

7 February 2018

BY EMAIL - ORIGINAL IN POST

(investor.relations@iag.com.au)

Insurance Australia Group Ltd.
Level 26
388 George Street
Sydney NSW 2000, Australia

Re: Notice of Interests of Substantial Shareholder under Section 671B

Company Secretary:

Enclosed is a Form 603 dated 06 February 2018. Please note that a copy of this report has been sent to the Australian Stock Exchange.

The Capital Group Companies, Inc. ("CGC") is the parent company of Capital Research and Management Company ("CRMC"). CRMC is a U.S.-based investment management company that manages the American Funds family of mutual funds. CRMC manages equity assets for various investment companies through three divisions, Capital Research Global Investors, Capital International Investors and Capital World Investors. CRMC in turn is the parent company of Capital Group International, Inc. ("CGII"), which in turn is the parent company of five investment management companies ("CGII management companies"): Capital Guardian Trust Company, Capital International, Inc., Capital International Limited, Capital International Sàrl and Capital International K.K. The CGII management companies primarily serve as investment managers to institutional clients.

Neither CGC nor any of its affiliates own shares of Insurance Australia Group Ltd. for its own account. Rather, the shares reported on Form 603 are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

For the purpose of this Notice, an outstanding share balance of 2,367,524,344 shares was used to calculate the percentage of holdings. We believe this outstanding share balance is correct; however, if this number is not accurate, please contact us as soon as possible so we may make the necessary revisions.

Should you have questions or require additional information, please contact us at (213) 615-0469 or send a fax message to (213) 615-4056. Alternatively, you may contact us via e-mail at GRGroup@capgroup.com.

Regards,

Henry Lin
Compliance Associate

Form 603**Corporations Act 2001 Section 671B****Notice of initial substantial holder**

To Company Name/Scheme Insurance Australia Group Ltd.

ACN/ARSN ABN: 60 090 739 923

1. Details of substantial holder (1)

Name The Capital Group Companies, Inc.

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 6 February 2018

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	118,766,781 shares	118,766,781 shares	5.02%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
The Capital Group Companies, Inc.	Increased holdings	118,766,781 Ordinary Shares

The shares being reported under this section are owned by accounts under the discretionary investment management of 1 investment management companies (Capital Research and Management Company) which is a direct or indirect subsidiaries of The Capital Group Companies, Inc., 333 South Hope Street, 55th Floor, Los Angeles, California 90071

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
		none	
See Annexure A dated 6 February 2018 (copy attached)			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
The Capital Group Companies, Inc.	06 October 2017 to 06 February 2018	Average price of AUD – 7.17		118,766,781 Ordinary Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

The shares being reported under this section are owned by accounts under the discretionary investment management of 1 investment management companies (Capital Research and Management Company) which is a direct or indirect subsidiaries of The Capital Group Companies, Inc., 333 South Hope Street, 55th Floor, Los Angeles, California 90071

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
The Capital Group Companies, Inc.	333 South Hope Street, 55 th Floor Los Angeles, CA 90071

Signature

print name: Walter R. Burkley

Capacity: Senior Counsel

sign here _____

Date: 7 February 2018

Annexure “A”

This is the Annexure of 3 pages marked Annexure “A” referred to in Form 603 (initial) signed by this corporation dated 6 February 2018.

The Capital Group Companies, Inc.

By: _____
Walter R. Burkley
Senior Counsel

Australia Annexure A
Insurance Australia Group Ltd.
As of 6 February 2018

<u>CG Investment Management Company</u>	<u>Account Number</u>	<u>Number of Shares</u>	<u>% Held</u>
Capital Research and Management Company	11000012	38,197,539	1.61%
	11000033	66,309,559	2.80%
	11000037	14,259,683	0.60%
		118,766,781	
		<hr/>	
GRAND TOTAL		118,766,781	5.02%

Australia Annexure A
Nominee List

Insurance Australia Group Ltd.
As of 6 February 2018

Nominee Name

JPMorgan Chase Bank

11000012	38,197,539
11000033	66,309,559

Total Shares:	104,507,098
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The Bank of New York Mellon

11000037	14,259,683
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Total Shares:	14,259,683
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