

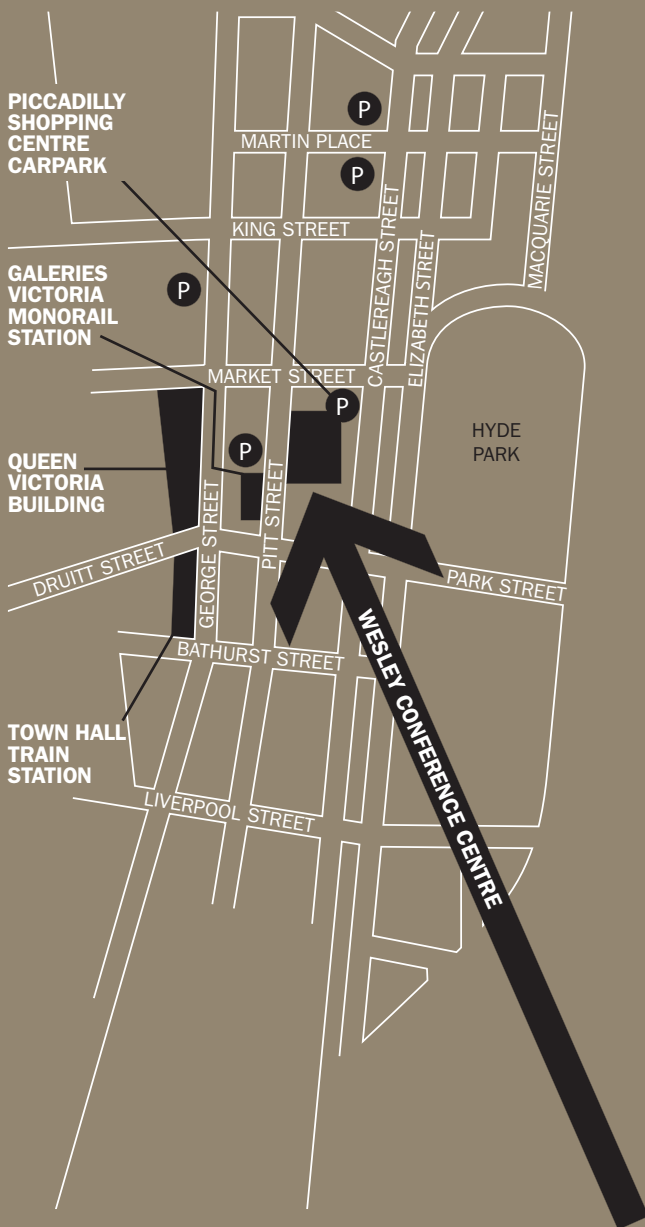
THE MEETING: FOR THIS YEAR.

NOTICE OF MEETING 2008



WHERE WE'LL BE.

IAG's 2008 annual general meeting will be held on Tuesday 11 November 2008 from 10am 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 \$50 for 2-3 hours and \$60 for 3+ hours.

INFORMATION ABOUT IAG

You can read about IAG's performance for the 2008 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.

THE FIGURES: IN BLACK & WHITE.

ANNUAL REPORT 2008

THE FACTS: IN BLACK & WHITE.

ANNUAL REVIEW 2008

IAG

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LETTER FROM THE CHAIRMAN.

17 September 2008

Dear Shareholder

I am pleased to invite you to attend the 2008 annual general meeting (AGM) of Insurance Australia Group Limited (IAG).

The meeting will be held at the Wesley Conference Centre, 220 Pitt Street, Sydney on Tuesday 11 November 2008, commencing at 10am. 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 be asked to vote on:

- the re-election of two directors and the election of one director. Four candidates are standing for the three board positions; and
- the adoption of the remuneration report as required by the Corporations Act 2001. The remuneration report is set out on pages 16 to 29 of the 2008 annual report.

If you are unable to attend the meeting in person, you may vote your shares directly or appoint a proxy to act on your behalf. You may register voting instructions electronically at www.iag.com.au or complete and mail the enclosed voting form using the pre addressed envelope provided. Alternatively you may lodge your voting form by fax to +61 (0)2 8235 8220 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.

Yours sincerely



JAMES STRONG
Chairman

ITEMS OF BUSINESS.

A. RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the company's financial statements and reports for the financial year ended 30 June 2008.

B. ELECTION OF DIRECTORS

RESOLUTION 1

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

RESOLUTION 2

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

RESOLUTION 3

To elect as a director Richard Talbot.

RESOLUTION 4

To elect as a director Philip Twyman.

The chairman and the other directors intend to vote open proxies given to them 'against' the election of Richard Talbot and 'for' the election of Messrs Schwartz, Strong and Twyman.

There are four candidates standing for three board positions. Only three candidates may be elected.

In order to be re-elected or elected a candidate must receive more votes validly cast in favour of their election than against. If all candidates receive such a majority, the three candidates receiving the most votes in favour of their election will be elected as directors. Votes against the candidates will be disregarded for this part of the count.

C. ADOPTION OF REMUNERATION REPORT

RESOLUTION 5

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 2008 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 2008 is advisory only and does not bind the directors or the company.

ABOUT VOTING.

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 as proxy and does not direct the chairman of the meeting how to vote on an item of business, the chairman of the meeting will vote in favour of each of the proposed resolutions set out in the notice of meeting except for resolution 3.

LODGEMENT

To be valid, voting forms or electronic voting instructions must be received by the company's Share Registry, Computershare Investor Services Pty Limited, in Sydney before 10am on Sunday 9 November 2008 (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)2 8235 8220; or
- by hand delivery to Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000, Australia.

Hand delivery of voting forms to any other Computershare Investor Services or IAG office should allow sufficient time for delivery to the Computershare Investor Services Pty Limited, Sydney office by the voting deadline.

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.

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 2, 60 Carrington Street, Sydney NSW 2000, Australia.

SHAREHOLDERS ELIGIBLE TO VOTE

As determined by the board of directors, only persons who hold ordinary shares in the company as at the voting deadline will be eligible to vote at the meeting.

Dated at Sydney on 17 September 2008.

By order of the board of directors.



GLENN REVELL
Group Company Secretary

EXPLANATORY NOTES.

The following notes explain the items of business to be discussed at IAG's 2008 AGM. The notes are set out in the order of the items in the notice of meeting and should be read with the notice.

A. RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

The financial results for the year ended 30 June 2008 are set out in the annual report sent to those shareholders who elected to receive it by post or elected to receive it online. A copy of the 2008 annual report is available online at www.iag.com.au/results/reports/index.shtml.

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)2 8235 8220. Questions may also be lodged as part of the online voting process.

Questions must relate to the content of the auditor's report to be considered at the AGM or the conduct of the audit. 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 Tuesday 4 November 2008.

B. ELECTION OF DIRECTORS RESOLUTIONS 1, 2, 3 AND 4

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.

Brian Schwartz and James Strong retire by rotation in accordance with the company's Constitution and offer themselves for re-election at this year's AGM.

Richard Talbot, who is not currently a director, offers himself for election to the board.

Philip Twyman was appointed as a director on 9 July 2008, and offers himself for election at this year's AGM.

James Strong, Chairman, and the other directors intend to vote open proxies given to them 'against' the election of Richard Talbot and 'for' the election of Messrs Schwartz, Strong and Twyman.

WHO IS STANDING FOR RE-ELECTION

Resolution 1

BRIAN SCHWARTZ
FCA, AM

Brian Schwartz was appointed as a director of IAG in January 2005. He is Chairman of the IAG Nomination, Remuneration & Sustainability Committee and a member of the IAG Audit Committee.

Brian is also Chief Executive of Investec Bank (Australia) Limited, and Deputy Chairman of the board of Football Federation Australia Limited.

Previously, Brian was with Ernst & Young Australia from 1979 to 2004 becoming its chief executive in 1998. He was a member of Ernst & Young's global board and managing partner of the Oceania region.

Brian was appointed a Member of the Order of Australia in 2004 for his services to business and the community.

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

JAMES STRONG
AO

James Strong was appointed Chairman of IAG in August 2001. He is a member of the IAG Nomination, Remuneration & Sustainability Committee.

James is also Chairman of Woolworths Limited, Rip Curl Group Pty Limited and the Australia Council for the Arts. He is a director of Qantas Airways Limited and the Australian Grand Prix Corporation.

