



ASIC civil penalty Federal Court judgment

IAG acknowledges the Federal Court of Australia's decision today to impose a civil penalty of \$40 million plus costs on Insurance Australia Limited (IAL) for contraventions of the ASIC Act and Corporations Act.

IAG will also contact the relevant customers with the outcome of the proceedings, in line with the Federal Court judgment.

As outlined in IAG's ASX statement on 15 October 2021, the penalty relates to a self-identified failure of IAL, a subsidiary of IAG, to pass on full discounts to a significant number of NRMA Insurance Home, Motor, Caravan and Boat Insurance customers between March 2014 and September 2019. IAG has apologised for this failure, recognised its significance and that this was unacceptable. IAG's focus has been on putting this right for its customers, as quickly as possible. Refunds have been issued to all customers impacted by this failure.

IAG has engaged with ASIC on this matter and on IAG's broader pricing review and remediation program to provide refunds to customers who didn't receive the full discounts they were entitled to. IAG has issued refunds to 99% of impacted customers, with the remaining refunds expected to be issued over the next two months.

The \$186 million customer refund provision that IAG reported in its financial statements to 31 December 2022 is sufficient to provide for the penalty amount.

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

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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