

# Insurance Industry: Chartis NOT AIG

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A surprise from the rebranded AIG general insurance business.

April 25, 2010

## Stake your claim

AIG was infamous within insurance markets for contesting claims.

Recent news reports on the travel disruption caused by the volcanic eruption have focused on the fact that travel insurance policies are unlikely to pay out because they usually have an exclusion in them for "Acts of God". Since the volcano eruption is an "Act of God" the insurance is off the hook.

## Surprise

Imagine the surprise at BRAVE Partners when the Sunday Telegraph Travel Section has a large advert entitled: "Insurer will pay out for volcano crisis". The surprise was intensified when the large text announced that the insurer in question is Chartis.

## Impact on AIG

AIG is looking to maintain and rebuild its brand following its own crisis. The positive publicity that will go with its announcement will certainly help this. However, Chartis must ensure that the business that it writes is profitable. Writing premiums with a loss ratio of 100% or more is not sustainable business.

## BRAVE Partners services

The BRAVE partners have tracked the AIG story closely. The firm is well placed to comment on the risks associated with AIG's outstanding debt.

## Interaction

If you enjoyed this commentary and would like to receive a weekly update by E-Mail, then please contact BRAVE Partners on [commentary@bravepartners.com](mailto:commentary@bravepartners.com)

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- AIG has shifted substantially from what it was to what it is.
- Outstanding debt for AIG is a significantly different risk proposition.
- BRAVE Partner can assist investors in assessing the risks of AIG debt.

[enquiries@bravepartners.com](mailto:enquiries@bravepartners.com)

[www.bravepartners.com](http://www.bravepartners.com)