James was formerly chief executive and managing director of Qantas Airways Limited from 1993 to 2001, group chief executive of DB Group Limited in New Zealand, national managing partner and later chairman of law firm Corrs Chambers Westgarth, chief executive of Trans Australian Airlines (later Australian Airlines) and executive director of the Australian Mining Industry Council.

He has been admitted as a barrister and/or solicitor in various state jurisdictions in Australia. In 2006, James was made an Officer of the Order of Australia.

Directorships of other listed companies held in past three years:

- Woolworths Limited since 10 March 2000;
- IAG Finance (New Zealand) Limited since 9 November 2004; and
- Qantas Airways Limited since 1 July 2006.

What do the directors recommend

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

WHO IS STANDING FOR ELECTION

Resolution 3

RICHARD TALBOT

Richard Talbot has nominated himself for election as director and has supplied the statement below. By including the statement from Richard Talbot IAG does not in any way endorse the statement nor its accuracy or reliability.

“Richard Talbot served as a director of NRMA Insurance prior to its split up with NRMA Road Service and its demutualisation in 2000. In 1994 Richard successfully opposed the demutualisation of both NRMA Insurance and its then parent company, NRMA Road Service, in the Courts.

In 2000, Richard was the only NRMA director to challenge the split up of NRMA and the demutualisation of NRMA Insurance (now IAG) in the Courts.

As a listed company Richard believes shareholders of IAG should have the right to decide their company's future. Earlier this year, another major player in the insurance industry QBE launched a takeover bid for IAG. The current IAG board declined to put QBE's bid to shareholders. QBE's bid price remains well above IAG's current share price.

Richard believes shareholders should have been afforded an opportunity to vote on QBE's proposal.

Richard Talbot will ensure a stronger voice for shareholder democracy.”

What do the directors recommend

Each director believes, for the reasons set out below, that it is not in the best interests of shareholders that Richard Talbot be elected, and recommends that shareholders vote against this resolution.

The board's policy is to ensure that the board comprises directors who collectively have the relevant experience, knowledge and skills required for the company, taking into account its current size, market position, complexity and strategic

focus, and assist in maintaining the independence of the board. In reviewing its composition and requirements for director succession, the board is also mindful of the corporate governance practices and requirements for directors of general insurance companies.

Having regard to this, each director believes that Richard Talbot does not have the experience, knowledge and skills required of a director of an Australian public listed general insurance company such as IAG.

In addition, in forming its view, the board also took into consideration that in 2006, Richard Talbot was removed as a director of National Roads and Motorists' Association Limited (NRMA). Full details of the reasons for his removal from the NRMA board were set out in the NRMA 2006 notice of annual general meeting, a copy of which can be found at www.iag.com.au. In 2007, NRMA members approved amendments to its constitution, the effect of which was to disqualify Richard Talbot from standing for election as a director (of NRMA) until the 2014 board election and from being appointed by the board (of NRMA) as a director to fill a vacancy until 4 November 2011.

Resolution 4

PHILIP TWYMAN

BSc, MBA, FIA, FIAA, FAICD

Philip Twyman was appointed as a director of IAG in July 2008.

He was formerly group executive director of Aviva plc, one of the world's largest insurance groups, based in London. He was also chairman of Morley Fund Management and chief financial officer of General Accident plc, Aviva plc and AMP Group.

Philip is on the board of Swiss Re (Australia), he was formerly an independent non-executive director of Insurance Manufacturers of Australia, a joint venture between IAG and Royal Automobile Club of Victoria (RACV) since April 2007.

Philip has extensive experience as a director and senior executive in Australia and overseas with significant knowledge of all aspects of insurance businesses.

Directorships of other listed companies held in past three years:

- Perpetual Limited since November 2004.

What do the directors recommend

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

C. REMUNERATION REPORT

Resolution 5

The Corporations Act 2001 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 16 to 29 of the company's 2008 annual report, which is available by contacting the Share Registry or by visiting www.iag.com.au.

The company is required to propose to its shareholders at its AGM a non binding advisory resolution on the remuneration report prepared by the directors, and to allow questions and comments on this remuneration report by shareholders.

What do the directors recommend

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

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, +61 (0)3 9415 4210 from outside Australia, or visit the IAG website at www.iag.com.au.

OUR MAJOR BRANDS



Australia



New Zealand



United Kingdom



Asia



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