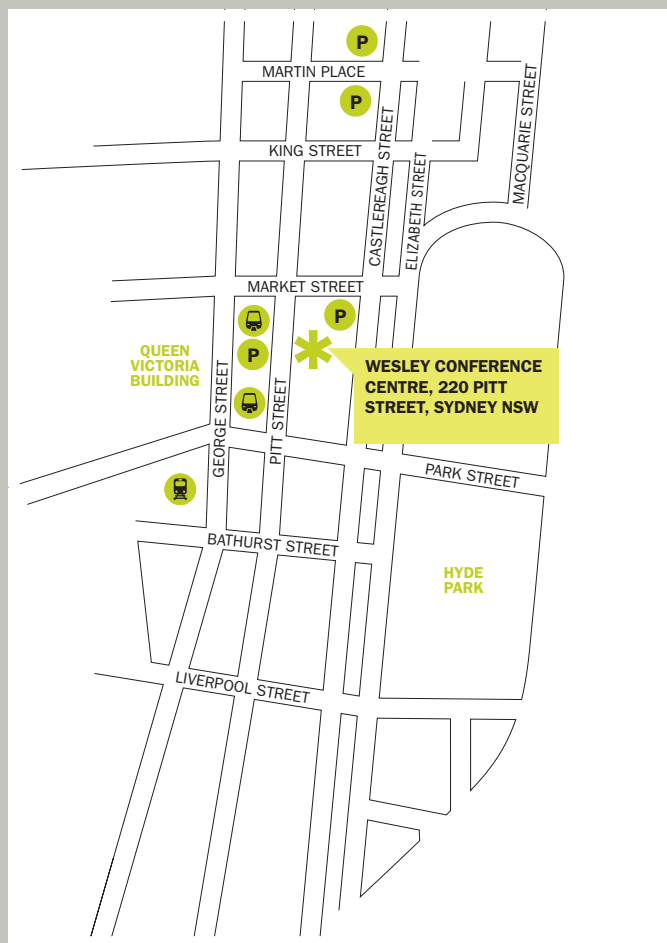


THE NOTICE OF MEETING ▶▶

ANNUAL GENERAL MEETING 2010



IAG'S 2010 ANNUAL GENERAL MEETING WILL BE HELD ON WEDNESDAY 27 OCTOBER 2010 FROM 10.00AM AT THE WESLEY CONFERENCE CENTRE, 220 PITT STREET, SYDNEY. IT WILL BE WEBCAST AT WWW.IAG.COM.AU/RESULTS/AGM.



TRAIN

The closest train station is Town Hall (all suburban lines). For information about train times, please call 131 500.

BUS

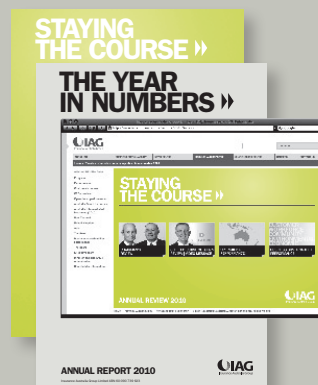
Some State Transit buses stop along George Street outside the Queen Victoria Building. For more information about bus routes and timetables, please call 131 500.

MONORAIL

The closest monorail station is Galleries Victoria (Pitt Street, Sydney).

PARKING

The closest parking station is Secure Parking situated beneath the Piccadilly Shopping Centre; entry is via 137 Castlereagh Street, Sydney. Rates vary from \$62 for 2-3 hours and \$75 for 3+ hours.



INFORMATION ABOUT IAG

You can read about IAG's performance for the 2010 financial year in its summary annual review and detailed annual report, which are available by contacting our Share Registry or by visiting www.iag.com.au.

FURTHER INFORMATION

If you would like any further information regarding the AGM, please contact the company's share registry on 1300 360 688 if calling from within Australia or +61 (0) 3 9415 4210 from outside Australia, or visit the IAG website at www.iag.com.au/results/aggm.

WARNING TO SHAREHOLDERS – UNSOLICITED SHARE OFFERS

Shareholders are warned that you may receive an unsolicited share offer to purchase your IAG shares at a price below the current share market value. The share market value of one IAG share as at 24 August 2010 was \$3.32 and the daily price is available either online at www.iag.com.au or from national newspapers, or you can call the Shareholder Information Line on 1300 360 688.

All shareholders are urged to carefully consider their options or seek independent financial advice before deciding whether or not to accept any unsolicited offer that undervalues their shareholding.

DEAR SHAREHOLDER

I am pleased to invite you to attend the 2010 Annual General Meeting (AGM) of Insurance Australia Group Limited (IAG), my first as Chairman.

