



# THE CHUBB CORPORATION

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October 31, 2005

Mr. Jonathan G. Katz  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-9303

RE: FILE NO. S7-08-05  
PROPOSED RULE: REVISIONS TO  
ACCELERATED FILER DEFINITION AND  
ACCELERATED DEADLINES FOR FILING  
PERIODIC REPORTS

Dear Mr. Katz:

The Chubb Corporation (Chubb) is a holding company with subsidiaries principally engaged in the property and casualty insurance business. We appreciate the opportunity to comment on the proposed rule that would create a new category of accelerated filer, the "large accelerated filer," and would amend the accelerated deadlines for filing periodic reports. Chubb has a market capitalization of approximately \$18 billion and would thus be subject to the "large accelerated filer" deadlines.

We fully support the Commission's proposal to maintain the filing deadline for all accelerated filers at the current 40 days for quarterly reports on Form 10-Q. We believe that this reporting deadline achieves the goal of providing detailed reports to investors as quickly as possible without compromising the reliability and accuracy of the reports.

We do not believe, however, that it is necessary to create a new category of accelerated filers to distinguish large accelerated filers from smaller accelerated filers if the only effect of the distinction is to require large accelerated filers to file their annual reports on Form 10-K 15 days earlier than smaller accelerated filers. Shortening the filing period for large accelerated filers would provide more timely information to investors. However, we believe that the accuracy of the financial statements and the quality of the related disclosures would suffer as a result of the further acceleration of the filing deadline for annual reports. We also believe that the further acceleration of the filing date for annual reports would exacerbate the compression of the workload for public companies and their independent auditors.

The landscape surrounding financial reporting has changed dramatically since the rules to accelerate the filing of annual reports were adopted in September 2002. First, the Commission has published additional interpretive guidance intended to enhance the disclosures in management's discussion and analysis to make the information more meaningful to investors and other users. Second, the role of the audit committee in overseeing and monitoring the financial reporting process has been expanded. Finally, companies now must comply with the requirements regarding internal control over financial reporting mandated by Section 404 of the Sarbanes-Oxley Act of 2002.

We believe that the implementation of the 60 day filing deadline for annual reports for large accelerated filers would diminish the quality of disclosures and result in increased costs, while not providing significant benefits to investors and analysts. Given the shortened time period to prepare the reports, companies would tend to provide less thoughtful and comprehensive analysis of past results and less robust discussion of expectations for the future. Thus, while the filings would be more timely, the information would be less valuable for investors.

At Chubb, it takes us almost five weeks following year end to make an informed estimate of our most significant liability, loss and loss expense reserves; to compile, analyze and understand the financial results for the year; and to issue our earnings announcement and supplementary financial data. Over the past several years, our year end earnings announcement has been in the first few days of February, at which time our independent auditors have completed their most critical audit procedures. At the time our earnings announcement is issued, we have not yet finalized the financial statements, particularly the footnote disclosures, nor prepared management's discussion and analysis as the individuals involved in the financial closing and earnings release are, for the most part, the same individuals involved in the preparation of the financial statements and management's discussion and analysis. It takes us the next several weeks to formulate and finalize our disclosures and to circulate meaningful draft disclosure documents to our senior business managers and executive management. We incorporate their comments, circulate draft documents to our Audit Committee and Board of Directors in late February and early March and then perform quality control procedures to ensure an accurate and comprehensive filing. During the entire period, we are completing our assessment of the effectiveness of internal control over financial reporting.

We do not agree with the Commission's position that the large accelerated filers, by virtue of their size, are able to support further acceleration of the annual report filing deadline. We agree that there have been significant technological advances that allow for the rapid accumulation and dissemination of financial data. However, this is more than offset by the increased complexity of the business and reporting issues of large accelerated filers and the greater amount of information required in their periodic filings. Technology has not reduced the time required to perform the thoughtful analyses that are necessary to prepare meaningful disclosures. It is crucial that companies have adequate time to evaluate their results and to prepare thoughtful, meaningful and insightful disclosures and for independent auditors to have sufficient time to perform their audit procedures. It is incongruous to think that the quality of annual reports will continue to improve if companies have less time available to prepare the reports and independent auditors have less time to complete their procedures.

Another negative consequence of the further acceleration of the report filing date for annual reports would be its effect of the compression of the workload on Chubb's financial reporting department. Due to the seasonal nature of financial reporting, the lack of flexibility in the deadlines and the ever expanding reporting requirements, personnel in this department already work extensive amounts of overtime under high levels of stress in order to meet the current report filing dates. The effort required to meet the 60 day filing deadline for annual reports would be even more burdensome and stressful, increasing the possibility that errors would go undetected in our effort to complete procedures so that our filing can be made by the shorter deadline.

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In summary, we support the Commission's proposal to maintain the filing deadline for quarterly reports on Form 10-Q at the current 40 days for all accelerated filers. However, we do not support the acceleration of the filing date for annual reports on Form 10-K to 60 days for large accelerated filers.

We recognize that there is an inherent tension between the timeliness of the annual reports and the quality and accuracy of the information included in the reports. We believe that the current 75 day reporting deadline for annual reports provides the appropriate balance between timeliness and data quality. In an environment where business activities and reporting issues continue to become more complex and the financial reporting and internal control requirements have increased, it is essential that companies have adequate time to evaluate the results of their activities and to prepare accurate financial statements together with meaningful analysis of results, that audit committees have adequate time to fulfill their oversight responsibilities and that independent auditors have adequate time to complete their audit procedures. Therefore, we strongly encourage the Commission to reconsider its proposal and urge them to maintain the filing deadline for annual reports at the current 75 days for all accelerated filers.

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We would be pleased to discuss our comments with the Commission or its staff.

Very truly yours,

Henry B. Schram  
Senior Vice President and  
Chief Accounting Officer