

# CORPORATE PROFILE

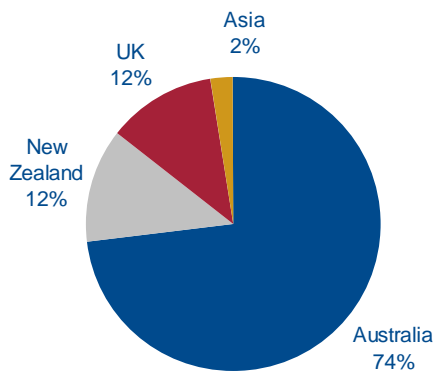
## ABOUT INSURANCE AUSTRALIA GROUP

Insurance Australia Group (IAG) has a portfolio of general insurance businesses, with leading and established brands across its home markets of Australia and New Zealand, a specialist underwriter in the United Kingdom and a growing presence in Asia.

We have been assigned a 'Very Strong' Insurer Financial Strength Rating of 'AA-' by Standard & Poor's for our key wholly owned insurance companies.

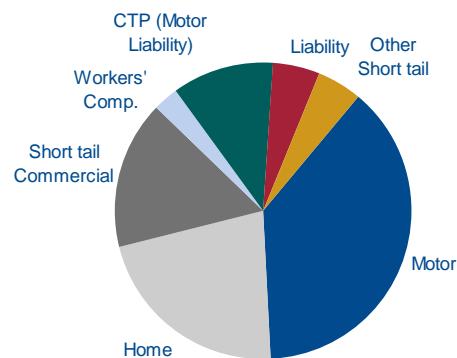
## OUR INTERNATIONAL SPREAD

% of GWP for the year ended 30 June 2009



## OUR PORTFOLIO OF PRODUCTS

% of GWP for the year ended 30 June 2009



## OUR MAJOR BRANDS AND OPERATING MODEL

The Group has a portfolio of end-to-end businesses aligned around customers, brands and markets. In this devolved model, accountability and responsibility is close to the end customer.

	DIRECT INSURANCE	INTERMEDIATED INSURANCE	ONLINE INSURANCE		DIRECT INSURANCE		DIRECT INSURANCE		INTERMEDIATED INSURANCE
AUSTRALIA				NEW ZEALAND		ASIA		UNITED KINGDOM	
					INTERMEDIATED INSURANCE				
							OTHER		
ACTIVE PORTFOLIO MANAGEMENT & GOVERNANCE (CORPORATE OFFICE)									

- RACV is via a distribution relationship and underwriting joint venture with RACV Limited
- RACV has a 30% interest in The Buzz
- 49% ownership of AmG Insurance, which is part of AmAssurance
- 98% voting rights in Safety Insurance, based in Thailand
- 26% ownership of SBI General Insurance Company, a joint venture with the State Bank of India

## OUR BUSINESS STRUCTURE

### AUSTRALIAN OPERATIONS



IAG's Australian operations distribute a range of personal and commercial insurance products, both directly to the customer and indirectly through a network of intermediaries. There are three businesses in IAG's Australian operations:

- Australia Direct Insurance, the Group's largest business, distributes products through a network of branches, franchises and country service centres throughout metropolitan, regional and rural Australia, as well as through call centres and online. Products are distributed under the NRMA Insurance brand in NSW, Queensland, ACT and Tasmania; SGIC in South Australia; SGIO in Western Australia; and RACV in Victoria;
- Australia Intermediated Insurance, known as CGU, sells products nationally, through intermediary channels, including a network of more than 1,000 insurance brokers and authorised representatives, as well as through motor dealerships and financial institutions; and
- The Buzz, our online insurer. Customers interact with The Buzz online through the entire lifecycle of their insurance policy – from buying their car insurance policy, right through to making a claim. Launched in May 2009, The Buzz was created based on direct feedback from customers, making it an online business which was genuinely shaped by the community.

### INTERNATIONAL OPERATIONS

IAG's international operations consist of interests in New Zealand, Asia and the UK.



#### New Zealand

IAG is the leading general insurance provider in New Zealand across both direct and intermediated channels. Insurance products are predominantly sold directly to customers under the State brand and through intermediaries (insurance brokers and authorised representatives) under the NZI brand. Personal lines and commercial products are also distributed under third party brands by IAG's corporate partners, including large financial institutions.



