



IAG provides reinsurance update

IAG today confirmed the renewal of its 2.5% whole-of-account quota share arrangement with Hannover Re that was due to expire on 30 June 2023. The new arrangement is effective from 1 July 2023 and has a term of five years.

IAG Chief Financial Officer, Michelle McPherson said “IAG has now renewed all four whole-of-account quota share reinsurance arrangements with leading global reinsurers. The 32.5% quota share arrangements are an important part of IAG’s capital structure, providing certainty for the next five to seven years.”

“The quota share arrangements have been renewed providing materially consistent financial outcomes and are particularly valuable in a challenging reinsurance market. These arrangements cover 32.5% of all gross claims costs, meaning we are only required to purchase 67.5% of the main catastrophe program in global reinsurance markets.”

FY24 aggregate and third/fourth event reinsurance covers

IAG also announced it has purchased aggregate and third/fourth event reinsurance covers for the financial year ending 30 June 2024.

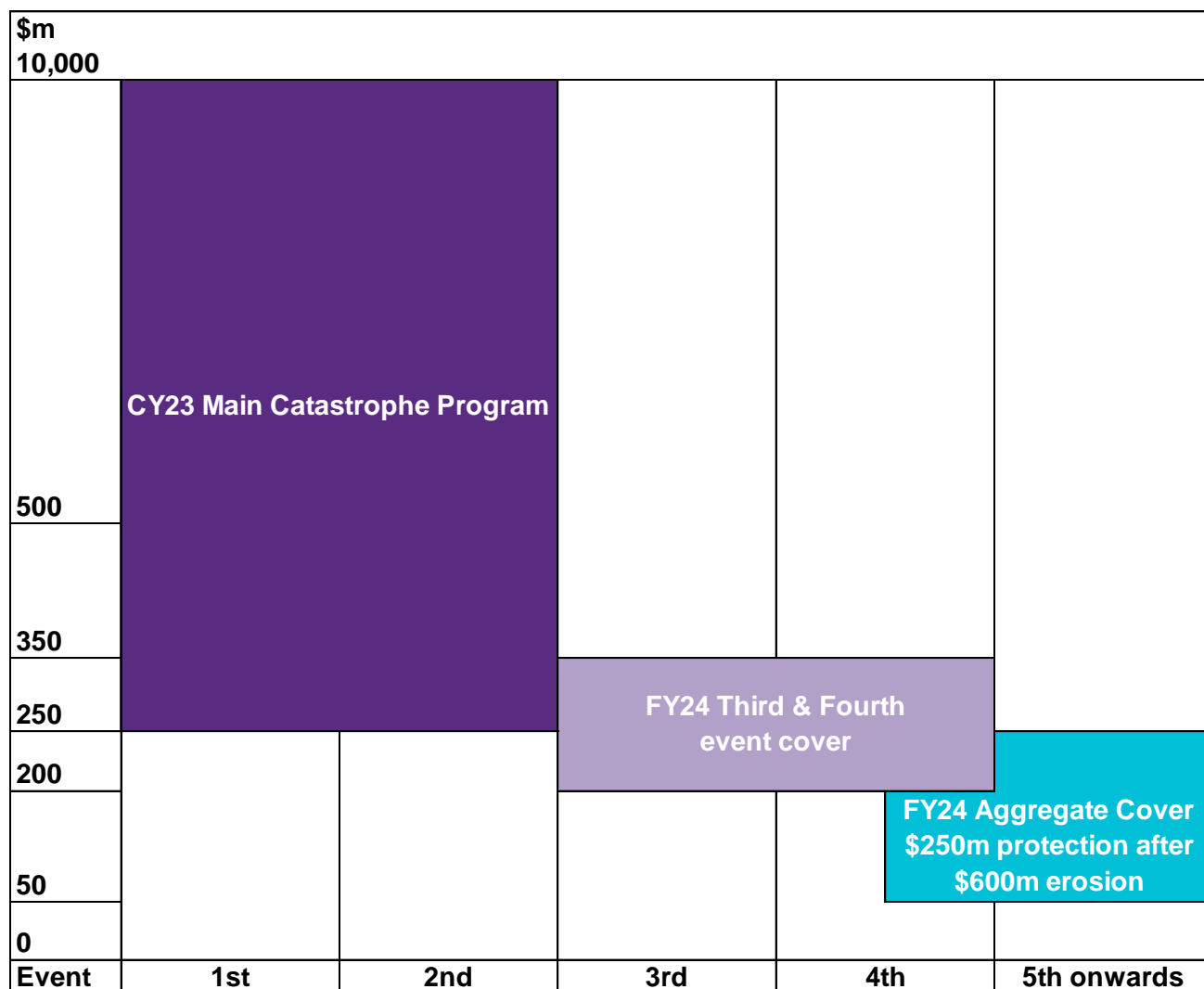
The FY24 aggregate cover provides protection of \$250 million in excess of \$600 million, with individual qualifying events capped at \$200 million in excess of \$50 million per event. Third and fourth event financial year occurrence covers have been purchased to provide \$150 million of protection for events greater than \$200 million. The covers have been placed to 67.5% to reflect IAG’s whole-of-account quota share arrangements.

After allowing for the quota share arrangements, IAG has a maximum event retention of \$169 million for a first and second event.

IAG will announce its FY23 financial results and FY24 guidance on 21 August 2023.

This release has been authorised by the IAG Continuous Disclosure Committee.

Appendix – IAG reinsurance protections 1 July 2023 to 31 December 2023



About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG's main businesses underwrite over \$13 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU, SGIO, SGIC and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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