

# Delivering our strategy.

Our strategy: create a stronger, more resilient IAG

 <p><b>Grow with our customers</b></p>	<p>We will grow as Australians and New Zealanders grow, delivering unparalleled personalised service when our customers need us the most</p>	<ul style="list-style-type: none"> <li>• Grow the number of direct personal lines customers</li> <li>• Increase the breadth of customer relationships</li> <li>• Drive engagement through more frequent customer interactions</li> </ul>
 <p><b>Build better businesses</b></p>	<p>We will help Australian and New Zealand businesses thrive by continuing to focus on underwriting expertise, active portfolio management and pricing excellence</p>	<ul style="list-style-type: none"> <li>• Invest in underwriting and pricing capability uplift</li> <li>• Build commercial discipline, reduce volatility and improve margins</li> <li>• Strengthen relationships with our key partners and intermediaries</li> </ul>
 <p><b>Create value through digital</b></p>	<p>We will be digital to the core by creating connected experiences that seamlessly assist and reward our customers as they unlock the value of our network</p>	<ul style="list-style-type: none"> <li>• Accelerate digital, making it easier for our customers, partners and people to interact with us</li> <li>• Modernise our policy administration systems</li> <li>• Use automation to unlock the next wave of efficiency in our business</li> </ul>
 <p><b>Manage our risks</b></p>	<p>We will actively manage capital and risk in our business so we can continue to manage the risks in our customers' lives</p>	<ul style="list-style-type: none"> <li>• Clear accountabilities driving focused outcomes</li> <li>• Drive a proactive risk culture to increase organisational resilience</li> <li>• Active management of the balance sheet and capital allocation</li> </ul>

Throughout the year, our businesses have taken a number of steps to deliver on our four strategic priorities.

## Grow with our customers

This year we attracted more than 75,000 direct brand customers across Australia and New Zealand, growing at almost twice the Australia and New Zealand population growth rate. Our **Direct Insurance Australia** business continued to enhance its product offerings, strengthen partnerships and improve the overall customer experience. Highlights include:

- implementing a Customer Loyalty Platform in Western Australia, South Australia and the Northern Territory as part of the NRMA Insurance online rollout;
- changing policy wordings and processes to comply with recent initiatives designed to enhance customer outcomes. These include the General Insurance Code of Practice, Product Design & Distribution Obligations and the Unfair Contract Terms Act;
- having Carbar source and replace motor vehicles (less than two years old) that are classified as total losses. This has improved the efficiency and effectiveness of the vehicle replacement process for customers. Carbar is an IAG subsidiary acquired in July 2019;
- establishing Home Trades Hub Australia in August 2020 as a joint venture with RACV, to deliver home services to IAG and RACV customers nationally. Home Trades Hub Australia uses a network of qualified tradespeople and professionals to offer a single point of delivery for a range of home repair, maintenance and security services;

- continuing car servicing and customer hub operations through Motorserve (acquired in February 2020). Car servicing operates across 19 sites and provides quality mechanical services to around 80,000 customers. Customer hubs provide a one-stop shop for services including vehicle assessment, repair, servicing and onsite mobility options. Motorserve operates 15 customer hubs and plans to double this footprint in FY22; and
- growing and improving the consistency and quality of repairs through Repairhub, a majority-owned joint venture with RACV and two repair partners. Repairhub contributes to improved customer experience by reducing cycle times, ensuring customers get their cars back more quickly. Repairhub manages 13 sites in metropolitan centres, and there are plans for a further seven sites in FY22.

**Intermediated Insurance Australia** continues to enhance its product offerings, strengthen partnerships and improve the quality of its customer service. In FY21, the business:

- extended initiatives to support customers suffering hardship as a result of COVID-19; these now form the fundamentals of our hardship program;
- introduced improvements to comply with the General Insurance Code of Practice. IAG assisted over 2,000 customers under the 'Supporting Vulnerable Customers' and 'Financial Hardship' provisions that came into effect 1 January 2021;
- rolled out 'CGU Edge' broker communications to provide brokers with relevant content on product, regulatory and marketing changes; and
- continued the 'CGU Business as Unusual' speaker series.



