The Not So Great Debate: Arbitration vs. Litigation

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Introduction

The so called "casualty crisis" of the 1980's spurred the creation of the Bermuda insurance market as an alternative to the US market, which was unable or unwilling to provide liability capacity for Fortune 500 companies. Some believe the crisis "was largely attributable to decisions made by American judges and juries,"[1] which prompted 34 corporations, along with Marsh & McLennan, to found ACE in 1985 and to select arbitration as the dispute resolution mechanism for Bermuda policy forms. Arbitration clauses remain a pillar of Bermuda insurance products today, not only as a means to avoid US courts and juries, but also as means to maintain freedom from US insurance regulation which would impede the speed and flexibility enjoyed by Bermuda insurers.

Today's large North American Fortune 1000 insureds look very similar to those original founding sponsors of 30-plus years ago. This paper asks the question: does the Bermuda arbitration model continue to accommodate their needs? It will address the question by looking at the wealth of data developed since the founding of the Bermuda market, including law firm surveys, scholarly research, and Chubb Bermuda's own claims data. Through this research, the following conclusions have been drawn:

- Contentious disputes at Chubb Bermuda are extraordinarily rare and the choice of dispute mechanism should be a relatively minor consideration when making insurance buying decisions.

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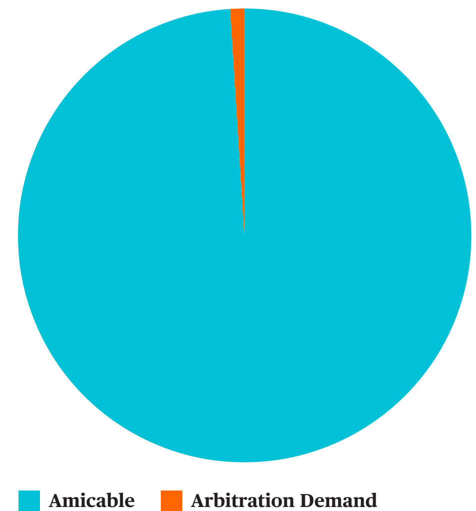
- Data shows there is an overwhelming preference among companies like today's insureds for arbitration/alternative dispute resolution ("ADR") over litigation.
- The Bermuda arbitration/ADR model is a manifestation of a decades-long movement away from US litigation because arbitration is more likely to deliver efficiency and fairness (substantively and procedurally).

Part 1: Contentious Claims Disputes Are Extraordinarily Rare

More than 30 years' of Chubb Bermuda claims data reveals that contentious claims are so extraordinarily rare that the dispute resolution mechanism should be a minor factor, if one at all, when making insurance purchasing decisions. Consider these telling facts about Chubb Bermuda's claims payment history since 1985:

- Over $5.7 billion in claims paid in Chubb Bermuda's core lines of Excess Property, Excess Casualty, Financial Lines and Political Risk
- Over 99% of all claims paid in Chubb Bermuda's history were paid consensually
- Approximately 98% of all claims paid in Chubb Bermuda's four core lines (Excess Property, Excess Casualty, Financial Lines and Political Risk) were paid consensually.
- Of those claims where arbitration has been demanded, most have settled before commencement of an arbitration hearing[2]

Table 1:
Resolution of Chubb Bermuda Claims



The blue field in the pie chart above represents the 99.75% of claims files established by Chubb Bermuda which have been resolved without dispute, whereas the orange field represents 0.25% which have involved an arbitration demand. Most of the disputes within the orange field resolved before commencement of arbitration proceedings.

Part 2: Data Shows an Overwhelming Corporate Preference for Arbitration vs Litigation

In the absence of a dataset where companies publicly disclose litigation outcomes versus alternative dispute resolution ("ADR") outcomes of similarly situated disputes, the most effective research method in this area appears to be survey-based studies. For this paper, the most revealing are the academic and law firm surveys directed at senior legal officers of large corporations asking: "which do you prefer litigation or ADR/ arbitration and why?" According to four separate studies, collectively representing over 1,700 respondents of large North American corporations like those insured in the Bermuda market, the answer is a resounding vote for arbitration.

Table 2: Most Worrisome Kinds of Disputes
Sources: '14, '15, '16 Norton Rose

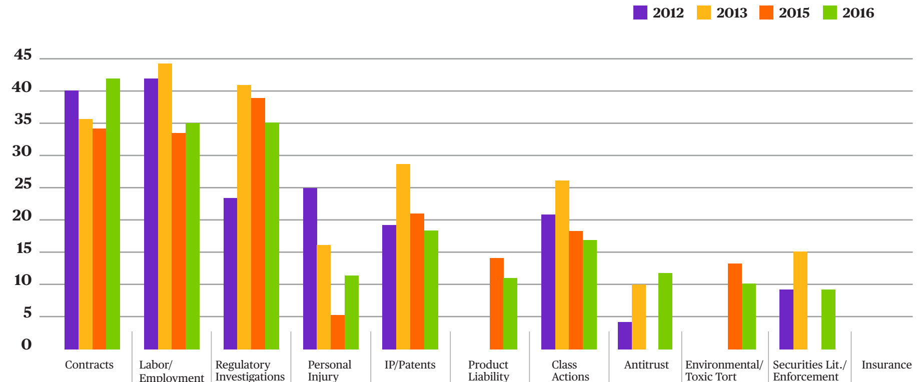


Table 2 above shows results of three surveys of the senior legal officer respondents for large North American corporations asked to identify the most worrisome kinds of disputes.[3] The absence of "insurance" among the most worrisome kinds of disputes is, perhaps, not surprising considering how rare insurance disputes can be, at least with Chubb Bermuda.