The meeting will be held at the Wesley Conference Centre, 220 Pitt Street, Sydney on Wednesday 27 October 2010, commencing at 10.00am. A map with directions to the venue can be found on the inside front cover of this booklet. The meeting will also be webcast live and may be viewed at www.iag.com.au/results/agm. An archive of the webcast will be made available on the site shortly after the meeting.

The following pages contain details on the items of business that you have the opportunity to vote on at the meeting, as well as explanatory notes and voting procedures.

At this year's meeting, you will have the opportunity to vote on:

- the re-election of two directors, Anna Hynes and Hugh Fletcher;
- the adoption of the remuneration report as required by the Corporations Act 2001, as set out on pages 18 to 32 of the 2010 annual report; and
- the refresh of IAG's capacity to issue new securities following the issue of securities in April 2010.

If you are unable to attend the meeting in person, you may vote directly or appoint a proxy to act on your behalf. You may register voting instructions electronically at www.iag.com.au or complete and return the enclosed voting form using the pre-addressed envelope provided. Alternatively, you may lodge your voting form by fax to +61 (0)3 9473 2555 or hand deliver your voting form to our share registry.

If you have any questions about the items of business, please contact the IAG share registry on 1300 360 688 if calling within Australia or +61 (0)3 9415 4210 outside Australia.

I look forward to seeing you at the meeting.



Brian Schwartz
Chairman



WHAT YOU WILL BE VOTING ON

RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements and reports for the financial year ended 30 June 2010.

ELECTION OF DIRECTORS

RESOLUTION 1

To re-elect as a director Anna Hynes who retires by rotation in accordance with the Company's Constitution, and being eligible, offers herself for re-election.

RESOLUTION 2

To re-elect as a director Hugh Fletcher who retires by rotation in accordance with the Company's Constitution, and being eligible, offers himself for re-election.

ADOPTION OF REMUNERATION REPORT

RESOLUTION 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Company's remuneration report for the financial year ended 30 June 2010 be adopted."

In accordance with the Corporations Act 2001, the vote on the adoption of the Company's remuneration report for the financial year ended 30 June 2010 is advisory only and does not bind the directors or the Company.

REFRESH CAPACITY TO ISSUE NEW SECURITIES

RESOLUTION 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4, approval is given for the issue of securities as described in the Explanatory Notes accompanying the 2010 Notice of Meeting."

HOW TO VOTE

A. VOTING OPTIONS

DIRECT

A direct vote will enable shareholders to vote on resolutions considered at the AGM by lodging their votes with the Company prior to the meeting. Direct voting will enable shareholders to exercise their voting rights without the need for the shareholder to attend the meeting or appoint a proxy.

Please note, a shareholder who has cast a direct vote may attend the AGM; however, their attendance cancels the direct vote unless the shareholder instructs the Company or the share registry otherwise.

PROXY

A shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder of the Company and may be a corporation (and any corporation so appointed may then nominate an individual to exercise its powers at meetings). A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. If the proxy appointments do not specify the proportion or number of the shareholder's votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes.

If a shareholder appoints the chairman of the meeting or another director as proxy and does not direct the chairman of the meeting or director how to vote on an item of business, the chairman of the meeting or director will vote in favour of each of the proposed resolutions set out in the Notice of Meeting.

HOW TO VOTE DIRECTLY OR BY PROXY

To be valid, voting forms, proxies or electronic voting instructions must be received by the Company's share registry, Computershare Investor Services Pty Limited, in Sydney before **10.00am on Monday 25 October 2010 (Voting Deadline)**.

Voting forms may be submitted in one of the following ways:

- online at www.iag.com.au. You will need information shown on your voting form to register your vote online;
- by post in the pre-addressed envelope provided. Please allow sufficient time so that it reaches Computershare Investor Services Pty Limited by the Voting Deadline;
- by facsimile to Computershare Investor Services Pty Limited on +61 (0)3 9473 2555; or
- by hand delivery to Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney, NSW 2000.*

Intermediaries with access to Intermediary Online through Computershare Investor Services Pty Limited should lodge their votes through www.intermediaryonline.com.

B. CORPORATE REPRESENTATIVES

Any corporate shareholder wishing to appoint a person to act as its representative at the AGM may do so by providing that person with:

- a letter or certificate authorising him or her as the company's representative, executed in accordance with the company's constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporate shareholder.

C. POWER OF ATTORNEY

If a shareholder has appointed an attorney to attend and vote at the meeting, or if the voting form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Company's share registry, Computershare Investor Services Pty Limited, by the Voting Deadline, unless this document has been previously lodged with the Company's share registry for notation.