Key initiatives from our **New Zealand** business included:

- opening a second Repairhub site in Christchurch in May 2021. Repairhub's goal is to respond to customers' feedback for faster high-quality motor repairs and an improved customer experience. It continues to meet performance objectives with over 6,000 vehicles repaired through the first site in Auckland;
- establishing a partnership between AMI and Habitat for Humanity to help improve the lives of 75,000 New Zealanders living in sub-standard homes. Creating safe and healthy homes fits alongside IAG's purpose to make your world a safer place. AMI will work alongside Habitat for Humanity to provide housing basics like curtains and heating, and manage home repairs to help make homes warmer, drier and safer; and
- achieving the Rainbow Tick accreditation, for supporting gender diverse customers. We are supporting customers who wish to be identified on their policies as non-binary, or be identified according to their affirmed gender, which may differ from their gender at birth. Acknowledging this identity respects customers' choices and provides a more equitable customer experience.

### **Build better businesses**

Through focus on underwriting expertise, active portfolio management and pricing excellence, we:

- continued to make progress in improving the performance of our Intermediated Insurance portfolio through targeted remediation;
- leveraged satellite imagery and data analytics delivered by Digital Agricultural Services to improve the quote and renewal process for WFI;
- continued to strengthen the performance of our NZI business;
- exited as an agent of Worksafe in the Victorian Workers' Compensation scheme; and
- delivered the first tranche of our pricing capability uplift.

### **Create value through digital**

Our work to create connected experiences that seamlessly assist and reward our customers saw us:

- win a global award from Step Two Intranet and Digital Workplace Awards for our Digital Employee Experience;
- decommission 50+ legacy technology assets; and
- return 110,000 hours of efficiency to the organisation through robotic process automation.

Our **Direct Insurance Australia** business continues to prioritise investment in digital initiatives, with notable developments including:

- continued growth in our online sales channel: NRMA Insurance now conducts around 37% of new business sales and renewals online;

- continued investment in personalised digital customer journeys including an enhanced Digital Expert Advice (Robo Advice) tool for small businesses, due to launch in FY22;
- a redesigned motor total loss claims experience which has significantly reduced the claims settlement process; and
- sending more than 400,000 automated SMSs to customers to keep them better informed throughout the motor and home repair process.

Investment in digital initiatives remains an ongoing priority for **Intermediated Insurance Australia**. The past year's activities included:

- renewing the "OneAffiniti" digital agency that launched in April 2020. This CGU initiative allows participating broker partners access to tailored digital marketing and expertise to improve their client engagement;
- launching "AMPLIFY", a technology solution that allows brokers to share pre-approved CGU social media content; and
- implementing a digital workflow management solution within CGU to simplify ways of working and improve productivity and operational efficiencies.

COVID-19 provided our **New Zealand** business with a catalyst for a marked shift to digital channels as customers benefited from having more flexibility in how and when they interact. Progress on digital initiatives included:

- closing 53 AMI branches in response to a change in customer behaviours, partly accelerated by COVID-19 with more customers choosing to engage with us via phone, email and through our website;
- enhancing the "My AMI" portal to enable AMI personal lines customers to view and download all current and historical insurance documents online, without the need to call IAG; and
- launching a quote and buy portal in June 2021, allowing State small-to-medium enterprise customers to obtain quotes and purchase policies online, providing customer choice and flexibility.

### **Manage our risks**

To actively manage capital and risk in our business so we can continue to manage the risks in our customers' lives, we have:

- implemented a new operating model to drive clarity of accountability and enable strategy execution;
- delivered just over 20,000 hours of training via our rQ Academy to more than 7,000 employees. This is all voluntary training above the mandated training modules;
- launched a company-wide Risk academy and implemented our ServiceNow risk management system;
- published our Family and Domestic Violence Policy; and
- launched a culture program – The IAG Way – to unite employees around a *ready for anything* and risk intelligent mindset.