Table 3: Preferred Dispute Resolution Method: ADR/Arbitration vs. Litigation

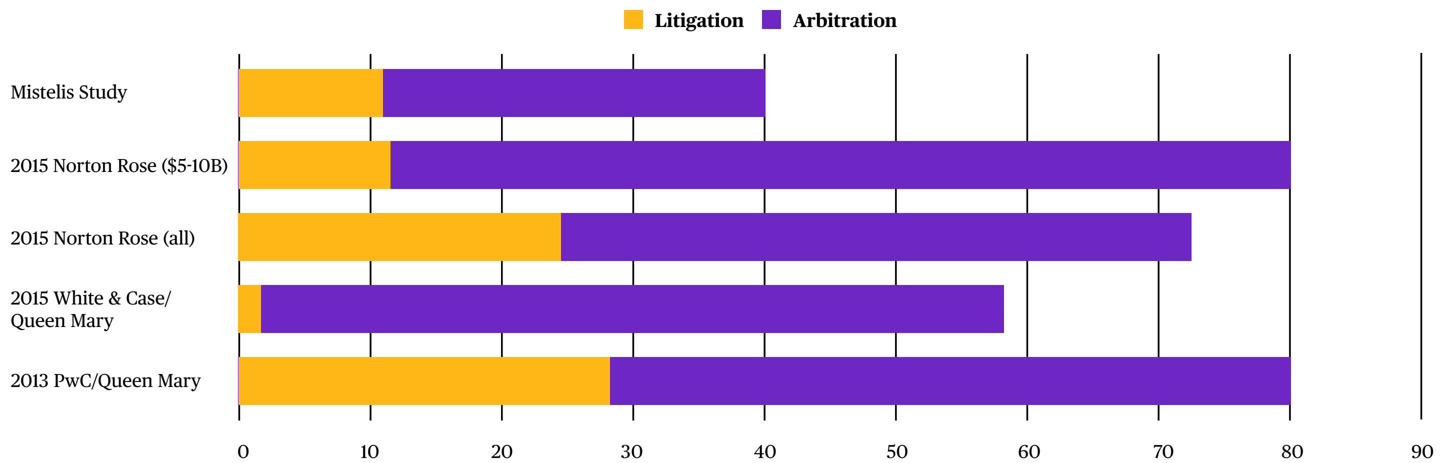
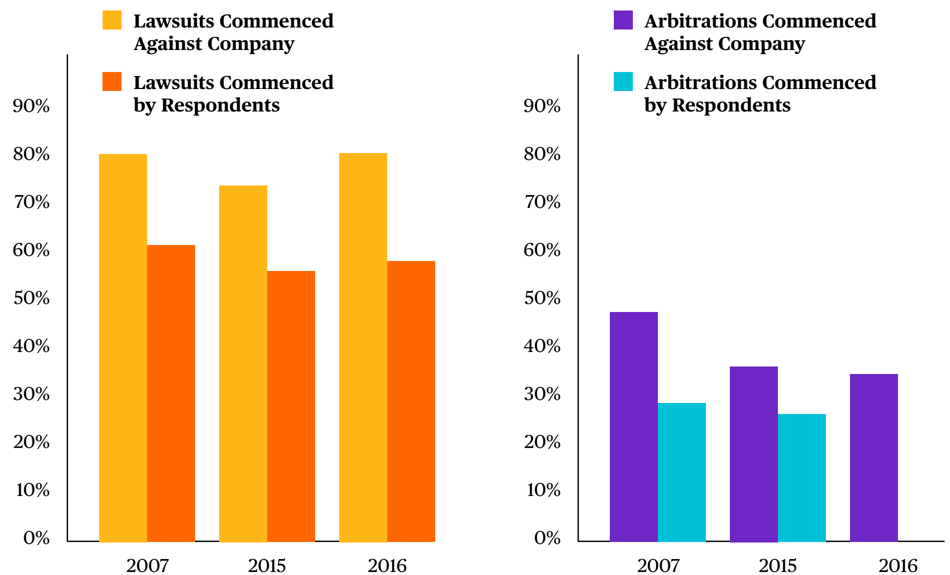


Table 3 above compiles results of several surveys asking respondents their preferred methods of dispute resolution. Table 3 reflects responses for litigation vs. arbitration (arbitration being coupled with other forms of ADR if the survey permitted) but does not reflect responses for mediation or other mechanisms outside of the scope of this paper.[4]

Moreover, Table 4, right, tells us that corporations utilize both the sword and the shield in the arbitration arena, just as they do with litigation, and at similar rates. Table 4 is consistent with other studies showing corporations generally prefer arbitration regardless of whether they are the claimant (plaintiff) or respondent (defendant).[5]

It is a matter common ground in academic studies that ADR/arbitration is the preferred method and fundamental to corporate dispute resolution strategy.[6]

Table 4:



