

30 January 2015

Dr Kathleen Dermody
Committee Secretary
Senate Economics References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Economics.sen@aph.gov.au

Senate Economics References Committee Inquiry Into Corporate Tax Avoidance and Minimisation

Dear Ms Dermody,

Insurance Australia Group Limited (IAG) welcomes the opportunity to make a submission to the Senate Economics References Committee Inquiry into corporate tax avoidance and minimisation.

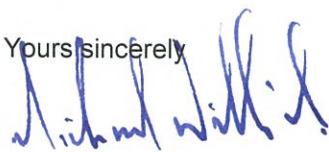
IAG is the parent company of a general insurance group with controlled operations in Australia, New Zealand, Thailand and Vietnam, employing more than 15,000 people. Its businesses underwrite over \$11 billion of premium per annum, selling insurance under many leading brands including NRMA Insurance, CGU, SGIO, SGIC, Swann, WFI and Lumley Insurance (Australia); NZI, State, AMI and Lumley Insurance (New Zealand); Safety and NZI (Thailand); and AAA Assurance (Vietnam). IAG also has interests in general insurance joint ventures in Malaysia, India and China.

Effective Tax Rate

IAG reported a tax expense of \$472m in FY14, compared to \$424m in FY13, representing an effective tax rate (pre-amortisation) of approximately 26%. This reconciles to the prevailing Australian corporate rate of 30% after allowing for differences in tax rates applicable to the Group's foreign operations, principally in New Zealand, Singapore and Malaysia, along with franking credits generated from the Group's investment portfolio.

IAG will release its results for the half year to 31 December 2014 to the market on 18 February 2015. If the Committee would like to receive IAG's updated results for the first half of financial year 2015 following their lodgement with the ASX please contact Craig Hesper, Head of Tax on (03) 9601 8249 or David Wellfare, Senior Manager, Public Policy & Industry Affairs on (02) 9292 8593.

Yours sincerely



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