Chubb, we, us, and our or similar references mean The Chubb Corporation.

The Chubb Corporation

The Chubb Corporation was incorporated as a business corporation under the laws of the State of New Jersey in June 1967. The Chubb Corporation 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 prospectus supplement and the accompanying prospectus as the P&C Group. Since 1882, the P&C Group has provided property and casualty insurance to businesses and individuals around the world. According to A.M. Best, the P&C Group is the 11th largest U.S. property and casualty insurance group based on 2005 net written premiums.

At December 31, 2006, Chubb and its subsidiaries had total assets of \$50 billion and shareholders' equity of \$14 billion. Together with our subsidiaries, we employed approximately 10,800 persons worldwide on December 31, 2006. The P&C Group provides insurance coverage principally in the United States, Canada, Europe, Australia, and parts of Latin America and Asia.

The P&C 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 our 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 healthcare 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.

In December 2005, we transferred our ongoing reinsurance assumed business to Harbor Point Limited. Other than pursuant to certain arrangements entered into with Harbor Point, the P&C Group generally no longer engages directly in the reinsurance assumed business. Harbor Point has the right for a transition period of up to two years to underwrite specific reinsurance business on the P&C Group's behalf. The P&C Group retains a portion of any such business and cedes the balance to Harbor Point.

Our principal executive offices are located at 15 Mountain View Road, Warren, New Jersey 07061-1615, and our telephone number is (908) 903-2000.

The Debentures

Repayment of Principal

The principal amount of the Debentures, together with accrued and unpaid interest, will become due on _____, 2037 (or if that date is not a business day, the next business day) which is referred to in this prospectus supplement as the scheduled maturity date, subject to the limitations described below.

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We are required to use our commercially reasonable efforts, subject to a market disruption event, as described under Description of the Debentures Repayment of Principal, to raise sufficient net proceeds from the issuance of qualifying capital securities (as defined in Description of the Replacement Capital Covenant) in a 180-day period ending on a notice date not more than 15 and not less than 10 business days prior to the scheduled maturity date to permit repayment of the Debentures in full on the scheduled maturity date. If we have not raised sufficient net proceeds to permit repayment in full of the Debentures on the scheduled maturity date, we will apply any available proceeds to repay the Debentures, and the unpaid portion will remain outstanding and will continue to bear interest at three-month LIBOR plus %, payable quarterly (as described in Interest), until repaid. We will use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient proceeds from the sale of qualifying capital securities to permit repayment of the Debentures on the following quarterly interest payment date, and on each quarterly interest payment date thereafter, until the Debentures are paid in full.

Any unpaid principal amount of the Debentures, together with accrued and unpaid interest, will be due and payable on , 2067, which is referred to in this prospectus supplement as the final maturity date, or upon acceleration following an event of default, regardless of the amount of qualifying capital securities we have issued and sold by that time.

Although under the replacement capital covenant (described in Description of the Replacement Capital Covenant) we are permitted to repay the Debentures using the net cash proceeds from certain issuances of common stock, qualifying warrants, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity and qualifying capital securities, we have no obligation to issue any securities other than qualifying capital securities or to use the proceeds of the issuance of any other securities to repay the Debentures on the scheduled maturity date or at any time thereafter.

Interest

From , 2007 to but excluding , 2017, or earlier redemption date, the Debentures will bear interest at the annual rate of %. Chubb will pay that interest semi-annually in arrears on and of each year, beginning on , 2007, subject to our rights and obligations described in Description of the Debentures Option to Defer Interest Payments and Description of the Debentures Alternative Payment Mechanism. From and including , 2017, the Debentures will bear interest at an annual rate equal to three-month LIBOR plus % payable quarterly in arrears on , , and of each year, beginning on , 2017, subject to our rights and obligations described in Description of the Debentures Option to Defer Interest Payments and Description of the Debentures Alternative Payment Mechanism.

