



IAG agrees class action settlement

IAG has agreed to a settlement of the class action brought against its subsidiaries, Swann Insurance (Aust) Pty Ltd (Swann) and Insurance Australia Limited, by Johnson Winter & Slattery.

On 11 April 2019 IAG provided initial advice of this proceeding, which relates to add-on insurance products sold through motor vehicle and motorcycle dealers.

IAG exited these business areas with the sale of Swann's rights to distribute through motor vehicle dealers in August 2016 and the cessation of distribution through motorcycle dealers in the financial year ended 30 June 2018.

The settlement involves a gross payment of \$138 million and is subject to approval by the Federal Court of Australia.

Inclusive of all related costs and after insurance recoveries, IAG anticipates a net after tax impact from this settlement of less than \$50 million. This will be reflected in IAG's reported earnings for the six months ended 31 December 2020.

This release has been authorised by IAG's Disclosure Committee.

About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group's businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit www.iag.com.au.

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