

4 December 2009

Manager, Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

INSURANCE AUSTRALIA GROUP LIMITED ('IAG')
IAG COMPLETES INVESTMENT IN INDIAN JOINT VENTURE

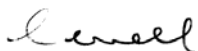
Insurance Australia Group (IAG) today announced completion of its INR 5421 million (approximately A\$126 million) investment in its general insurance joint venture with State Bank of India, SBI General.

The investment will be funded from internal resources. The capital has been invested directly into the joint venture vehicle and no further capital is expected to be required until at least the fourth year of operation.

The joint venture is expected to commence trading in the first half of calendar year 2010, subject to final approvals from Insurance Regulatory and Development Authority.

IAG will initially hold 26% of the joint venture, the maximum allowable under India's current foreign investment rules, and has an option to increase its stake to 49% in future, subject to regulatory and other conditions.

Yours sincerely,



Glenn Revell
Company Secretary

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