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News Release – 2 December 2011

Global Insurer Increases Commitment to New Zealand

Chartis has reinforced its commitment to New Zealand and to its investors, becoming the first insurance operation in the country to be fully licensed by the Reserve Bank of New Zealand¹ and transferring its ownership locally, to Chartis Insurance New Zealand Limited as at 1 December 2011.

The company formerly operated under its global parent, American Home Assurance Company.

Chartis has been providing insurance services to New Zealanders for 41 years.

“Under our new company we are keen to emphasise that we will not only offer the same products, and operate with the same personnel and underwriting authorities, but we will also bring decision making closer to our customers. This will result in improved service and even better claims servicing capabilities” says Cris Knell, CEO of Chartis in New Zealand.

Mr Knell commented that the new company is part of a global Chartis initiative to offer policyholders local empowerment and decision making.

There are four Chartis regional operating hubs world-wide: USA, Europe, Japan and Growth Economies. New Zealand will now report through to Chartis Singapore along with 14 other Asia-Pacific based Chartis country operations, including Australia, Korea and Hong Kong.

“We will retain all links to our global network, including their robust finances and specialist claims expertise. Our clients will also reap the benefit of independent New Zealand directors and increased regulatory oversight locally that will assist local decision making,” says Mr Knell.

The new company will also hold significant capital locally, which is well in excess of regulated minimums. As part of the Chartis Growth Economies global network and Asia Pacific region, Chartis Insurance New Zealand Limited adheres to a capital framework that ensures it will exceed regulated capital adequacy ratios.

This will mean even better service and security for all our policyholders and business partners, states Mr Knell.

“Our reinsurance programme and support remains in place and our ability to pay claims is enhanced”.

“The Insurance industry is a rapidly changing landscape and we’re pleased to lead the charge, being the first general insurer in New Zealand to gain a full license from the Reserve Bank.”

The announcement comes at a time of stress within the New Zealand insurance market.

Standard and Poor’s issued Chartis Insurance New Zealand Ltd a standalone rating of ‘A-’ (stable) - strong².

“The new rating reflects Chartis Insurance New Zealand Limited’s financial strength (strong) and our continuing ability to pay claims and meet our obligations to policyholders. Our financial strength will continue to draw on Chartis companies globally. With the additional flexibility of access to local capital, Chartis Insurance New Zealand Limited is well positioned to provide for its policyholders and other stakeholders” says Mr.Knell.

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¹ Chartis Insurance New Zealand Limited is the first general insurer in New Zealand to receive a full licence from the Reserve Bank of New Zealand pursuant to the Insurance (Prudential Supervision) Act 2010. This law requires all insurance companies to be subject to the Reserve Bank of New Zealand supervision with respect to solvency, risk management, compliance and carrying on business in a prudent manner.

² Insurer Financial Strength Rating

Insurance Companies (Rating and Inspections) Act 1994 – Chartis Insurance New Zealand Limited has an “A-” (Strong) insurer financial strength rating given by Standard & Poor’s (Australia) Pty Ltd on 1 December 2011. The rating scale is:

AAA	Extremely Strong	BBB	Good	CCC	Very Weak
AA	Very Strong	BB	Marginal	CC	Extremely Weak
A	Strong	B	Weak	C	Regulatory Action

Plus (+) or minus (-): The rating from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standings within the major rating categories.

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Editor’s notes:

Chartis is a world leading property-casualty and general insurance organisation serving more than 70 million clients around the world. With one of the industry’s most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. All products are written by insurance company subsidiaries or affiliates of Chartis Inc. In New Zealand, Insurance products and services are provided by Chartis Insurance New Zealand Limited. For additional information, please visit our website at www.chartisinsurance.co.nz

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