So long as no event of default with respect to the Debentures has occurred and is continuing, we have the right on one or more occasions to defer the payment of interest on the Debentures as described in Description of the Debentures Option to Defer Interest Payments. We will not be required to settle deferred interest pursuant to the alternative payment mechanism described in Description of the Debentures Alternative Payment Mechanism until we have deferred interest for five consecutive years or, if earlier, upon a payment of current interest during a deferral period. We may defer interest for up to ten consecutive years without giving rise to an event of default. Deferred interest will accumulate additional interest at an annual rate equal to the annual interest rate then applicable to the Debentures. In the event of our bankruptcy, holders of the Debentures may have a limited claim for any outstanding deferred interest.

If we elect to defer interest payments, we will not be permitted to pay deferred interest on the Debentures (including compounded interest thereon) during the deferral period from any source other than the net proceeds from the issuance of APM qualifying securities, which consist of our common stock, qualifying preferred stock, qualifying warrants and

mandatorily convertible preferred stock, as described in Description of the Debentures Alternative Payment Mechanism.

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Subordination

The Debentures will be unsecured, subordinated and junior in right of payment to all of our existing and future senior indebtedness, but will rank equally in right of payment upon liquidation, dissolution or winding up with debt that by its terms does not rank senior upon our liquidation, dissolution or winding up to the Debentures and with our trade creditors, and will be effectively subordinated to all liabilities of our subsidiaries. Substantially all of our existing indebtedness is senior to the Debentures. See Description of the Debentures Subordination for the definition of senior indebtedness.

The terms of the Debentures permit us to make any payment of principal, or current or deferred interest, on our indebtedness that ranks on a parity with the Debentures upon our liquidation, dissolution or winding up, which are referred to in this prospectus supplement as *pari passu* securities, that is made *pro rata* to the amounts due on such *pari passu* securities (including the Debentures), *provided* that payments of deferred interest are made in accordance with the last paragraph under Description of the Debentures Alternative Payment Mechanism to the extent it applies, and permit us to make any payments of deferred interest on *pari passu* securities that, if not made, would cause us to breach the terms of the instrument governing such *pari passu* securities.

Certain Payment Restrictions Applicable to Chubb

At any time when we have given notice of our election to defer interest payments on the Debentures but the related deferral period has not yet commenced or a deferral period is continuing, we generally may not make payments on or redeem or purchase any shares of our capital stock or any of our debt securities or guarantees that rank upon our liquidation, dissolution or winding up on a parity with or junior to the Debentures, subject to certain limited exceptions. In addition, subject to certain limited exceptions, if any deferral period lasts longer than one year, the restrictions on our ability to redeem or purchase any of our APM qualifying securities or any of our securities that upon our bankruptcy or liquidation rank *pari passu* or junior to such APM qualifying securities will continue until the first anniversary of the date on which all deferred interest has been paid.

Redemption of the Debentures

We may elect to redeem the Debentures in whole or in part at any time, subject to the redemption prices described below. In addition, the Debentures are redeemable, in whole but not in part, if certain tax or rating agency events occur, as described in Description of the Debentures Redemption. In the case of any redemption on or after 2017, the redemption price will be equal to 100% of the principal amount of the Debentures being redeemed plus any accrued and unpaid interest. In the case of any redemption before 2017, the redemption price will be equal to the greater of (i) 100% of the principal amount of the Debentures being redeemed and (ii) the applicable make-whole amount, in each case plus any accrued and unpaid interest. For a description of the changes that would permit such a redemption and the applicable make-whole amounts, see Description of the Junior Subordinated Debentures Redemption. Any redemption of the Debentures before 2047 will be subject to the limitations described in Description of the Replacement Capital Covenant.

Events of Default

The following events are events of default with respect to the Debentures:

default in the payment of interest, including compounded interest, in full on any Debentures for a period of 30 days after the conclusion of a 10-year period following the commencement of any deferral period if at such time such deferral period has not ended or on the final maturity date;

default in the payment of principal on the Debentures when due, whether at stated maturity, upon redemption, upon a declaration of acceleration or otherwise, subject to the limitations described in Description of the Debentures Repayment of Principal; or

certain events of bankruptcy, insolvency or receivership of Chubb.