Part 3: The Preference for Arbitration Is Part of a Decades Long Trend

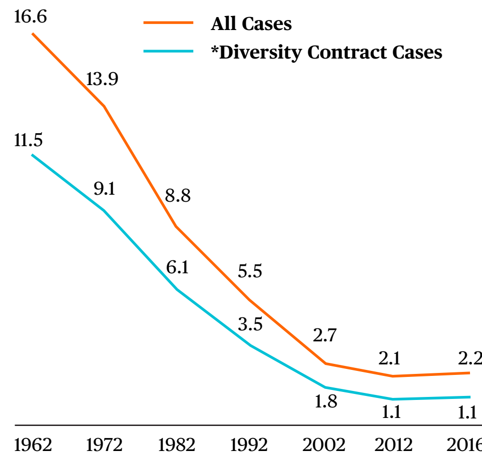
The Bermuda market's preference for arbitration over US litigation, appears to be a manifestation of a much larger trend that commenced long before the Bermuda market's founding in the mid-1980's.

A. Final Resolution Mechanisms: US Trials Are Declining Whereas Arbitrations Are Increasing.

In terms of numbers, US trials have dramatically declined, perhaps indicating a corresponding decline in relevance.[7] State court trials have also declined but not as dramatically as federal trials.[8]

Table 5, right, shows the decline in US trials seen in the federal court system. The blue line shows that in 1962, of the 50,320 dispositions of all federal civil cases, 5,802 were disposed "during or after trial," or 11.5%. The data does not break In 2016, there were 270,298 dispositions but only 2,877 were disposed by trial, or 1.1%. The orange line shows the "Diversity Contract" cases; the federal court's category of cases that includes the subcategory of "Insurance" cases. In 1962, there were 4,539 diversity contract cases disposed, 753 of which were disposed by trial. In 2016, there were 20,180 dispositions in that category, 458 by trial.

Table 5: % of US Federal Civil Cases Disposed During or After Trial



Sources: Marc Galanter, Vanishing Trial at pp. 462-63, Annual Reports of the Administrative Office of the U.S. Courts, Table C-4.

Table 6, below, is the same data seen in Table 5 except that it adds the purple line showing the percentage of dispositions by trial for the sub-category of insurance since 2002. Hence, in 2002, 6,295 insurance cases were disposed, 183 by trial. In 2016, there were 8,451 dispositions, 144 by trial.

Table 6: % of US Federal Civil Cases Disposed During or After Trial, Including "Insurance" Cases

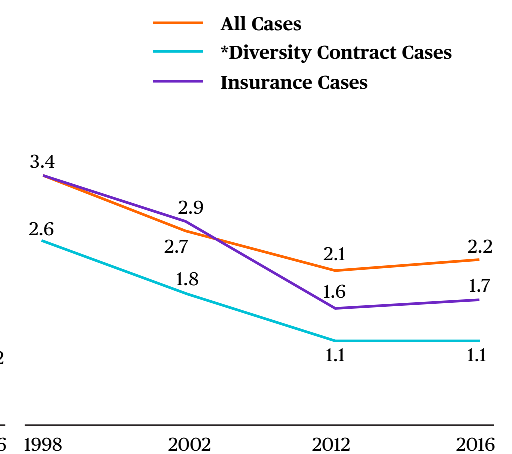


Table 7, right: Despite there being a five-fold increase in the number of total dispositions (270,298 in 2016 versus 50,320 in 1962), fewer cases were tried in 2016 (2,877) than in 1962 (5,802). The total dispositions is represented by the purple field. The orange field showing Diversity Contract trials (the category which includes "Insurance" cases) is almost undetectable. They are fewer in absolute terms (753 in 1962 versus 458 in 2016) and in relative terms.

In contrast, use of arbitration is increasing. Arbitration is a private mechanism and typically confidential. And, unlike the bureaucracy supporting US federal courts, there is no source of centralized data for arbitrations. The information that is available shows substantial increases in usage of ADR and arbitration in both international and domestic institutions.[9] Particularly relevant here, however, are increases seen in institutions catering to international, commercial disputes.

