

IAG receives around 4,000 claims following south-east Queensland and Northern NSW storms

Insurance Australia Group Limited (IAG) today confirmed it currently expects to pay between \$25 million and \$35 million to customers affected by the recent storms in south-east Queensland and Northern NSW.

Its operating businesses, NRMA Insurance and CGU, have received around 4,000 claims as at 2 June 2009. The majority of claims lodged relate to property damage, for example damage to plaster, paintwork, carpets and contents. Some commercial and motor vehicle damage has also been reported.

IAG Managing Director and Chief Executive Officer, Mr Michael Wilkins, said both NRMA Insurance and CGU were focused on assisting customers affected by the storms.

“Our main priority is helping our customers. The NRMA Insurance and CGU teams are concentrating on getting customers the help they need, by processing claims as quickly as possible and meeting immediate needs like critical repairs,” he said.

Mr Wilkins said this event would not trigger the Group’s main reinsurance program which currently has a maximum event retention of \$75 million for Australia. However, it will contribute to the erosion of the deductible of the Group’s aggregate cover. IAG has reinsurance cover of \$150 million for aggregate events over \$150 million. To date, events that contribute to the aggregate cover total around \$100 million including the Victorian bushfires, the Coffs Harbour storms and this most recent event.

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About Insurance Australia Group Limited

Insurance Australia Group Limited (IAG) is an international general insurance group, with operations in Australia, New Zealand, the United Kingdom and Asia. Its current businesses underwrite more than \$7.5 billion of premium per annum. It sells insurance under many leading brands including NRMA Insurance, CGU, SGIO, SGIC and Swann (Australia); NZI and State (NZ); Equity Red Star (UK); and NZI and Safety (Thailand). For further information please visit www.iag.com.au

MEDIA RELATIONS

Emma Foster
T +61 2 9292 8929
M +61 411 013 170
E emma.foster@iag.com.au

INVESTOR RELATIONS

Carolyn McCann
T +61 2 9292 9557
M +61 411 014 126
E carolyn.mccann@iag.com.au

Simon Phibbs
T +61 2 9292 8796
M +61 411 011 899
E simon.phibbs@iag.com.au

Insurance Australia
Group Limited
ABN 60 090 739 923
388 George Street
Sydney NSW 2000
Australia
T +61 (0)2 9292 9222
www.iag.com.au