If an event of default under the junior subordinated indenture (as defined in Description of the Debentures) occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding

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Debentures may declare the entire principal amount of, and all accrued but unpaid interest on, all Debentures to be due and payable immediately.

Material United States Federal Income Tax Considerations

There is no statutory, judicial or administrative authority that directly addresses the U.S. federal income tax treatment of securities similar to the Debentures. Based on, among other things, certain assumptions and certain representations made by us, Debevoise & Plimpton LLP, our special tax counsel, will render its opinion generally to the effect that, although the matter is not free from doubt, the Debentures will be treated as indebtedness for U.S. federal income tax purposes. Such opinion is not binding on the Internal Revenue Service, or IRS, or any court and there can be no assurance that the IRS or a court will agree with such opinion. We agree, and by acquiring a Debenture each beneficial owner of a Debenture agrees, to treat the Debentures as indebtedness for U.S. federal income tax purposes. See Material United States Federal Income Tax Considerations.

Form

The Debentures will be represented by one or more global securities registered in the name of Cede & Co., as nominee for The Depository Trust Company, or DTC. Beneficial interests in the Debentures will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global securities through either DTC (in the United States), or Clearstream Luxembourg or Euroclear (in Europe) if they are participants in those systems, or indirectly through organizations which are participants in those systems.

Replacement Capital Covenant

Around the time of the initial issuance of the Debentures, we will enter into a replacement capital covenant in which we will covenant for the benefit of holders of one or more designated series of our indebtedness other than the Debentures (which will initially be our 6.8% debentures due November 15, 2031 (CUSIP: 171232AE1)), that we will not repay, redeem, defease or purchase, and that no subsidiary of ours will purchase, all or any part of the Debentures before , 2047, unless, subject to certain limitations, during the applicable measurement period, as defined in Description of the Replacement Capital Covenant, we have received proceeds from the sale of replacement capital securities (as defined in Description of the Replacement Capital Covenant) in the specified amounts described in Description of the Replacement Capital Covenant.

The replacement capital covenant will terminate upon the occurrence of certain events, including an acceleration of the Debentures due to the occurrence of an event of default. The replacement capital covenant is not intended for the benefit of holders of the Debentures and may not be enforced by them, except that we will agree in the junior subordinated indenture that we will not amend the replacement capital covenant to impose additional restrictions on the type or amount of qualifying capital securities that we may include for purposes of determining whether or to what extent repayment, redemption, defeasance or purchase of the Debentures is permitted, except with the consent of the holders of at least a majority in principal amount of the Debentures.

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RISK FACTORS

Your investment in the Debentures will involve certain risks, including risks that relate to us and our business and specific risks relating to the Debentures that are described below. Risks relating to us and our business are described in, and incorporated by reference from the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2006. See "Where You Can Find More Information" in the accompanying prospectus. In consultation with your own financial and legal advisors, you should carefully consider the information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, and pay special attention to the following discussion of risks relating to the Debenture before deciding whether an investment in the Debentures is suitable for you. The Debentures will not be an appropriate investment for you if you are not knowledgeable about their significant features or financial matters in general. You should not purchase the Debentures unless you understand, and know that you can bear, these investment risks.

Risks Relating to the Debentures

Our obligation to repay the Debentures on the scheduled maturity date is subject to the issuance of qualifying capital securities.

Our obligation to repay the Debentures on the scheduled maturity date of _____, 2037 is limited. We are required to repay the Debentures on the scheduled maturity date only to the extent that we have raised sufficient net proceeds from the issuance of qualifying capital securities (as defined in "Description of the Replacement Capital Covenant") within a 180-day period ending on a notice date not more than 15 or less than 10 business days prior to such date. If we have not raised sufficient net proceeds from the issuance of qualifying capital securities to permit repayment of the Debentures on the scheduled maturity date, we will not be required to repay the unpaid amount until (i) we have raised sufficient net proceeds to permit repayment in full in accordance with this requirement, (ii) we redeem the Debentures, (iii) an event of default occurs or (iv) the final maturity date for the Debentures. Our ability to raise sufficient net proceeds in connection with this obligation to repay the Debentures will depend on, among other things, market conditions at the time the obligation arises, as well as the acceptability to prospective investors of the terms of the securities. Although we have agreed to use our commercially reasonable efforts, subject to a market disruption event, to raise sufficient net proceeds from the issuance of qualifying capital securities during the 180-day period referred to above to repay the Debentures on the scheduled maturity date and on each interest payment date after the scheduled maturity date until the Debentures are repaid in full, our failure to do so would not be an event of default or give rise to a right of acceleration or similar remedy with respect to the Debentures until the final maturity date, and we will be excused from using our commercially reasonable efforts if certain market disruption events occur.