Table 7: Dispositions in US Federal Civil Court Cases

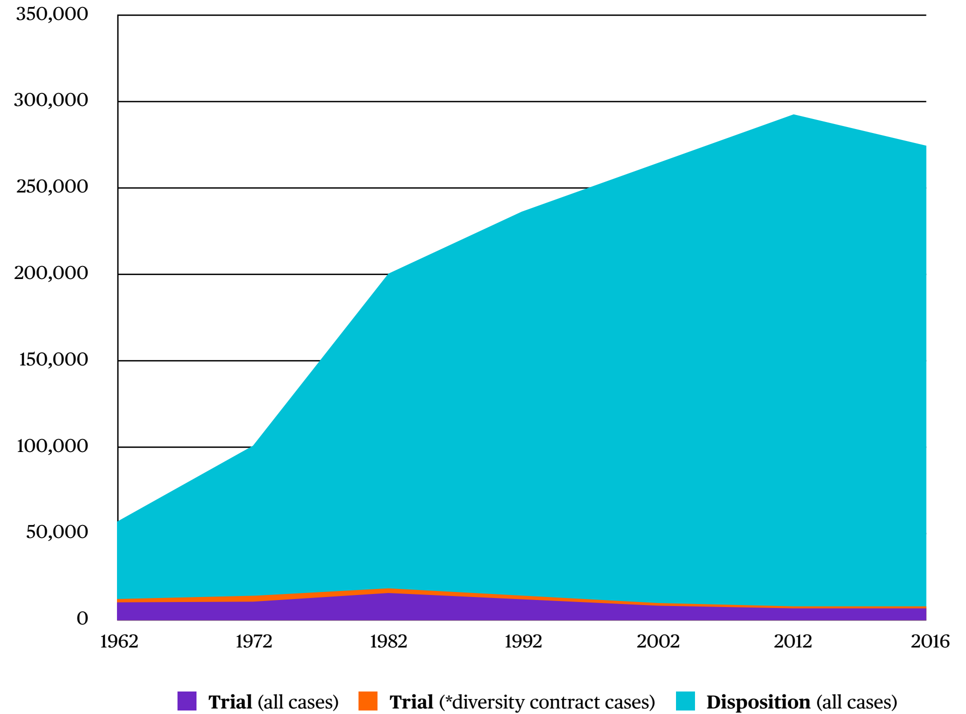


Table 8 below shows data from a Queen Mary College study of 11 institutions catering to international corporate disputes showing an increase from 1,137 pending arbitrations in 1992 to 2,720 in 2004.[10]

Table 8: Arbitrations from Selected Institutions
(in thousands)

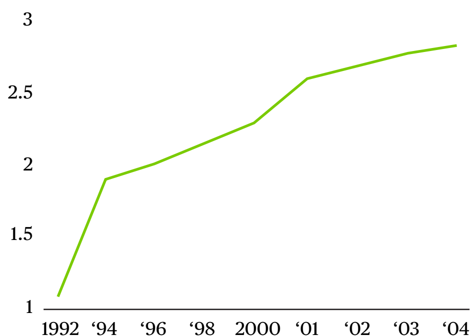


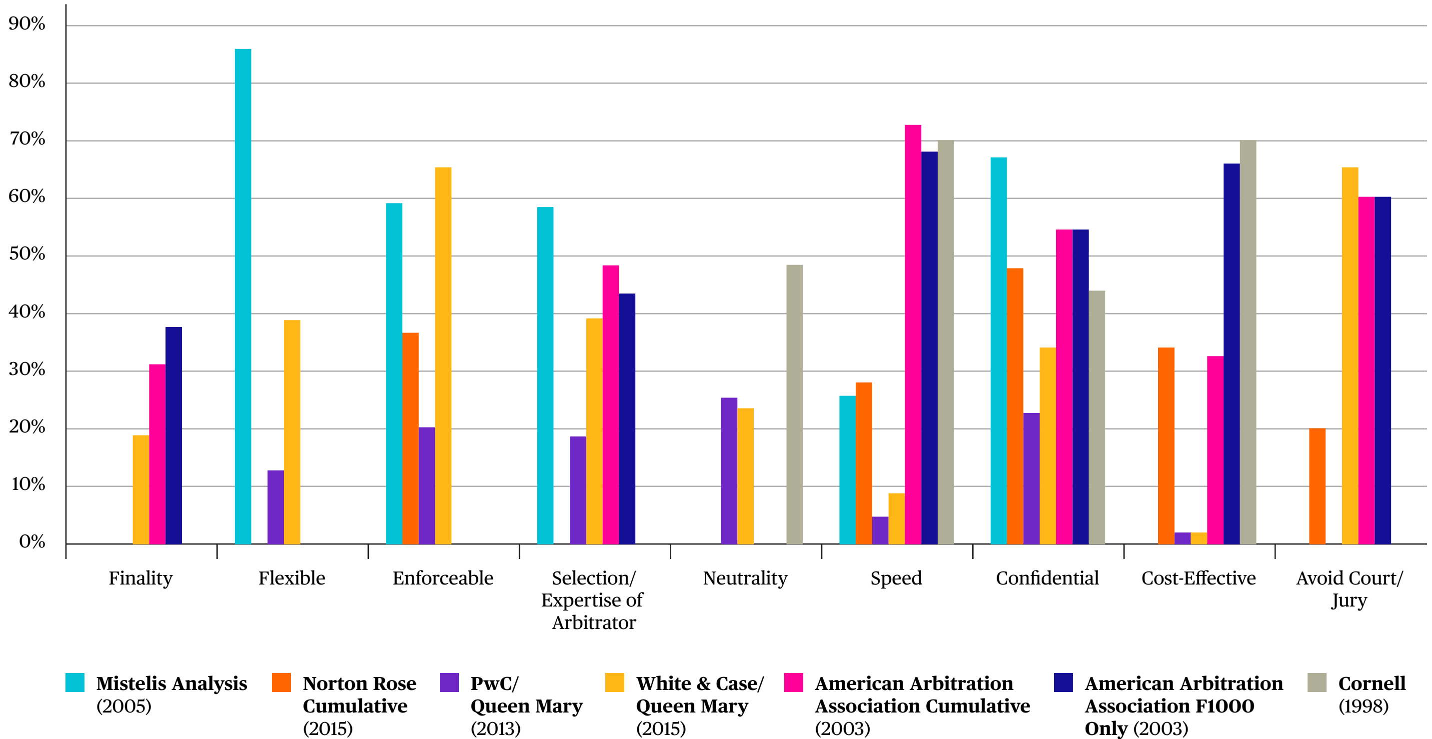
Table 9: LCIA/ICDR Combined Overview

If one does not regard the demise of US trials as a warning sign because, perhaps, the real aim of litigation is not trial but rather settlement, then litigation does not appear to hold an advantage over arbitration.