Powers of attorney may be submitted by post or by hand delivery to Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney, NSW 2000.*

D. SHAREHOLDERS ELIGIBLE TO VOTE

As determined by the board of directors, only persons who hold ordinary shares in the Company as at 7.00pm on 25 October 2010 will be eligible to vote at the meeting.

Dated at Sydney on 1 September 2010.

By order of the board of directors.



Glenn Revell
Company Secretary

* Hand delivery of voting forms, proxies or powers of attorney to any other Computershare Investor Services or IAG office should allow sufficient time for delivery to the Computershare Investor Services office in Sydney by the Voting Deadline.

The following notes explain the items of business to be considered at IAG's 2010 AGM. The notes are set out in the order of the items in the Notice of Meeting and should be read with the notice.

RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

The financial results for the year ended 30 June 2010 are set out in the annual report sent to those shareholders who elected to receive it by post or emailed to those who elected to receive it online. A copy of the 2010 annual report is available online at www.iag.com.au/results/reports.

WHY ARE THE FINANCIAL REPORTS BEING PRESENTED TO SHAREHOLDERS?

It is a requirement under the Corporations Act 2001 to present the financial report, directors' report, and auditor's report of the Company and the consolidated entity at the AGM.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on the financial report and other reports and on the business operations and management of the Company.

During discussion of this item, the Company's auditor will be present and will answer qualifying questions.

QUESTIONS FOR THE AUDITOR

If you would like to submit a written question to the Company's auditor, please post your question in the pre-addressed envelope provided or send it by fax to +61 (0) 3 9473 2555. Questions may also be lodged as part of the online voting process.

Questions must relate to the content of the auditor's report or the conduct of the audit to be considered at the AGM. A list of qualifying questions received will be made available at the AGM.

Please note that all questions must be received at least five business days before the AGM, that is, **by no later than 5.00pm Wednesday 20 October 2010**.

ELECTION OF DIRECTORS RESOLUTIONS 1 AND 2

Background Information

The Australian Securities Exchange (ASX) Listing Rules require the Company to hold an election of directors in each year. The Constitution of the Company requires one third of eligible directors to retire from office at each AGM.

Anna Hynes and Hugh Fletcher retire by rotation in accordance with the Company's Constitution and offer themselves for re-election at this year's AGM.

WHO IS STANDING FOR RE-ELECTION?

Resolution 1

ANNA HYNES

BSc (Hons), MBA

Anna Hynes was appointed as a director of IAG in September 2007. She is a member of the IAG Nomination, Remuneration & Sustainability Committee (NRSC). Anna was formerly a non-executive director of Promina Group Limited.

Anna has over 20 years' experience in general management and marketing roles in financial services and consumer products companies. She has worked in the UK, Asia and the USA, as well as Australia and New Zealand.

Anna spent most of her executive career at American Express, where she held a number of senior positions, most recently country head, New Zealand.

Anna is also an adjunct professor and a member of the Executive Council at the University of Technology Business School, Sydney.

Anna was formerly a non-executive director of Country Road Limited.

Directorships of other listed companies held in past three years:

- None

What do the directors recommend?

The other directors recommend that you vote in favour of the resolution.

Resolution 2

HUGH FLETCHER

BSc/BCom, MCom (Hons), MBA

Hugh Fletcher was appointed as a director of IAG in September 2007 and as a director of the IAG New Zealand board in July 2003. He is a member of the IAG Audit, Risk Management & Compliance Committee.

Hugh was formerly chairman (and independent director since December 1998) of New Zealand Insurance Limited and CGNU Australia.

Hugh is also the deputy chairman of the Reserve Bank of New Zealand, non-executive director of Fletcher Building Limited, Rubicon Limited and Vector Limited and councillor of The University of Auckland.

Hugh was formerly chief executive officer of Fletcher Challenge Limited—a New Zealand headquartered corporation with assets in the global building, energy, forestry and paper industries. Hugh retired from an executive position in December 1997 after 28 years as an executive, 11 of which he served as chief executive.

Directorships of other listed companies held in past three years:

- Fletcher Building Limited since 31 January 2001
- Rubicon Limited since 23 March 2001
- Vector Limited since 25 May 2007
- IAG Finance (New Zealand) Limited since 31 August 2008.

What do the directors recommend?

The other directors recommend that you vote in favour of the resolution.

ADOPTION OF REMUNERATION REPORT RESOLUTION 3

The Corporations Act 2001 (section 250R) requires listed companies to provide enhanced disclosures of director and executive remuneration in their annual report. These disclosures are set out in the remuneration report on pages 18 to 32 of the Company's 2010 annual report which has been sent or made available to shareholders who have requested to receive a copy. The annual report is also available from the Company's website at www.iag.com.au/results/reports.