We have the right to defer interest for 10 years without causing an event of default.

We have the right to defer interest on the Debentures for a period of up to 10 consecutive years so long as no event of default with respect to the Debentures has occurred and is continuing. Although we would be subject to the alternative payment mechanism after we have deferred interest for a period of five consecutive years (or such shorter period resulting from our payment of current interest), if we are unable to raise sufficient eligible proceeds (as defined in "Description of the Debentures" "Option to Defer Interest Payments"), we may fail to pay accrued interest on the Debentures for a period of up to 10 consecutive years without causing an event of default with respect to the Debentures. During any such deferral period, holders of Debentures will receive limited or no current payments on the Debentures and, so long as we are otherwise in compliance with our obligations, such holders will have no remedies against us for nonpayment unless we fail to pay all deferred interest (including compounded interest) at the end of the 10-year deferral period, at the final maturity date or at the earlier accelerated maturity date, redemption date or

repayment date of the Debentures.

Our ability to pay deferred interest is limited by the terms of the alternative payment mechanism, and is subject to market disruption events and other factors beyond our control.

If we elect to defer interest payments, we will not be permitted to pay deferred interest on the Debentures (and compounded interest thereon) during the deferral period, which may last up to 10 years, from any source other than the net proceeds from the issuance of APM qualifying securities, as described in Description of the Debentures Alternative Payment Mechanism. Our ability to issue certain APM qualifying securities is limited by a preferred

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stock issuance cap which limits the net proceeds from the issuance of qualifying preferred stock and unconverted mandatorily convertible preferred stock that we may apply to the payment of deferred interest with respect to all deferral periods to 25% of the aggregate principal amount of the Debentures. Our ability to issue certain APM qualifying securities, however, is also limited by a common equity issuance cap, pursuant to which we will not be obligated to issue common stock to the extent the number of shares of common stock previously issued or issuable upon exercise of previously issued qualified warrants during a deferral period would exceed 2% of the total number of issued and outstanding shares of our common stock pursuant to the alternative payment mechanism to pay deferred interest at any time prior to the fifth anniversary of the commencement of the relevant deferral period. Additionally, our ability to sell shares of our common stock, qualifying warrants or mandatorily convertible preferred stock for purposes of paying deferred interest on the Debentures is limited by a share cap under which we will not be permitted to issue such securities to the extent that the number of shares of our common stock to be so issued (or which would be issuable upon exercise or conversion of any such qualifying warrants or mandatorily convertible preferred stock) would exceed million shares of common stock, *provided* that we will be required to use commercially reasonable efforts to increase this share cap or obtain shareholder consent to increase the number of our authorized shares of common stock to satisfy our obligations to pay deferred interest as described in Description of the Debentures Alternative Payment Mechanism. If we have reached the share cap and the preferred stock issuance cap, we may continue to defer interest on the Debentures, and such deferral will not constitute an event of default unless such deferral period exceeds 10 years.

The occurrence of a market disruption event may prevent or delay a sale of APM qualifying securities pursuant to the alternative payment mechanism and, accordingly, the payment of deferred interest on the Debentures. Market disruption events include events and circumstances both within and beyond our control, such as the failure to obtain approval of a regulatory body or governmental authority to issue APM qualifying securities or shareholder consent to increase the shares available for issuance in a sufficient amount, in each case notwithstanding our commercially reasonable efforts. Moreover, we may encounter difficulties in successfully marketing our APM qualifying securities, particularly during times that we are subject to the restrictions on dividends as a result of the deferral of interest. See Description of the Debentures Option to Defer Interest Payments, Alternative Payment Mechanism and Market Disruption Events.