Because Bermuda companies can generally only insure non-Bermudian entities, by default all insurance arbitrations in the Bermuda market should be thought of as international in nature. Table 9 above gives a snapshot of two important international institutions. As the AAA/ICDR is arguably the most widely utilized international institution, it is a reliable indicator of the overall upward trend in international arbitration. The LCIA is another important international institution (and probably the most commonly used by the Bermuda market). However only 2.8% of the LCIA's docket consists of insurance cases, negating any suggestion that the LCIA's increase is attributable to disputes over Bermuda insurance.[11] ARIAS, an institution dedicated to reinsurance/insurance arbitration, does not release data, but informal polling of its US arbitrators suggests ARIAS has seen an increase in arbitrations as well.[12]

The reasons for the overall decline in US trials and increase in arbitration is beyond the scope of this paper.[13] If one does not regard the demise of US trials as a warning sign because, perhaps, the real aim of litigation is not trial but rather settlement, then litigation does not appear to hold an advantage over arbitration. The data shows increase in pending arbitration but it does thoroughly indicate how and at what rates those pending arbitrations resolve, i.e. by settlement, award or other means. The scant data available tends to corroborates Chubb Bermuda's experience that ADR/arbitration fosters conciliation as well or better than litigation.[14]

Table 10: Composite Survey Responses of Reasons Underlying Preference or Arbitration



B. Corporate Desire for Efficiency and Fairness Underlies The Preference for Arbitration.

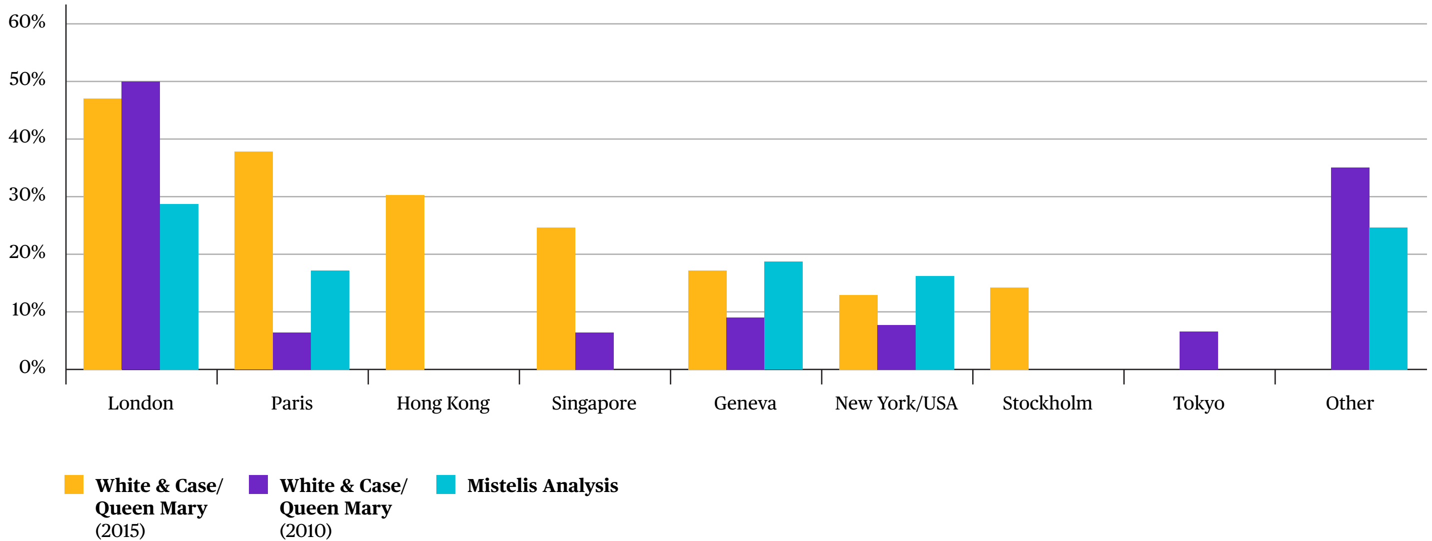
Table 10 above is a non-exhaustive compilation of several studies which sought to find out why corporations prefer arbitration. There are numerous other similar studies which are not reflected in Table 10 but nonetheless present similar findings.[15] Researchers Richard Naimark and Stephanie Keer created a study to distill the meaning of these various reasons (neutrality, expertise of arbitrator, enforceability, avoiding foreign courts, etc.) and concluded respondents were essentially making different expressions of the same core reason: fairness and justice. Naimark and Keer controlled for prejudicial factors such as the respondents' status as plaintiff or defendant, responses before and after awards and concluded that a universal desire for fairness, both substantive and procedural were at the heart of the corporate preference for international arbitration.[16]

As to other oft cited advantages for arbitration – namely cost and speed – the data seems inconclusive.[17] The AAA/ICDR reports that for its arbitrations, the median time from filing to award is approximately 7 months, whereas the comparable period for US federal cases is just over 27 months.[18] Arbitration's speed advantage is even greater in lesser developed judicial systems.[19]

One researcher concluded that international, corporate arbitration is probably seen as faster but not less expensive than litigation.[20] However, cost ranks low among factors considered when deciding whether to arbitrate. The relative unimportance of cost is not surprising given the large dollars often at issue in an international arbitration and because litigation costs are only a small percentage of corporate revenue – one survey found "litigation" (it's not clear if "litigation" in that study included ADR) spend amounted only to about 0.1% of corporate revenue.[21]

