

Chartis News – (6th October 2010)

Dear Valued Partner:

On Thursday 30th September, the CEO of American International Group Inc., Robert H. Benmosche, announced that the company has entered into an agreement-in-principle with the US Government to repay all its obligations to American taxpayers and position the AIG companies as strong, independent, and worthy of investor confidence.

The company also outlined a clear and detailed roadmap for AIG to pay back all of its obligations to the US government.

This sets in motion the steps for the US Government to exit its AIG ownership by the end of the first quarter next year. The move underlines just how powerfully AIG Inc has rebounded since September 2008.

Chartis, including Chartis South Africa, is a subsidiary of AIG Inc.

Last week's announcement clearly demonstrates the strength of the AIG Inc and Chartis companies. Both are financially strong, well-managed and positioned to deliver long-term value to all of our stakeholders and of course, you, our valued partners.

Over the past 12 months AIG Inc has successfully strengthened its balance sheet by divesting many non-core assets, strengthened liquidity risk management by streamlining the company and managing risk more powerfully and systematically than in the past.

Throughout the challenges faced by our ultimate parent company, Chartis South Africa has continued to operate as normal paying claims and writing new business.

We are proud of AIG Inc's single-minded dedication to repaying the American taxpayers and believe that this agreement is a momentous achievement that marks a new beginning.

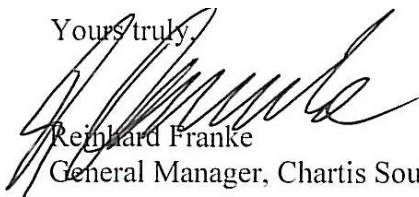
Chartis companies remain a well capitalised, trusted market leader in the property and casualty insurance industry and continue to go from strength to strength.

We are bullish on South Africa's prospects and see the potential for substantial organic growth in the country.

I would like to thank you all again for the support you have shown Chartis South Africa.

If you have any queries please do not hesitate to contact me.

Yours truly,



Reinhard Franke
General Manager, Chartis South Africa, Limited.