The junior subordinated indenture limits our obligation to raise proceeds from the sale of common stock to pay deferred interest and generally does not obligate us to issue qualifying warrants.

Under the junior subordinated indenture, we will not be obligated to issue common stock in excess of the common equity issuance cap pursuant to the alternative payment mechanism to pay deferred interest at any time prior to the fifth anniversary of the commencement of the relevant deferral period. Once we reach the common equity issuance cap for a deferral period, we will no longer be obligated to sell common stock to pay deferred interest relating to such deferral period, although we will continue to have the right to sell common stock at our election if we have reached the common equity issuance cap. In addition, the sale of qualifying warrants to raise proceeds to pay deferred interest is an option that we have, but we are not obligated to sell qualifying warrants and no party may require us to do so. See Description of the Debentures Alternative Payment Mechanism.

We have the ability under certain circumstances to narrow the definition of replacement capital securities, which may make it more difficult for us to succeed in selling sufficient replacement capital securities to repay the Debentures on the scheduled maturity date.

We may, without the consent of the holders of the Debentures, amend the definition of replacement capital securities for the purposes of the replacement capital covenant to eliminate common stock or mandatorily convertible preferred stock from the definition if, after the issue date, an accounting standard or interpretive guidance of an existing accounting standard issued by an organization or regulator that has responsibility for establishing or interpreting

accounting standards in the United States becomes effective, which, as a result, causes us to believe that there is more than an insubstantial risk that failure to do so would result in a reduction in our earnings per share as calculated for financial reporting purposes. The elimination of common stock or mandatorily convertible preferred stock from the definition of replacement capital securities, together with continued

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application of the preferred stock cap, may make it more difficult for us to succeed in selling sufficient replacement capital securities to repay the Debentures on the scheduled maturity date.

Deferral of interest payments could adversely affect the market price of the Debentures.

We currently do not intend to exercise our right to defer payments of interest on the Debentures. However, if we exercise that right in the future, the market price of the Debentures is likely to be affected. As a result of the existence of our deferral right, the market price of the Debentures may be more volatile than the market prices of other securities that are not subject to optional deferrals. If we do defer interest on the Debentures and you elect to sell Debentures during the period of that deferral, you may not receive the same return on your investment as a holder that continues to hold its Debentures until we pay the deferred interest at the end of the deferral period.

If you waive our covenant to pay deferred interest only with proceeds from the sale of APM qualifying securities, our credit rating may be negatively affected.

The junior subordinated indenture contains a covenant that permits us to pay deferred interest only with net proceeds from the sale of APM qualifying securities, except in limited circumstances. This covenant may be amended, and compliance with this covenant may be waived, solely by the holders of a majority of the outstanding principal amount of Debentures, and no holder of our senior debt will have the right to enforce this covenant. Although, in the short term, you may have an economic incentive to waive this covenant in order to receive deferred interest, if such covenant is waived and we pay deferred interest with funds received from any other source, our credit rating may be negatively affected. A negative effect on our credit rating may have an adverse effect on our business or financial condition, which in turn could have an adverse effect on our ability to pay future interest on the Debentures.

The junior subordinated indenture does not limit the amount of indebtedness for money borrowed we may issue that ranks senior to the Debentures upon our liquidation, dissolution or winding up or in right of payment as to principal or interest.

The Debentures will be subordinate and junior in right of payment upon our liquidation, dissolution or winding up to all of our indebtedness for money borrowed that is not by its terms expressly made *pari passu* with or junior to the Debentures upon liquidation, dissolution or winding up, and will be *pari passu* with trade creditors and other *pari passu* securities.

