

29 May 2008

Manager

Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

INSURANCE AUSTRALIA GROUP LIMITED ('IAG')
RESET PREFERENCE SHARES ('RPS2') (ASX Code: IAGPB)

In light of the upcoming completion of the RPS2 buy-back announced on 2 April 2008, RPS2 will cease trading at the close of business on 30 May 2008.

The ex-date for the buy-back is 2 June 2008.

The record date for the buy-back is 6 June 2008.

If there are any investor queries in relation to this matter, please contact Mr Michael Woods, Head of Investor Relations, telephone 02 9292 3156 or investor.relations@iag.com.au

Yours sincerely



Fraser MacLennan-Pike
Deputy Company Secretary

Insurance Australia
Group Limited
ABN 60 090 739 923

388 George Street
Sydney NSW 2000
Australia

T +61 (0)2 9292 9222
www.iag.com.au