

IAG update on Christchurch earthquake

Insurance Australia Group Limited (IAG) today said it was too early to determine the extent of damage following an earthquake which struck Christchurch over the weekend, but that it was focussed on assisting customers affected by the event.

The Group expects claim costs from the event will be entirely covered by its reinsurance arrangements. Subject to the damage caused by the Christchurch earthquake, the loss from a subsequent major event this calendar year would be capped at a maximum of \$175 million.

IAG Managing Director and CEO, Mr Michael Wilkins, said the Group's New Zealand businesses, State and NZI, had mobilised resources to meet customers' needs.

"As with all such events, our priority is our customers and so far we've responded to more than 2,000 calls," Mr Wilkins said.

"At this stage it is too early to determine the extent of damage to our customers' property, however, we expect it is likely to be significant.

"From a financial perspective, the entire event will be covered by our reinsurance arrangements."

IAG's FY11 guidance remains unchanged.

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About Insurance Australia Group Limited

Insurance Australia Group Limited (IAG) is an international general insurance group, with operations in Australia, New Zealand, the United Kingdom and Asia. Its current businesses underwrite approximately \$7.8 billion of premium per annum. It sells insurance under many leading brands including NRMA Insurance, CGU, SGIO, SGIC, Swann and The Buzz (Australia); NZI and State (NZ); Equity Red Star (UK); and NZI and Safety (Thailand). For further information please visit www.iag.com.au

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