Pari passu securities means indebtedness that by its terms ranks equally with the Debentures in right of payment and upon liquidation, dissolution or winding up. We may issue or have outstanding *pari passu* securities as to which we are required to make payments of interest that are not made *pro rata* with payments of interest on other *pari passu* securities (including the Debentures) and that, if not made, would cause us to breach the terms of the instrument governing such *pari passu* securities. The terms of the Debentures permit us to make any payment of principal, or current or deferred interest on *pari passu* securities that is made *pro rata* to the amounts due on such *pari passu* securities (including the Debentures), *provided* that such payments are made in accordance with the last paragraph under Description of the Debentures Alternative Payment Mechanism to the extent it applies, and permit us to make any payments of deferred interest on *pari passu* securities that, if not made, would cause us to breach the terms of the instrument governing such *pari passu* securities.

Our ability to meet our payment obligations on the Debentures will be affected by the ability of our subsidiaries to pay dividends and the Debentures will be effectively subordinated to the obligations of our subsidiaries.

We are a holding company and rely primarily on dividends from our subsidiaries to meet our obligations for payment of interest and principal on our outstanding debt obligations, including the Debentures. The ability of our insurance

subsidiaries to pay dividends to us in the future will depend on their statutory surplus, earnings and regulatory restrictions. We and our insurance subsidiaries are subject to regulation by some states as an insurance holding company system. This regulation generally provides that transactions among companies within the holding company system must be fair and reasonable. Transfers of assets among affiliated companies, certain dividend

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payments from insurance subsidiaries and certain material transactions between companies within the system may require prior notice to, or prior approval by, state regulatory authorities. Our insurance subsidiaries are also subject to licensing and supervision by government regulatory agencies in the jurisdiction in which they do business. These regulations may set standards of solvency that must be met and maintained, the nature of and limitations on investment and the nature of and limitations on dividends to policyholders and shareholders. The inability of our insurance subsidiaries to pay dividends to us in an amount sufficient to meet our debt service obligations and other cash requirements could harm our ability to meet our obligations under the Debentures.

Because we are a holding company, our right to participate in any distribution of the assets of our subsidiaries, upon a subsidiary's liquidation, dissolution, winding up or reorganization or otherwise, and thus our ability to make payments of principal and interest on the Debentures from such distribution, is subject to the prior claims of creditors of any such subsidiary, except to the extent that we may be a creditor of that subsidiary and our claims are recognized. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under our contracts or otherwise to make any funds available to us. Accordingly, the payments on our Debentures effectively will be subordinated to all existing and future liabilities of our subsidiaries.

Our right to repay, redeem, defease or purchase the Debentures is limited by a replacement capital covenant that we are making in favor of certain of our debtholders.

At or around the time of issuance of the Debentures, we will enter into a replacement capital covenant pursuant to which we will covenant that we will not repay, redeem, defease or purchase, and none of our subsidiaries will purchase, all or any part of the Debentures on or before _____, 2047, unless during the applicable measurement period we or our subsidiaries have received sufficient net proceeds from the sale of common stock, qualifying warrants, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity and certain other qualifying capital securities (as described in Description of the Replacement Capital Covenant). Although under the replacement capital covenant, the principal amount of Debentures that we may repay may be based on the net cash proceeds from certain issuances of common stock, qualifying warrants, mandatorily convertible preferred stock, debt exchangeable for common equity, debt exchangeable for preferred equity and qualifying capital securities (as described in Description of the Replacement Capital Covenant), we may modify the replacement capital covenant without your consent to the extent that such modification does not impose additional restrictions on the type or amount of qualifying capital securities that we may include for purposes of determining whether or to what extent repayment, redemption, defeasance or purchase of the Debentures is permitted. In addition, beginning at the scheduled maturity date, we have no obligation to use commercially reasonable efforts to issue any securities other than qualifying capital securities under the replacement capital covenant to repay the Debentures. See Description of the Replacement Capital Covenant.

There can be no assurance that the Internal Revenue Service or a court will agree with the characterization of the Debentures as indebtedness for United States federal income tax purposes.

