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ACE Insurance Limited

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CORPORATE NEWS RELEASE

FOR IMMEDIATE RELEASE

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ACE INSURANCE LIMITED SOUTH AFRICA **ACCORDED A FIRST TIME RATING OF A+**

International credit rating agency Global Credit Ratings ("GCR") has accorded ACE Insurance Limited South Africa ("ACE SA") a first time claims paying ability rating of A+ (single A plus). The rating denotes a high credit quality, with good protection factors, although risk factors are more variable and greater in periods of economic stress.

GCR is the largest rating agency in Africa, with an unrivalled track record for ratings accuracy. This is evidenced by an investment grade default ratio of only 0.9% over the past 10 years, which is far and away the most accurate of any agency operating in emerging markets.

Melanie Brown, managing director of GCR, said that the strong rating accorded to the start up company was on the back of the fact that ACE INA Holdings (rated A+ internationally) has provided a letter of comfort, to honour claims legally payable by ACE SA to the extent that the company is unable. In addition, Citibank has given an irrevocable guarantee of R150m. This expires on 31 December 2007. However, the guarantee is automatically extendable for one year from the expiry date, or any further expiration date, unless Citibank notify the company otherwise.

Operationally, ACE SA's business model is to target corporate and large industrial companies in South Africa (and the rest of Africa). GCR is of the opinion that opportunities exist for ACE SA, where choice

Executive Directors: S.J. Pickering (*NZ) (CEO), B.M. Johnson, C. Silverman
Non-Executive Directors: B.H. Seach (Chairman), R.L. Cigelnik (*USA), R.V. Pryce (*UK)
Company Secretary: C. Silverman

Registered as a Financial Service Provider: FSB 00060/01 - FAIS 27176

One of the ACE Group of Insurance & Reinsurance Companies



for highly rated security (with significant available capacity) is currently limited to a handful of local players, with the majority of the balance insured offshore.

Brown stated that ACE SA has a capable management team with both a track record from past experiences and well thought out articulated strategies. The breadth and depth of the management team is also considered appropriate, with plans in place to broaden and deepen the team as the company grows.

Risk will be managed in line with the group's conservative guidelines. In addition, Brown noted that a further level of comfort was provided by the ACE group's vast technical support. In this regard, the group's global IT platform could be viewed as a significant competitive advantage to ACE SA. ACE SA is able to leverage off a number of established systems used throughout the group. In particular, the insurer's risk underwriting criteria will be based on the group's global underwriting criteria (using ACE Ltd's global pricing tool "First Rate", which is considered a benchmark differentiator worldwide). The majority of underwriting decisions will be made locally and where minimum/base rates are breached, underwriting referrals will be made to global or European group product line managers.

ACE GROUP OF COMPANIES

The ACE Group of Companies is one of the world's largest providers of commercial property and casualty insurance and reinsurance. Today the ACE Group of Companies, with a workforce totaling more than 9 000, operates in more than 50 countries around the world.

The ACE Group serves a diverse group of clients including multinational corporations with complex property and casualty exposures, local businesses in countries throughout the world, insurance companies looking to reinsure their portfolios, and individuals purchasing life insurance and accident and supplemental health coverage.

Additional information can be found at : www.aceinsurance.co.za