

INSURANCE AUSTRALIA GROUP LIMITED

ABN 60 090 739 923

PRELIMINARY FINAL REPORT 30 JUNE 2010

APPENDIX 4E (ASX Listing rule 4.3A)

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Financial Report 30 June 2010	7

RESULTS FOR ANNOUNCEMENT TO MARKET

	UP / DOWN	% CHANGE	2010 \$m	2009 \$m
Revenue from ordinary activities	Down	2.2 %	9,384	9,591
Profit/(loss) from ordinary activities after tax attributable to shareholders	Down	23.1 %	190	247
Net profit/(loss) attributable to shareholders	Down	23.1 %	190	247

DIVIDENDS - ORDINARY SHARES	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
Final dividend	4.5 cents	4.5 cents
Interim dividend	8.5 cents	8.5 cents

The record date of the dividend is 8 September 2010. The dividend is to be paid on 6 October 2010. The Company's dividend reinvestment plan (DRP) will operate by acquiring shares on-market with no discount applied. The last date for the receipt of an election notice for participation in the Company's DRP is 8 September 2010. The ordinary shares issued as a result of DRP participation will rank equally in all respects from the date of allotment, 6 October 2010, with all other ordinary shares of the Company. The DRP issue price will be based on a volume weighted average price over a five days trading period from Monday 13 September 2010 to Friday 17 September 2010, inclusive.

Eligible shareholders may now lodge their DRP elections electronically by logging on to IAG's website at <http://www.iag.com.au/shareholder/manage/index.shtml>

This report is to be read in conjunction with the annual report of the Insurance Australia Group for the year ended 30 July 2010 and any public announcements made by the Insurance Australia Group during the reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001.

OTHER INFORMATION

During the reporting period Insurance Australia Group held an interest in the following joint ventures and associates:

	OWNERSHIP INTEREST
Joint ventures	
NTI Limited	50.00
Associates	
AmG Insurance Berhad	49.00
SBI General Insurance Company Limited	26.00
First Rescue and Emergency (NZ) Limited	50.00
Loyalty New Zealand Limited	25.00
Sureplan New Zealand Limited	30.00
AR Hub Pty Ltd	33.33
Arista Insurance Limited	29.35
InsuranceWide.com Services Limited	35.00
Photosecure (NZ) Limited	50.00
National Adviser Services Pty Ltd (formerly NAS Insurance Broker)	25.00

The Company's aggregate share of profits of these entities is not material.

APPENDIX 4E COMPLIANCE MATRIX

		INSURANCE AUSTRALIA GROUP LIMITED APPENDIX 4E	PAGE NUMBER	NOTE NUMBER
APPENDIX 4E DISCLOSURE REQUIREMENTS				
1	Details of the reporting period and the previous corresponding period.	All financial data headings		
2	Key information in relation to the following. This information must be identified as "Results for announcement to the market".	"Results for announcement to the market" page 1 Appendix 4E		
2.1	The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.			
2.2	The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.			
2.3	The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.			
2.4	The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.			
2.5	The record date for determining entitlements to the dividends (if any).			
2.6	A brief explanation of any figures in 2.1 to 2.4 necessary to enable the figures to be understood.			
3	A statement of financial performance together with notes to the statement, prepared in compliance with AASB 1018 or the equivalent foreign accounting standard.	Attachment A: Financial report 30 June 2010: • Statement of comprehensive income • Notes to the financial statements - Summary of significant accounting policies - Analysis of income - Analysis of expenses - Income tax - Claims expense	P.29 P.34 P.54 P.55 P.57 P.65	NOTE 1 NOTE 5 NOTE 6 NOTE 8 NOTE 12
4	A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.	Attachment A: Financial report 30 June 2010: • Balance sheet • Statement of changes in equity • Notes to the financial statements - Assets - Reinsurance and other recoveries on outstanding claims - Assets - Deferred acquisition costs - Assets - Investments - Assets - Receivables - Assets - Deferred tax assets - Assets - Property and equipment - Assets - Intangible assets - Assets - Goodwill - Liabilities - Outstanding claims liability - Liabilities - Unearned premium liability - Liabilities - Trade and other payables - Liabilities - Interest bearing liabilities - Liabilities - Restructuring provision - Liabilities - Employee benefits - Liabilities - Deferred tax liabilities	P.30 P.31 P.72 P.72 P.74 P.76 P.57 P.77 P.78 P.80 P.65 P.73 P.81 P.82 P.81 P.94 P.57	NOTE 13 NOTE 14 NOTE 16 NOTE 17 NOTE 8 NOTE 18 NOTE 19 NOTE 20 NOTE 12 NOTE 15 NOTE 21 NOTE 23 NOTE 22 NOTE 29 NOTE 8
5	A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 1026 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.	Attachment A: Financial report 30 June 2010: • Cash flow statement • Notes to the financial statements - Reconciliation of cash - Reconciliation of profit/(loss) for the year to net cash flows from operating activities	P.33 P.86 P.86	NOTE 25 NOTE 25