The vote on the adoption of the remuneration report is advisory only and does not bind the directors or the Company. However, the board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company. Shareholders will be given the opportunity to ask questions and to make comments on the remuneration report at the AGM.

What do the directors recommend?

The directors recommend that you vote in favour of the resolution.

REFRESH CAPACITY TO ISSUE SECURITIES

RESOLUTION 4

On 21 April 2010, Insurance Australia Limited (**IAL**) (a wholly owned subsidiary of the Company) issued 156,956 subordinated GBP (£) denominated unsecured loan notes, having an aggregate face value and principal amount of £156,956,000 and due on 20 April 2035 (**Securities**). The Securities may be exchanged into ordinary shares in IAG in October 2011 and on other dates in certain circumstances.

Funds raised from the issue of the Securities were used to repay IAL's US\$240 million subordinated debt facility on 28 April 2010.

Why shareholder approval is being sought

Generally, under ASX Listing Rule 7.1, a company may, in any 12 month period, issue without the prior approval of shareholders, new securities which exchange into shares of up to 15% of the number of shares on issue 12 months before the date of the issue of the new securities.

ASX Listing Rule 7.4 provides that an issue by a Company of securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue did not breach ASX Listing Rule 7.1 when it was made and the Company's shareholders subsequently approve it.

The issue of the Securities did not breach ASX Listing Rule 7.1 and has not previously been approved by shareholders. The Company now seeks shareholder approval for the issue of the Securities pursuant to ASX Listing Rule 7.4. The Securities would have, when issued, exchanged into approximately 3.3% of the Company's ordinary shares, if they were exchanged for ordinary shares on the basis of the rate set by the terms, being an adjusted volume weighted average price of the Company's ordinary shares calculated over the 35 trading days immediately prior to the issue of the Securities.

The effect of passing Resolution 4 will be to refresh the Company's 15% capacity under ASX Listing Rule 7.1 so that its capacity would be the same as if the Securities had not been issued. This resolution, if passed, will increase the Company's financial flexibility in the future.

Currently the Company does not intend to undertake any further issue of securities in the event that approval is received from shareholders in respect of Resolution 4.

The board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so.

If Resolution 4 is not passed by shareholders, the Company would, when calculating the number of securities it can issue without shareholder approval to go beyond the 15% limit, need to deduct the number of ordinary shares into which the Securities would exchange.

The following additional information is provided in connection with the approval sought under Resolution 4:

(a) The number of securities issued

A total of 156,956 Securities were issued (treated as exchangeable into 68,635,204 ordinary shares in the Company).

(b) The price at which the securities were issued

Each Security has a face value and issue price of £1,000.

(c) The terms of the securities

Each Security:

- will carry a deferrable, cumulative, semi-annual interest payment;
- may be exchanged, at the option of the holder, on certain dates and in certain circumstances from October 2011, into ordinary shares in the Company, subject to a right of IAL to redeem or require the transfer of the Securities to the Company or a third party for cash (in either case with the approval of the Australian Prudential Regulation Authority). If an exchange occurs, the number of ordinary shares in the Company into which the Securities will exchange will be based on a 35 day volume weighted average price (other than in certain circumstances) (less a discount of 1% and adjusted for the Australian dollar/GBP (£) foreign exchange rate); and
- may be redeemed on certain dates (with APRA's approval) at IAL's option or on the happening of certain events (ie an acquisition event, regulatory event or tax event), but must be redeemed at expiry (ie 20 April 2035). The redemption price of each Security will be the face value plus any interest amount owing on the Security.

The Securities do not carry a right to vote at general meetings of IAL or the Company.

The Securities will effectively rank ahead of ordinary shares for payment of distributions out of the profits of the Company. On a winding up of IAL or the Company, the Securities will rank after policyholders and creditors (other than certain subordinated creditors).

(d) The names of the allottees or the basis on which the allottees were determined

The Securities were issued to BA Securities Australia Limited.

Voting exclusion statement

The Company will disregard any votes cast on this resolution by BA Securities Limited and its associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the voting form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the voting form to vote as the proxy decides.

What do the directors recommend?

The directors recommend that you vote in favour of the resolution.

OUR MAJOR BRANDS



Australia



New Zealand



United Kingdom



Asia



100% owned unless indicated. ¹ RACV is via a distribution relationship and underwriting joint venture with RACV Ltd. ² RACV has a 30% interest in The Buzz. ³ 98% voting rights. ⁴ 49% ownership of the general insurance arm of AmBank Group, AmG Insurance Berhad, trading under the AmAssurance brand. ⁵ 26% ownership of SBI General Insurance Company, a joint venture with the State Bank of India.