

# ModernGraham Valuation

Company Name:

Chubb Corp

Company Ticker CB

Date of Analysis

9/21/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$27,243,277,311	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	39.36%	Pass
5. Moderate PEmg Ratio	PEmg < 20	15.77	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.76	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	7.68
MG Growth Estimate	3.95%
<b>MG Value</b>	<b>\$125.96</b>
MG Value based on 3% Growth	\$111.40
MG Value based on 0% Growth	\$65.30
Market Implied Growth Rate	3.63%

### MG Opinion

Current Price	\$121.14
% of Intrinsic Value	96.17%

**Opinion** **Fairly Valued**

## Stage 3: Information for Further Research

Graham Number	\$107.33
PEmg	15.77
PB Ratio	1.76
Dividend Yield	1.77%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.30	Next Fiscal Year Estimate	\$7.68
Dec14	\$8.62	Dec14	\$7.64
Dec13	\$9.04	Dec13	\$7.00
Dec12	\$5.69	Dec12	\$5.94
Dec11	\$5.76	Dec11	\$6.08
Dec10	\$6.76	Dec10	\$6.22
Dec09	\$6.18	Dec09	\$5.87
Dec08	\$4.92	Dec08	\$5.57
Dec07	\$7.01	Dec07	\$5.51
Dec06	\$5.98	Dec06	\$4.33
Dec05	\$4.47	Dec05	\$3.11
Dec04	\$4.01	Dec04	\$2.23
Dec03	\$2.23	Dec03	\$1.37
Dec02	\$0.65	Dec02	\$1.08
Dec01	\$0.32	Dec01	\$1.43
Dec00	\$2.01	Dec00	\$1.96
Dec99	\$1.83	Dec99	\$1.93
Dec98	\$2.10	<b>Balance Sheet Information</b>	<b>Jun15</b>
Dec97	\$2.20	Long-Term Debt	\$3,300,000,000
Dec96	\$1.45	Total Assets	\$50,726,000,000
Dec95	\$1.96	Intangible Assets	\$467,000,000
		Total Liabilities	\$34,808,000,000
		Shares Outstanding (Diluted Average)	231,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

- [The 10 Best Stocks For Value Investors This Week – 6/20/15](#)
- [Chubb Corporation Analysis – June 2015 Update \\$CB](#)
- [18 Companies in the Spotlight This Week – 3/21/15](#)
- [Chubb Corporation Quarterly Valuation – March 2015 \\$CB](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)

Other  
ModernGraham  
posts about related  
companies

- [Anthem Inc. Analysis – September 2015 Update \\$ANTM](#)
- [Aflac Inc. Analysis – September 2015 Update \\$AFL](#)
- [Marsh & McLennan Companies Analysis – September 2015 Update \\$MMC](#)
- [Berkshire Hathaway Analysis – August 2015 Update \\$BRK/B](#)
- [Progressive Corporation Analysis – August 2015 Update \\$PGR](#)
- [Ace Limited Analysis – August 2015 Update \\$ACE](#)
- [Travelers Companies Analysis – August 2015 Update \\$TRV](#)
- [Lincoln National Corporation Analysis – August 2015 Update \\$LNC](#)
- [Unum Group Analysis – August 2015 Update \\$UNM](#)
- [Principal Financial Group Analysis – August 2015 Update \\$PFG](#)