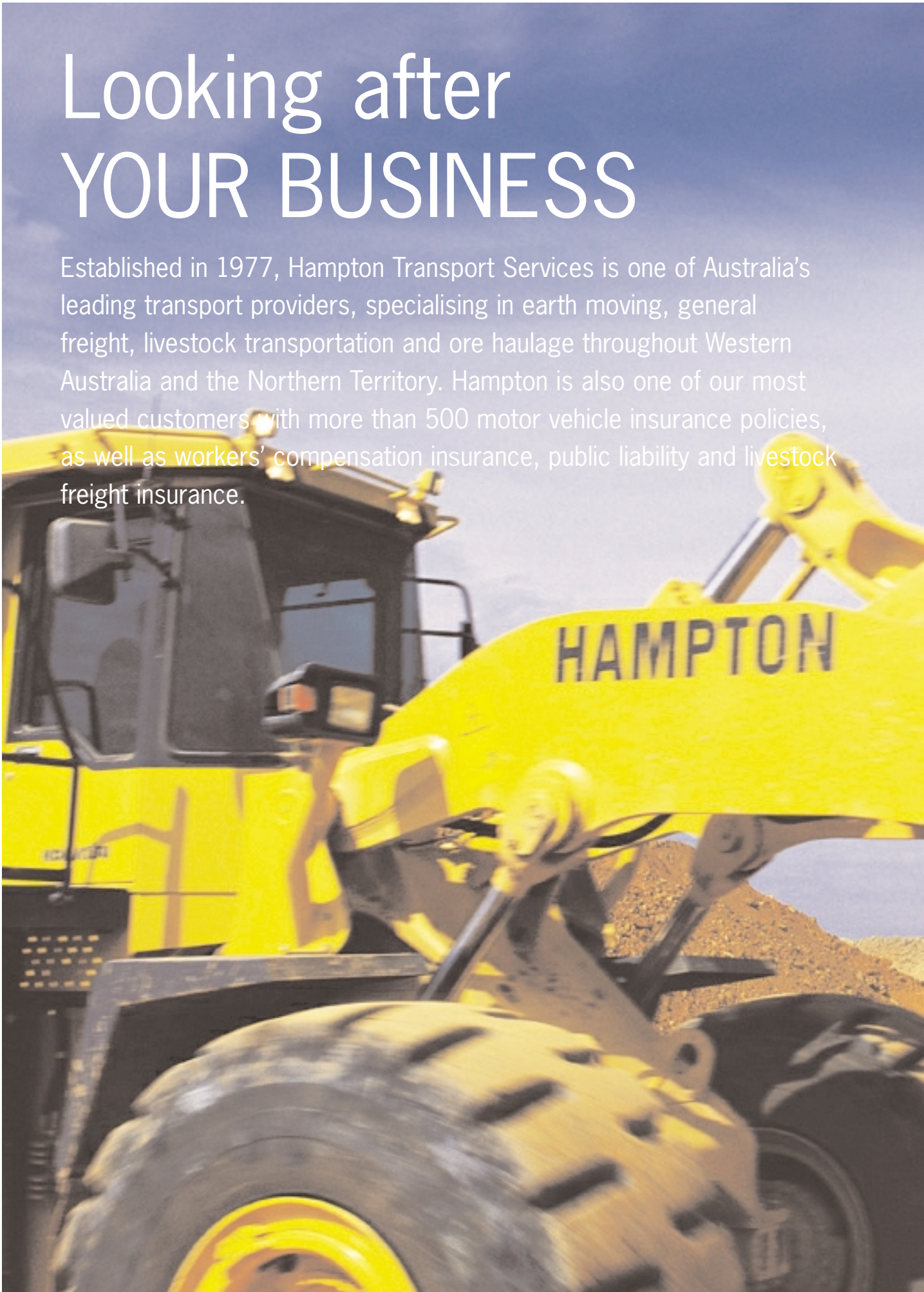


Looking after YOUR BUSINESS

Established in 1977, Hampton Transport Services is one of Australia's leading transport providers, specialising in earth moving, general freight, livestock transportation and ore haulage throughout Western Australia and the Northern Territory. Hampton is also one of our most valued customers with more than 500 motor vehicle insurance policies, as well as workers' compensation insurance, public liability and livestock freight insurance.