Key aspects of the Bermuda market forms, namely New York choice of law and London seat of arbitration, appear to be preferences shared by corporations. One study found that over two-thirds of the studied contracts had choice of law provisions and roughly 67% of those selected New York.[22] New York's prevalence may corroborate the view that New York law is well developed and not biased in favor of any particular group, thus mitigating ambiguity and, in turn, dispute. Bermuda's preference for London seat of arbitration is also shared by the corporate community as shown in Table 11. (Page 8)

Table 11: Survey Data: Seat Preference



In addition to the reasons already discussed, the Bermuda model (arbitration in London under the English Arbitration Act with contracts governed by New York law) offers distinct advantages over US litigation, which include:

- **"Loser Pays" Rule Dis-incentivizes Aggressive Positions.** In English arbitrations, the "loser pays" rule applies. Because the Bermuda insurer stands to pay not only the policy limits at issue but also the claimant's legal costs as well as its own legal costs, there is little incentive for that insurer to arbitrate suspect coverage positions.

- **Bermuda Insureds Can Recover Full Policy Limits.** The correlative benefit of the "loser pays" rule to the Bermuda insured is that it will get its full limit of coverage on a net basis. In the U.S. if, for example, an insured spends $2 million to access a $20 million policy, the net result is $18 million in coverage. Under the "loser pays" rule, the insured recoups its reasonable legal costs and the full $20 million plus interest.

- **Arbitration Is More Efficient and Less Burdensome.** There are no depositions in English arbitration. Witnesses providing evidence do so by a written statement (akin to an affidavit) in advance of the hearing and in lieu of direct testimony. Only those individuals called for cross-examination are required to give live testimony.

- **Arbitrator Independence.** English arbitrators pride themselves on looking at the policy and U.S. governing law – and not inflammatory facts – to ascertain whether coverage is afforded under the policy. The arbitrators are well versed in the US legal system and have no allegiances to the policyholder or insurer bars.

Conclusion

A common theme in the research is that the corporate ethos demands fairness as well as efficiency and predictability. Arbitration appears better poised to deliver on such demands. Court litigation can be thought of like any other public service. It works because the public must conform to the government's needs. Court fairness requires it cannot accommodate the needs of any one participant. Private alternatives conform to the users' needs. Consider public transport versus a chauffeured car; a post office versus a private courier. Similar conclusions could be drawn from service provided by court litigation versus private arbitration.[23]

Fairness, efficiency and predictability are essentially the reasons why the founders of the Bermuda market opted for arbitration. The data developed since the mid 1980's demonstrate that the Bermuda founders' preference was not anomalous. To the contrary, Bermuda's preference for arbitration is entirely consistent with views held by other large, multinational corporations then and now. Arbitration is not haphazard; rather it is integral to the long term approach corporations resolve disputes.[24] And what better evidence of fairness than Chubb Bermuda's claims data which shows that half of the arbitrations taken to award have been won by our insureds. For these reasons, it appears that arbitration continues to better serve the needs of the Bermuda insured.

About the Author

Richard Porter was appointed General Counsel of Chubb's Bermuda-based insurance operations in March 2016. He joined Chubb, formerly ACE Bermuda, in 2011 as Associate General Counsel.

Mr. Porter's responsibilities include overseeing and representing the company's legal matters, including its affiliates in Dublin and London. Mr. Porter counsels the company on transactional matters and advises underwriting teams for financial lines, excess casualty and excess property. Mr. Porter provides counsel on contentious claims and other company litigation as well as overseeing the company's compliance function. In addition, he provides advice on risk management and strategic initiatives. Mr. Porter sits on the Risk, Management Audit, Reserving, Pension and Investment committees.

Prior to joining ACE Bermuda, Mr. Porter was Partner with Wilson Elser in New York City where he worked for ten years.

Mr. Porter holds a Bachelor of Arts degree from the University of Michigan and earned his Juris Doctor from Cornell Law School.

Footnotes:

