



IAG provides update on BI second test case appeals

IAG notes that the 28 day deadline for parties to lodge an application to seek leave to appeal the judgment from the Full Court of the Federal Court of Australia (the “Full Court”) in the second business interruption test case, handed down on 21 February 2022, has now passed.

As noted by the Insurance Council of Australia, applications for special leave to appeal aspects of the judgment of the Full Court in the High Court of Australia have been filed by policyholders. IAG has also filed an application for special leave to appeal the Full Court’s finding on JobKeeper payments.

At this stage, there will be no adjustment to IAG’s \$1,222 million net provision for potential business interruption claims.

As the legal position becomes more certain and claims experience emerges, IAG will refine the prediction of ultimate claim costs and adjust its provision accordingly. Current indications are that a release from the provision will occur and is likely to be recognised over time, subject to court processes and the time required to allow for claims development.

IAG looks forward to these issues being resolved as quickly as possible for its customers with business interruption cover.

This release has been authorised by IAG Continuous Disclosure Committee.

About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG’s main businesses underwrite over \$12.5 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU, SGIO, SGIC and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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