APPENDIX 4E DISCLOSURE REQUIREMENTS	INSURANCE AUSTRALIA GROUP LIMITED APPENDIX 4E	PAGE NUMBER	NOTE NUMBER
6	Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements - Dividends - Dividend franking account	P.63 P.63 NOTE 11 NOTE 11
7	Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Attachment A: Financial report 30 June 2010: • Statement of changes in equity • Notes to the financial statements - Dividends - Dividend franking account	P.31 P.63 P.63 NOTE 11 NOTE 11
8	A statement of retained earnings showing movements.	Attachment A: Financial report 30 June 2010: • Statement of changes in equity	P.31
9	Net tangible assets per security with the comparative figure for the previous corresponding period.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements - Net tangible assets	P.116 NOTE 37
10	Details of entities over which control has been gained or lost during the period, including the following.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements - Acquisition and disposal of businesses	P.87 NOTE 26
10.1	Name of the entity.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements	
10.2	The date of the gain or loss of control.	- Acquisition of subsidiaries	P.87 NOTE 26
10.3	Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.	- Disposal of subsidiaries	P.87 NOTE 26
11	Details of associates and joint venture entities including the following.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements	
11.1	Name of the associate or joint venture entity.	- Investment in joint ventures and associates - Details of subsidiaries	P.93 P.89 NOTE 28 NOTE 27
11.2	Details of the reporting entity’s percentage holding in each of these entities.		
11.3	Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.		
12	Any other significant information needed by an investor to make an informed assessment of the entity’s financial performance and financial position.	Attachment A: Financial report 30 June 2010	
13	For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).	Not applicable	

APPENDIX 4E DISCLOSURE REQUIREMENTS	INSURANCE AUSTRALIA GROUP LIMITED APPENDIX 4E	PAGE NUMBER	NOTE NUMBER
14 A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.	Attachment A: Financial report 30 June 2010		
14.1 The earnings per security and the nature of any dilution aspects	Attachment A: Financial report 30 June 2010: • Notes to the financial statements - Earnings per share	P.62	NOTE 10
14.2 Returns to shareholders including distributions and buy backs.	Attachment A: Financial report 30 June 2010: • Statement of changes in equity • Notes to the financial statements - Dividends - Dividend franking account	P.31 P.63 P.63	NOTE 11 NOTE 11
14.3 Significant features of operating performance.	Attachment A: Financial report 30 June 2010: • Directors' report - Operating and financial review	P.4	
14.4 The results of segments that are significant to an understanding of the business as a whole.	Attachment A: Financial report 30 June 2010: • Notes to the financial statements - Segment reporting	P.59	NOTE 9
14.5 A discussion of trends in performance.	Attachment A: Financial report 30 June 2010: • Directors' report - Operating and financial review	P.4	
14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.	Attachment A: Financial report 30 June 2010: • Directors' report • Notes to the financial statements - Events subsequent to reporting date	P.1 P.116	NOTE 38
15 A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.	The financial report 30 June 2010 has been fully audited. • Independent auditor's report	P.118	
16 If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.	Not applicable		
17 If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.	Not applicable		

ATTACHMENT A
INSURANCE AUSTRALIA GROUP LIMITED AND SUBSIDIARIES
FINANCIAL REPORT – 30 JUNE 2010