1. Jacobs, Maters, Stanley, *Liability Insurance in International Arbitration: The Bermuda Form,* 2d Ed. Hart Publishing (2011) at p.14.
2. One survey of senior legal officers similarly found that nearly 75% of the survey respondents' arbitrations settle before a hearing on the merits and that "preservation of the business relationship" was cited as the most prevalent reason for settling. See, *International Arbitration: Corporate Attitudes and Practices 2008,* by Loukas Mistelis, Queen Mary College, London and Gary Lagerberg, PwC at p. 7.
3. In the Norton Rose surveys from years 2013, 2015 and 2016, insurance did appear as a category on the questions asking the types of cases which were most numerous. Insurance ranked among the least numerous cases.
4. For instance, Mistelis found that while 29% of respondents preferred "arbitration only" as their preferred method, 44% identified "international arbitration and other ADR" as their preferred method. Loukas Mistelis, *International Arbitration – Corporate Attitudes and Practices 12 Perceptions Tested, Research Report,* DePaul L. Rev. 2006-07, at p. 538. Similarly, "arbitration only" was the preference for 56% of the respondents to the White & Case / Queen Mary College study and 34% said "international arbitration with other ADR" was their preferred method.
5. Lipsky, D.B. & Seeber, R.L. (1998), *The Appropriate Resolution of Corporate Disputes: A Report on the Growing Use of ADR by U.S. Corporations,* Ithaca, N.Y.: Institute on Conflict Resolution, http://digitalcommons.ilr.cornell.edu/icrpubs at p. 11, (surveying over 600 senior legal officers from Fortune 100 companies and finding that corporations prefer ADR/arbitration regardless of plaintiff/defendant status), id. at pp. 20-21 (data shows linear relationship between size of corporation and willingness to use arbitration, with larger of Fortune 1000 respondents willing to pursue arbitration more than smaller of the Fortune 1000 respondents).
6. Eisenberg, Theodore and Miller, Geoffrey P., *The Flight from Arbitration: An Empirical Study of Ex Ante Arbitration Clauses in the Contracts of Publicly Held Companies* (2007), Cornell Faculty Publications, Paper 348, http://scholarship.law.cornell.edu/facpub/348 at p. 341 citing Susan D. Franck, *The Role of International Arbitration,* 12 ILSA J Int'l & Comp. L. 499 (2006) ("Arbitration is viewed as particularly valuable in the case of international conflicts. Arbitration is said to have become is 'the preferred mechanism for resolving international disputes.'"). See also, Thomas J. Stipanowich, *Arbitration: The New Litigation* Univ. of Ill. L. Rev. (Vol. 2010), https://www.illinoislawreview.org/wp-content/ilr-content/articles/2010/1/Stipanowich.pdf.
7. *The Vanishing Trial,* by Patricia Lee Refo, Esq., Chair of Litigation Section, American Bar Assoc., Winter 2004 Ed. Litigation. *See also,* Marc Galanter, *The Vanishing Trial: An Examination of Trials and Related Matters in Federal and State Courts,* Journal of Empirical Legal Studies, Vol. 1, Issue 3, November 2004.
8. See Galanter, *Vanishing Trial* at p. 508, Figure 32 citing Ostrom, et al. (22 states studied show proportion of cases disposed by trial declining from about 35% in 1976 to roughly 15% in 2002).

9. Eisenberg/Miller, *The Flight from Arbitration,* p.346, *quoting* Thomas J. Stipanowich, *ADR and the Vanishing Trial,* p. 873, Journal of Empirical Legal Studies, Vol. 1, Issue 3 (Nov. 2004) (AAA case load increased from 1,000 in 1960 to more than 17,000 in 2002) *citing* R. Drahozal and Richard Naimark eds, 2005, *Towards a Science of International Arbitration: Collected Empirical Research,* Kluwer Law Int'l. at 341 (showing that filings of several international arbitration institutions increased from 1,392 in 1993 to 2,577 in 2003). Stipanowich, *Arbitration: The "New Litigation" citing* a 2008 email from a senior member of AAA staff that the AAA caseload grew from 15,232 cases in 1998 to 20,711 in 2007.
10. Mistelis, *International Arbitration* at p. 527.
11. In 2016, of the 303 LCIA arbitrations, only 2.8% were reported to be insurance related. See *2016 LCIA Facts and Figures,* http://www.lcia.org/LCIA/reports.aspx
12. Thanks to David Thirkill who shared his informal polling data of US arbitrators of ARIAS.
13. The American Bar Association commissioned researchers to analyze the decline of US trials as part of its *Vanishing Trial* project. See Lee Refo and Galanter, *The Vanishing Trial*.
14. American Arbitration Association/International Centre for Dispute Resolution, Businesses and Law Firms: *What Not to Believe about Arbitration,* 2017 (in 2015, 56% of AAA B2B cases settled before going to award). https://www.adr.org/sites/default/files/document_repository/2016_Myth_Busters_WhitePaper_080316_0.pdf. Similarly, Chubb Bermuda's claims data similarly shows that arbitration is amenable to resolution and preservation of business relationships. *See also,* Mistelis and Lagerberg, *International Arbitration, id.* (survey respondents cited preservation of the business relationship as the most prevalent reason for settling before formal proceedings).
15. Eisenberg /Miller, *The Flight from Arbitration,* at p. 341; see also Christian Buhring-Uhle, *A Survey of Arbitration and Settlement in International Business Disputes* at p. 38 [Buhring-Uhle's article is within the collection *Towards a Science, id.*], *see also* Fulbright & Jaworski, *Litigation Trends Survey 2007* at p. 170; and Lipsky/ Seeber, *The Appropriate Resolution* at pp.20-21; 2010 White &Case/Queen Mary (62% of respondents say confidentiality is "very important" and another 24% say it's "quite important" to their corporation).
16. Richard W. Naimark, Stephanie E. Keer, *International Private Commercial Arbitration, Towards a Science of International Arbitration: Collected Empirical Research,* Kluwer Law Int'l (2005).
17. Lisa Blomgren Bingham et. al., *Dispute Resolution and the Vanishing Trial Comparing Federal Gov't Litigation and ADR Outcomes,* Ohio State Journal on Dispute Resolution, Vol. 24:2, 2009, (Assistant U.S. Attorneys surveyed concluded that ADR processes saved time and money over litigated outcomes over similarly situated disputes); see also Barbara S. Meirerhoefer, *Court-Annexed Arbitration in Ten District Courts, Federal Judicial Center, 1990* at p. 6 (majorities of attorneys in all districts reported ADR resulted in cost savings).
18. AAA/ICDR, *What Not to Believe*.
19. One study estimated that Latin American arbitrations had a life of under 500 days, whereas the average life of litigation ranged from 1000 days in Argentina to over 2000 days in Brazil. *See* International Arbitration Guide (a Latinamerican Review) 2015.
20. Christian Buhring-Uhle, *A Survey of Arbitration and Settlement in International Business Disputes,* at p. 38, [within *Towards a Science*]. *See also* Fulbright 2007 survey at p. 170 (78% of respondents say arbitration is cost is "about the same" as litigation); Lipsky / Seeber, *The Appropriate Resolution* at pp. 17, 19 (noting that saving money was principal reason cited by defendants for why they preferred ADR even though cost was a surprisingly low rated factor in deciding which method of dispute resolution); 2013 PwC/Queen Mary Survey at p. 17 (respondents ranked "cost" fifth among six of factors considered in deciding whether to initiate arbitration).
21. 2016 Fulbright Survey at p. 33 (overall average litigation spend – it's not clear if litigation included all forms of dispute resolution – was 0.1% of revenue).
22. Eisenberg /Miller, *The Flight from Arbitration* at p. 341 (archival review of 2800 contract discussed in SEC filings, 70% had choice of law, 47% of the 70% selected New York, followed by Delaware (14%) and California (7%)). *See also* Eisenberg, Theodore and Miller, Geoffrey P. Miller, *A Flight to New York: An Empirical Study of Choice of Law and Choice of Forum Clauses in Publicly-Held Companies' Contracts,* (2009) *Cornell Law Faculty Publications.* Paper 204. http://scholarship.law.cornell.edu/facpub/204 (finding New York was the leading choice for both choice of law and dispute forum).

