

4 June 2009

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SYDNEY NSW 2000

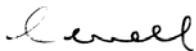
Dear Sir/Madam

INSURANCE AUSTRALIA GROUP LIMITED ('IAG')

Presentation by Direct Insurance CEO

Please find attached a brief presentation made by Andy Cornish, Chief Executive Officer of IAG's Australian Direct Insurance division, to investors and analysts in Sydney today.

Yours sincerely



Glenn Revell
Company Secretary

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DIRECT INSURANCE

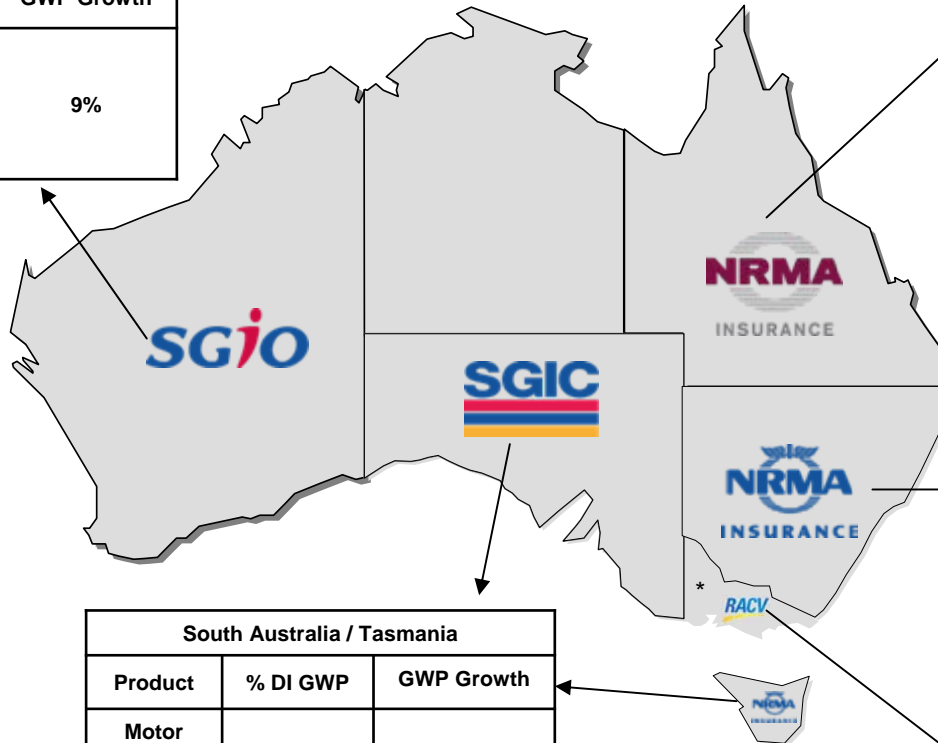
Andy Cornish, CEO

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DIRECT INSURANCE

Western Australia		
Product	% DI GWP	GWP Growth
Motor	5%	9%
Buildings		
Contents		
CTP		

Queensland		
Product	% DI GWP	GWP Growth
Motor	7%	25%
Buildings		
Contents		
CTP		



New South Wales / ACT		
Product	% DI GWP	GWP Growth
Motor	66%	9%
Buildings		
Contents		
CTP		

South Australia / Tasmania		
Product	% DI GWP	GWP Growth
Motor	2%	3%
Buildings		
Contents		

Victoria		
Product	% DI GWP	GWP Growth
Motor	20%	5%
Buildings		
Contents		

Notes

1. GWP split based on 1H09 results, and includes RBI.
2. GWP growth represents 1H09 vs. 1H08.

* RACV is via a distribution relationship and underwriting joint venture with RACV Limited

WE HAVE SOME GREAT STRENGTHS

- Motivated front line staff, capable of world-class service and brilliant in a crisis (eg Victorian bushfires)
- Smart people who care about the business
- Strong brands – with loyal and profitable customers
- Positive momentum of improved performance
- Business model – multi-channel, multi-product

STRATEGIC PRIORITIES

- Gain superior customer insights and delivery
- Continue focus on industry leading risk selection and pricing
- Achieve lowest possible delivered cost continually
- Adapt culture - focus on business fundamentals

STRUCTURE

