

22 December 2011

Motorsport – South Africa
P. O. Box 11499
Vorna Valley
1686

Fax No. (011) 466 2262

Attention: Mr. F. Pretorius

Dear Francois,

Re: Motorsport – South Africa / 01 January 2012 Competitors Group Personal Accident Insurance Renewal.

We refer to the above Competitors Group Personal Accident Policy, and regret to advise that due to the negative claims experience incurred by Insurer's over the last three years, that, the holding Insurer (Santam), was only prepared to offer renewal terms on the basis of the following conditions:-

1. The cover is made compulsory / mandatory for all competitors for the 2012 season;
2. The continuance of cover is conditional on Motorsport – South Africa also renewing their Public Liability Insurance with Santam, as of 01 January 2012.

Further, as per the earlier renewal presentations made, I would confirm, that, the following additional Insurer's were also approached to provide terms on the Competitors Group Personal Accident cover for the 2012 season, but regretfully, having reviewed the claims experience applicable, they either declined to quote, and / or, provided terms in excess of those offered by Santam.

<u>I.E:</u>	<u>Insurer</u>	<u>Response to Quotation Request</u>
	a) Chartis South Africa	No Quote, due to inferior claims experience
	b) Etana Ins Co.	Quoted, but not competitive (+40% on Santam terms)
	c) Hollard Ins Co.	Quoted, but not competitive (+50% on Santam terms)
	d) ABSA Ins Co. (1.Comm)	No Quote (motor sport is a treaty exclusion)
	e) Centriq (KEU)	No Quote, due to inferior claims experience

Thus, it is / was clearly evident, that, in order for Motorsport – South Africa to maintain its position as the predominant controlling body in motor sport and also to continue to act as a “good corporate citizen” by ensuring its competitors had / have at least basic personal accident & medical expenses cover to protect them against death or injuries sustained whilst competing in MSA events, that, it would have to make the cover compulsory, as otherwise, there would be no cover and competitors could be seriously exposed, as it is a known fact, that, many medical aids do not provide cover for person undertaking motor sport activities.

Additionally, on this note, we do acknowledge, that, a limited number of medical aids do provide cover for injuries sustained in motor sport activities, however, one needs to understand, that, the purpose of the personal accident & medical expenses cover being granted under the MSA Group Personal Accident policy is intended to provide protection against such claims actually going against one’s medical aid in the first instance, thus, allowing the individuals medical aid to deal with other accidental and / or illness events taking place throughout the year, or where the medical aid does provide for motor sport activities, allowing it to provide “top of cover” over the standard medical expenses limit of R 150 000 any one event catered for under the personal accident policy, which in turn, then, protects the overall medical aid benefit for the competitor and his / her family.

We trust the above adequately summarises our discussions and meets with your requirements and approval, but naturally, should you need anything further or require clarification on any aspect, please do not hesitate to contact us.

Yours sincerely



R.S. Osborne
Marsh (Pty) Ltd