23. Uhle, *A Survey on Arbitration* at p. 34 (one respondent noting arbitration is deluxe justice whereas a court can spare only a short amount of time even for a nine figure dispute).
24. Lipsky /Seeber, *The Appropriate Resolution* at pp.20-21 (data shows linear relationship between size of corporation and willingness to use arbitration, with larger of Fortune 1000 respondents willing to pursue arbitration more than smaller of the Fortune 1000 respondents) and at p. 8 (arbitration is integral to corporate dispute resolution).

Survey Sources

2016 Norton Rose Fulbright Litigation Trends Annual Survey (cited herein as "'16 Norton Rose"): respondents were 606 corporate counsel from various industries around the globe, including 44% of whom were headquartered in the U.S., of whom 47% were general counsel or equivalent, and 57% of respondents representing organizations with revenues of $1B or more.

2015 Norton Rose Fulbright Litigation Trends Annual Survey (cited herein as "'15 Norton Rose"): respondents were over 800 corporate counsel, including 52% of whom were headquartered in the U.S., from various sectors, 46% of whom were general counsel and 64% from corporations with revenues of $1B or more.

2014 Norton Rose Fulbright Litigation Trends Survey Report (cited herein as "'14 Norton Rose"): respondents were 401 senior corporate counsel, of whom 94% were headquartered in the U.S., 75% were general counsel or head of litigation, and 66% of the companies represented had revenues of $1B or more.

2015 International Arbitration Survey: Improvements and Innovations in International Arbitration (cited herein as "2015 White & Case/ Queen Mary Survey"): respondents were over 750 stakeholders in arbitration, including in house counsel (18% of whom were headquartered in the Americas), and various practitioners in arbitration.

Corporate Choices in International Arbitration, Industry Perspectives (cited herein as "2013 PwC/Queen Mary Survey"): respondents were 101 corporate counsel, including general counsel, heads of legal departments, or counsel on the authority of the general counsel.

2010 International Arbitration Survey: Choice in International Arbitration (cited herein as "2010 White and Case/ Queen Mary Survey"): respondents were 136 parties from various regions, including 12% of whom were headquartered in North America, 31% of whom were general counsel, 53% of which had a $5Bn annual turnover and 29% represented an annual turnover of $500M to $5B.

2007 Fulbright & Jaworski Litigation Trends Survey, respondents were 305 corporate representatives, including 253 U.S. respondents, across various industries around the globe, 36% of whom were general counsel, and 32% of the companies represented had $1B or more in revenue.

Loukas Mistelis, ***International Arbitration – Corporate Attitudes and Practices 12 Perceptions Tested, Research Report,*** DePaul L. Rev. 2006-07 (cited herein as "Mistelis Study"), respondents were 103 heads general counsels senior heads of legal departments for corporations from various global sources, including 15% of whom were headquartered in the Americas. Of the 103, 88% reported use of non-litigation methods, and of those, 90% reported being involved in cross-border transactions.

2003 American Arbitration Association Cumulative Study, respondents were 254 corporate counsel, consisting of 101 Fortune 1000 companies with mean revenues of over $9B, 103 publicly traded companies with mean revenues of $384M, and 50 private companies with mean revenues of $690M. *2003 American Arbitration Association Fortune 1000 Study, respondents were general and senior corporate counsel of 101 Fortune 1000 companies with mean revenues of over $9B.

About Chubb

Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries,Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. We combine the precision of craftsmanship with decades of experience to conceive, craft and deliver the very best insurance coverage and service to individuals and families, and businesses of all sizes.

Chubb's core operating insurance

companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.

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