#### Asia

IAG has a growing presence in Asia:

- in Thailand, it owns commercial insurer NZI Thailand and personal insurer Safety Insurance;
- in Malaysia, IAG has an interest in the general insurance arm of AmAssurance, AmG;
- in India, IAG has signed a joint venture agreement with SBI to establish a general insurance company. SBI has over 100 million customers and 11,000 branches across the country and access to an additional 46 million customers and 4,500 branches when including its subsidiaries; and
- in China, IAG has a roadside assistance operation and insurance agent, CAA.



#### United Kingdom

In the UK, IAG has a specialist motor underwriting operation, Equity Red Star. Commencing operations in 1946, Equity Red Star has grown to become the largest personal lines syndicate at Lloyd's, providing insurance to business and personal lines customers. It was acquired by IAG in 2007. The UK business also includes Equity Broking affinity business and specialist commercial broker Barnett & Barnett.

## AT A GLANCE

### At 30 June 2009:

33.6m	\$1,225b	12,665	\$7.8b	\$13.7m
IAG had more than 33.6m active risks in force.	IAG insured property valued at more than \$1,225b.	IAG employed 12,655 people on a full time equivalent basis	IAG sold \$7,842m worth of premiums to customers during the year.	IAG paid around \$5b in claims during the year – or approximately \$13.7m a day.

### Across Australia, IAG insures:

5.5m	2.2m	73,400	145,000	207,500
Cars	Homes	Farms	Employers	Businesses

## GROUP STRATEGY

The Group's strategic intent is to manage a portfolio of high performing, customer-focused diverse operations that provide general insurance in a manner that delivers superior experiences for stakeholders and creates value for shareholders.

The concept of portfolio should enable the Group to deliver a more consistent performance, despite owning a group of general insurance businesses operating at different stages in both the economic and the insurance cycle.

## FINANCIAL TARGETS

- Top quartile total shareholder return (TSR); and
- ROE greater than 1.5 times the weighted average cost of capital (WACC).

The aim is to achieve these targets through the cycle, given the nature and volatility of insurance. The clear focus is on margin and profitability.

## STRATEGIC PRIORITIES

- Continue to improve the performance of the Australian and New Zealand businesses;
- Pursue selective general insurance growth opportunities; and
- Drive operational performance and accountability.

## BRIEF HISTORY

From its beginnings as a motor vehicle insurer in New South Wales, Australia, IAG has grown to become a fully diversified general insurance group with international operations.

The Group's heritage dates back to 1921, when the NRMA Motoring & Services club was established and subsequently offered motor insurance to its members. In 2000, the insurance arm demutualised and listed on the Australian Securities Exchange and became Insurance Australia Group (ASX: IAG).

The Group grew organically and through acquisitions in its home market of Australia. Recognising the benefits of geographical diversification, it began to look offshore for expansion opportunities, and now has operations in New Zealand, Asia and the UK.

## EXECUTIVE TEAM

**Michael Wilkins**  
Managing Director & Chief Executive Officer

**Justin Breheny**  
Chief Executive Officer, Asia

**Andy Cornish**  
Chief Executive Officer, Direct Insurance

**Ian Foy**  
Chief Executive Officer, New Zealand

**Nick Hawkins**  
Chief Financial Officer

**Jacki Johnson**  
Chief Executive Officer, The Buzz

**Leona Murphy**  
Group Executive, Corporate Office

**Neil Utley**  
Chief Executive Officer, United Kingdom

**Duncan West**  
Chief Executive Officer, CGU

## BOARD OF DIRECTORS

**James Strong**  
Chairman & independent non-executive director

**Brian Schwartz**  
Deputy Chairman & independent non-executive director

**Michael Wilkins**  
Managing Director & Chief Executive Officer

**Yasmin Allen**  
Independent non-executive director

**Phillip Colebatch**  
Independent non-executive director

**Hugh Fletcher**  
Independent non-executive director

**Anna Hynes**  
Independent non-executive director

**Phillip Twyman**  
Independent non-executive director

## FOR MORE INFORMATION

For more information on IAG or any of its brands, please use the below details:

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