



IAG provides update on business interruption policyholder class action and provision

IAG today provides a further update in relation to the class action filed against Insurance Australia Limited (“IAL”) in the Federal Court of Australia (the “Federal Court”) relating to policyholders with business interruption cover and the impact on the COVID-19 business interruption provision.

On 20 September 2024, the Federal Court delivered a judgment stating an intention to declass the representative proceeding filed against IAL. On 5 December 2024, the Federal Court held a further case management hearing and subsequently made orders that:

- the proceeding no longer continues as a class action with effect from 26 March 2025;
- group members will be bound by certain rulings to reflect the findings of the Federal Court in the earlier business interruption test cases unless they “opt-out” of the class action by 24 March 2025; and
- a notice will be distributed and published on the Slater & Gordon and Federal Court websites to inform group members of the declassing, how they can “opt-out” of the class action by 24 March 2025 if they do not wish to be bound by the rulings made by the Federal Court, and how they can make a claim directly with IAL.

The representative applicant in the class action has not sought leave to appeal against these orders and the time period for seeking leave to appeal has now expired.

IAG has reviewed its business interruption provision in the context of the expiry of the appeal period. As a result, based on actuarial assessment and subject to final board and audit review, it expects to release \$200 million of the \$380 million provision. The remaining provision reflects the potential for further valid business interruption claims to emerge. The \$200 million release will be included in the ‘Net Corporate Expense’ line in its financial results for the six months to 31 December 2024.

IAG will announce its financial results for the six months to 31 December 2024 on 13 February 2025.

This release has been authorised by IAG’s Managing Director and Chief Executive Officer.

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 \$16 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU and WFI (Australia); and NZI, State, AML and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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