The Debentures are novel financial instruments, and there is no statutory, judicial or administrative authority that directly addresses the United States federal income tax treatment of securities similar to the Debentures. Thus, no assurance can be given that the Internal Revenue Service or a court will agree with the characterization of the Debentures as indebtedness for United States federal income tax purposes. If, contrary to the opinion of our special tax counsel, the Debentures were recharacterized as our equity, payments on the Debentures to non-United States holders would generally be subject to United States federal withholding tax at a rate of 30% (or such lower applicable income tax treaty rate). See Material United States Federal Income Tax Considerations.

We may redeem the Debentures at any time, including if there is a challenge to their tax characterization or certain other events occur.

We may redeem all or any part of the Debentures at our option at any time or all, but not less than all, of the Debentures if certain changes occur relating to the tax treatment of the Debentures or the rating agency equity credit accorded to the Debentures. The redemption price for the Debentures will be equal to their principal amount, if redeemed on or after [redacted], 2017, and will be equal to the greater of (x) their principal amount and (y) a make-whole price, if redeemed prior to [redacted], 2017, in each case plus accrued and unpaid interest through the date of

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redemption. If the Debentures were redeemed, the redemption would be a taxable event to you. See Description of the Debentures Redemption.

An Internal Revenue Service pronouncement or threatened challenge resulting in a tax event could occur at any time. Similarly, changes in rating agency methodology for assigning equity credit to the Debentures could result in the Debentures being redeemed earlier than would otherwise be the case. See Description of the Debentures Redemption for a further description of those events.

If interest payments on the Debentures are deferred, holders of the Debentures will be required to recognize income for U.S. federal income tax purposes in advance of the receipt of cash attributable to such income.

If we do defer interest payments on the Debentures, the Debentures would be treated as issued with original issue discount, or OID, at the time of such deferral, and all stated interest due after such deferral would be treated as OID. In such case, a United States holder would be required to include such stated interest in income as it accrued, regardless of its regular method of accounting, using a constant yield method, before such holder receives any payment attributable to such income, and would not separately report the actual cash payments of interest on the Debentures as taxable income. See Material United States Federal Income Tax Considerations United States Holder Interest Income and Original Issue Discount.

Claims would be limited upon bankruptcy, insolvency or receivership.

In certain events of our bankruptcy, insolvency or receivership prior to the redemption or repayment of any Debentures, whether voluntary or not, a holder of Debentures will have no claim for, and thus no right to receive, deferred and unpaid interest (including compounded interest thereon) that has not been settled through the application of the alternative payment mechanism to the extent the amount of such interest exceeds two years of accumulated and unpaid interest (including compounded interest thereon) on such holder's Debentures.

As a holder of the Debentures you will have limited rights of acceleration.

An event of default is generally limited to payment defaults after giving effect to our deferral rights, and specific events of bankruptcy, insolvency and reorganization relating to us. The junior subordinated indenture for the Debentures provides that the trustee must give holders notice of all defaults or events of default within 90 days after they become known to the trustee. However, except in the cases of a default or an event of default in payment on the Debentures, the trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders. There is no right of acceleration upon breaches by us of other covenants under the junior subordinated indenture.

The secondary market for the Debentures may be illiquid.

We do not intend to apply to list the Debentures on the New York Stock Exchange or any other securities exchange. We can give you no assurance as to the liquidity of any market that may develop for the Debentures.

Table of Contents**USE OF PROCEEDS**

We expect to receive net proceeds from this offering, after deducting underwriting discounts and commissions and other offering expenses payable by us, of approximately \$. We currently intend to use the net proceeds from this offering to purchase shares of our common stock, subject to market conditions and other business conditions.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2006:

on an actual basis; and

as adjusted to reflect (i) the redemption of \$125 million of 8.675% capital securities on February 1, 2007 and (ii) the sale of the Debentures in this offering, but has not been adjusted to reflect our application of the net proceeds we expect to receive from such sale. See Use of Proceeds.

You should read the information in this table together with our consolidated financial statements and the related notes and with Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2006 which is incorporated by reference in the accompanying prospectus. See Where You Can Find More Information in the accompanying prospectus.

