



16 December 2016

Manager, Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Notice of redemption of New Zealand subordinated bonds

Please find attached a notice filed today with NZX Limited.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Bertuch', is shown within a light gray rectangular box.

Chris Bertuch
Group General Counsel and Company Secretary



16 December 2016

Manager, Company Announcements Office
NZX Limited

Dear Sir/Madam

**NOTICE FROM INSURANCE AUSTRALIA GROUP LIMITED (IAG)
PURSUANT TO LISTING RULE 7.12.1**

Pursuant to Listing Rule 7.12.1, please be advised that IAG has redeemed Bonds as follows:

(a)	Class of security and ISIN:	Unsecured subordinated bonds ISIN: NZIAGDT002C5
(b)	Number redeemed:	187,438,000
(c)	Redemption price:	NZ\$1.00 per Bond
(d)	Payment in cash:	Yes
(e)	Amount paid up:	Fully paid up
(f)	Principal terms of securities if not quoted:	Not applicable
(g)	Percentage of total class of securities redeemed:	100%
(h)	Reason for redemption:	Issuer Call
(i)	Specific authority for redemption:	Investment Statement dated 2011 relating to the offer by IAG of unsecured subordinated convertible notes
(j)	Terms or details of the redemption:	As set out in the Investment Statement dated 4 November 2011 (as amended by the addendum to the investment statement dated 14 November 2011) relating to the offer by IAG of unsecured subordinated convertible notes
(k)	Total number of securities on issue after redemption	0
(l)	Companies Act 1993 registered company - shares to be held as Treasury Stock:	Not applicable
(m)	Date of redemption:	15 December 2016

Released by:

Chris Bertuch
Group General Counsel and Company Secretary