Looking after YOUR BUSINESS

We broadened our range of services this year by offering small business customers commercial insurance to protect their most valuable asset – their livelihood. Now insuring your business takes only one telephone call.

Commercial insurance

We enjoyed significant growth in the number of business customers insured during the year. Gross written premium increased by 16% to \$151 million which was consistent with the increase in the number of policies in force.

In the past 18 months, we have launched three new business package policies – business, rural and motor trade. The business policy includes cover on buildings, contents and liability insurance. The rural policy is specifically tailored for farming businesses. The motor trade policy addresses insurance needs in that sector.

In February 2001, we also launched the EasyBiz product to small and medium sized businesses. EasyBiz is the only product in Australia that allows small business owners to insure their businesses over the telephone, without having to fill out a single form. It reflects our philosophy of producing simple to use and easy to understand products for our customers.



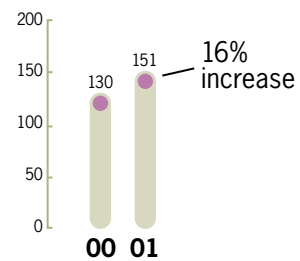
The product covers all key insurable risks, including fire, liability, business interruption, burglary, transit, money, glass, motor and personal accident. To date, it has been tailored for 49 trades and 56 types of small businesses, including retail, hospitality and office premises. The product was developed in response to research which revealed small to medium sized businesses were dissatisfied with the current commercial insurance products available in the market.

Since the launch of EasyBiz in February 2001, total business insurance sales have increased significantly with 4,000 sales in the six months to June 2001 compared to 1,800 in the first half of the financial year.

In addition to our range of business policies designed for the small to medium sized business market, we are also a major insurer of motor fleet business, supported by our nation-wide motor vehicle repairer network.

We are confident our commercial insurance business will continue to grow during the next 12 months as we launch EasyBiz in South Australia, Western Australia and Victoria.

**Gross Written Premium –
Commercial Insurance (\$ million)**



Looking after YOUR BUSINESS (continued)

Workers' compensation insurance

We have provided workers' compensation insurance since 1998, utilising the skills built up by SGIO over many years.

We expanded this business further in March this year when we acquired HIH's Australian workers' compensation portfolio. Workers' compensation was a core business of the failed HIH Insurance group and one of its best performing and profitable lines in Australia.

The acquisition of the ex-HIH portfolio enabled our workers' compensation business to become truly national, and contributed to a 123% increase in gross written premium to \$190 million. The number of policies in force increased by 52% to more than 20,000.

The business acquired from HIH included the new and renewal portfolios for the risk states and territories of Western Australia, the Australian Capital Territory, Tasmania and the Northern Territory.

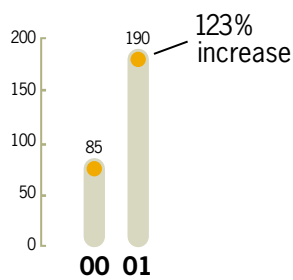
We also took up the opportunity to assume the claims management contracts HIH had with the governments of other states who underwrite workers' compensation.

“Just like SGIO, we have a good reputation that has been achieved through hard work.”

Nellie Jones – Hampton Transport Services



**Gross Written Premium –
Workers' Compensation (\$ million)**



Our two key challenges since the acquisition have been making payments to injured workers and employers with outstanding workers' compensation claims and ensuring that HIH's former clients renewed their business with us.

Claims payments continued with minimal disruption due to the efforts of the ex-HIH staff who joined us and the vast majority of former HIH clients have now renewed their policies. We have also attracted several new clients to the portfolio. Our reputation as a leading personal injury claims manager in Australia and NRMA Insurance Limited's AA+ credit rating were important factors in those decisions.

We are confident the integration of the acquisition with our existing portfolio will deliver revenues, profits and synergies.

The performance of the workers' compensation portfolio showed further improvement this financial year as the current scheme in Western Australia (as amended in October 1999) continued to stabilise.

In the coming 12 months, we plan to package our workers' compensation product with other products to businesses, and grow our market share in both risk and non-risk jurisdictions.

We are well placed to benefit from new claims management arrangements in New South Wales and Victoria, and will investigate emerging claims management opportunities in Queensland.

We will also conduct pilot programs for new injury management and return to work models which improve the outcome for injured workers and their employers and thus reduce the cost of claims.