	At December 31, 2006	
	Actual	As Adjusted
	(in millions)	
Debt	\$ 2,466	\$ 2,341
Sale of the Debentures in this offering		
Total Debt	2,466	
Shareholders' Equity	13,863	13,863
Total Capitalization	\$ 16,329	\$

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DESCRIPTION OF THE DEBENTURES

The following is a brief description of the terms of the Debentures and the junior subordinated indenture, as supplemented as described below. It does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the description of certain terms of the Debentures and junior subordinated indenture in the accompanying prospectus and to the Debentures and the junior subordinated indenture referred to below, copies of which are available upon request from us. References to we, us and our in the following description refer only to The Chubb Corporation and not any of its subsidiaries.

The Debentures will be issued pursuant to the junior subordinated indenture, dated as of March , 2007, between us and The Bank of New York Trust Company, N.A., as trustee. We refer to the junior subordinated indenture, as amended and supplemented by a first supplemental indenture, to be dated as of , 2007, as the junior subordinated indenture, and to The Bank of New York Trust Company, N.A. or its successor, as trustee. You should read the junior subordinated indenture for provisions that may be important to you.

When we use the term holder in this prospectus supplement with respect to a registered Debenture, we mean the person in whose name such Debenture is registered in the security register. We expect that the Debentures will be held in book-entry form only, as described in Book-Entry System, and will be held in the name of DTC or its nominee.

The junior subordinated indenture does not limit the amount of debt that we or our subsidiaries may incur under the junior subordinated indenture or under other indentures to which we are or become a party. The Debentures are not convertible into or exchangeable for our common stock or authorized preferred stock.

General

We will initially issue \$ in aggregate principal amount of Debentures. We may, without the consent of holders of the Debentures, increase the principal amount of the Debentures by issuing additional Debentures in the future on the same terms and conditions as the Debentures being offered in this prospectus supplement in all respects, except for any difference in the issue date, issue price and interest accrued prior to the issue date of the additional Debentures, and with the same CUSIP number as the Debentures offered hereby, so long as such additional Debentures are fungible for U.S. federal income tax purposes with the Debentures offered in this prospectus supplement. The Debentures offered in this prospectus supplement and any additional Debentures would rank equally and ratably in right of payment and would be treated as a single series of junior subordinated debt securities for all purposes under the junior subordinated indenture.

The Debentures will be subordinate and junior in right of payment upon our liquidation (whether in bankruptcy or otherwise) to all of our senior indebtedness, as defined in Subordination.

Interest Rate and Interest Payment Dates

Fixed Rate Period

From , 2007 to but excluding , 2017, or earlier redemption date, the Debentures will bear interest at the annual rate of % and we will pay interest semi-annually in arrears on and of each year, beginning on , 2007, subject to our rights and obligations under Option to Defer Interest Payments and Alternative Payment Mechanism below. We refer to these dates as interest payment dates and we refer to the period beginning on and including , 2007 and ending on but excluding the first interest payment date and each successive period

beginning on and including an interest payment date and ending on but excluding the next interest payment date until , 2017 as a fixed rate interest period. Interest payments will be made to the persons or entities in whose names the Debentures are registered at the close of business on or , as the case may be, next preceding the relevant interest payment date. The amount of interest payable for any fixed rate interest period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any interest payment date on or before , 2017 would otherwise fall on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, and no interest will accrue as a result of that postponement.

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Floating Rate Period

The Debentures will bear interest at an annual rate equal to three-month LIBOR, as defined below, plus %, accruing from and including , 2017, computed on the basis of a 360-day year and the actual number of days elapsed. We will pay interest on the Debentures quarterly in arrears on , , and , beginning on , 2017, to the persons or entities in whose names the Debentures are registered at the close of business on the 15th day preceding the relevant interest payment date, subject to our rights and obligations under Option to Defer Interest Payments and

Alternative Payment Mechanism below. References in this prospectus supplement to interest payment dates after , 2017 are to these dates and we refer to the period beginning on and including , 2017 and ending on but excluding the next interest payment date and each successive period beginning on and including an interest payment date and ending on but excluding the next interest payment as a floating rate interest period and together with the fixed rate period, each an interest period. In the event that any interest payment date during a floating rate interest period would otherwise fall on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, except th