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04 New Zealand

IAG New Zealand overview



Ambition:
To protect the future of every Kiwi

Business Division

Via Brokers




NZ\$1.7bn
FY23F GWP

Consumer Brands Division

Direct Brands	+	Bank Partners
 		 
  		 
NZ\$1.4bn FY23F GWP		NZ\$0.5bn FY23F GWP



#1
Personal lines
market share



#1
Commercial lines
market share

>2M
Customers




North Island Floods and Cyclone Gabrielle

New Zealand communities have been hit hard



#2 and #3

largest loss events
in NZ history



A\$284m

Group net cost



49k claims

lodged for the events
30% closed to date



**Strong
community
response**

across North Island

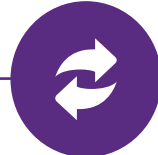


Operating environment



Slower system growth

- 2023 population growth 0.8%
- Personal Motor sales down 6%
- New mortgage commitments down 27%
- Building consents down 9%



Higher claims frequency

- Open claims are ~60% higher due to the weather events
- Motor returned to pre-COVID frequency levels

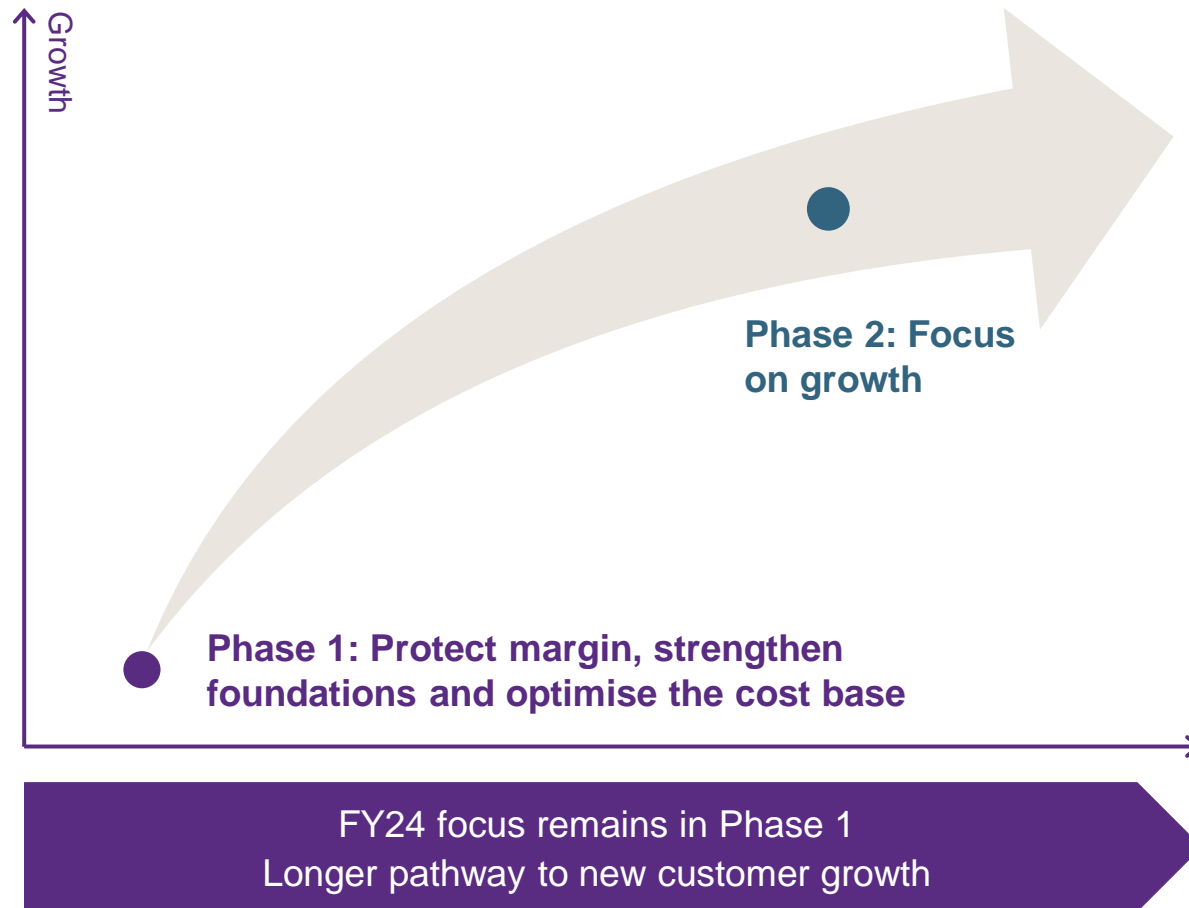


Upward Cost Pressures

- Higher claims inflation across motor and property
 - Personal Motor now stabilising at ~16% YoY
 - Home has remained 10-13% YoY through FY23
- Higher reinsurance costs

Two-phase strategy

Margin and customer retention focus into FY24



FY23 Focus



- **Rising rate increases**, particularly in 2H23 in response to inflation and higher reinsurance costs
 - Personal Motor ~20%
 - Commercial 15-20%
 - Home ~20-30+% - adjusted for EQC impact
- Strong customer retention (92% for AMI & State)
- **Improvement in admin ratio in 1H23 to 12.7%**
- **Claims automation** driving 80 FTE savings
- **Digital channel shift** (12% increase in digital sales)
- **Broker connectivity** with largest personal lines broker

FY24 Focus



- **Continued rate growth and focus on customer retention**
- Increased use of AI in claims customer journey
- Ongoing Repairhub expansion (+3 sites)
- **First migration of direct brands onto Enterprise Platform** enabling improved pricing for peril risks

NZI Intermediated

Always striving to add value for our customers



Market-leading broker NPS

(+25pts ahead of competitors)



Strong GWP growth

13.6% in 1H23

83% commercial customer retention



Small & micro businesses

seeking straight-forward digital connectivity and competitive pricing

- Strategic investment in new commercial platform



Large Corporate sector

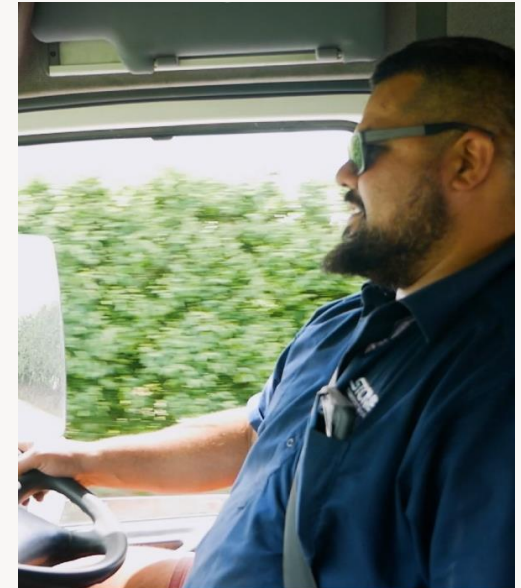
Strong tri-partite relationships with Brokers and Customers

- Offer a range of risk-advisory services
- Trading on value, not just price
- High retention rates (96% for Fleet Fit)



NZI Assurance Offerings

- Fleet Fit Programme (14 products)
- Property Risk Consultants
- NZI Electrical Assessors

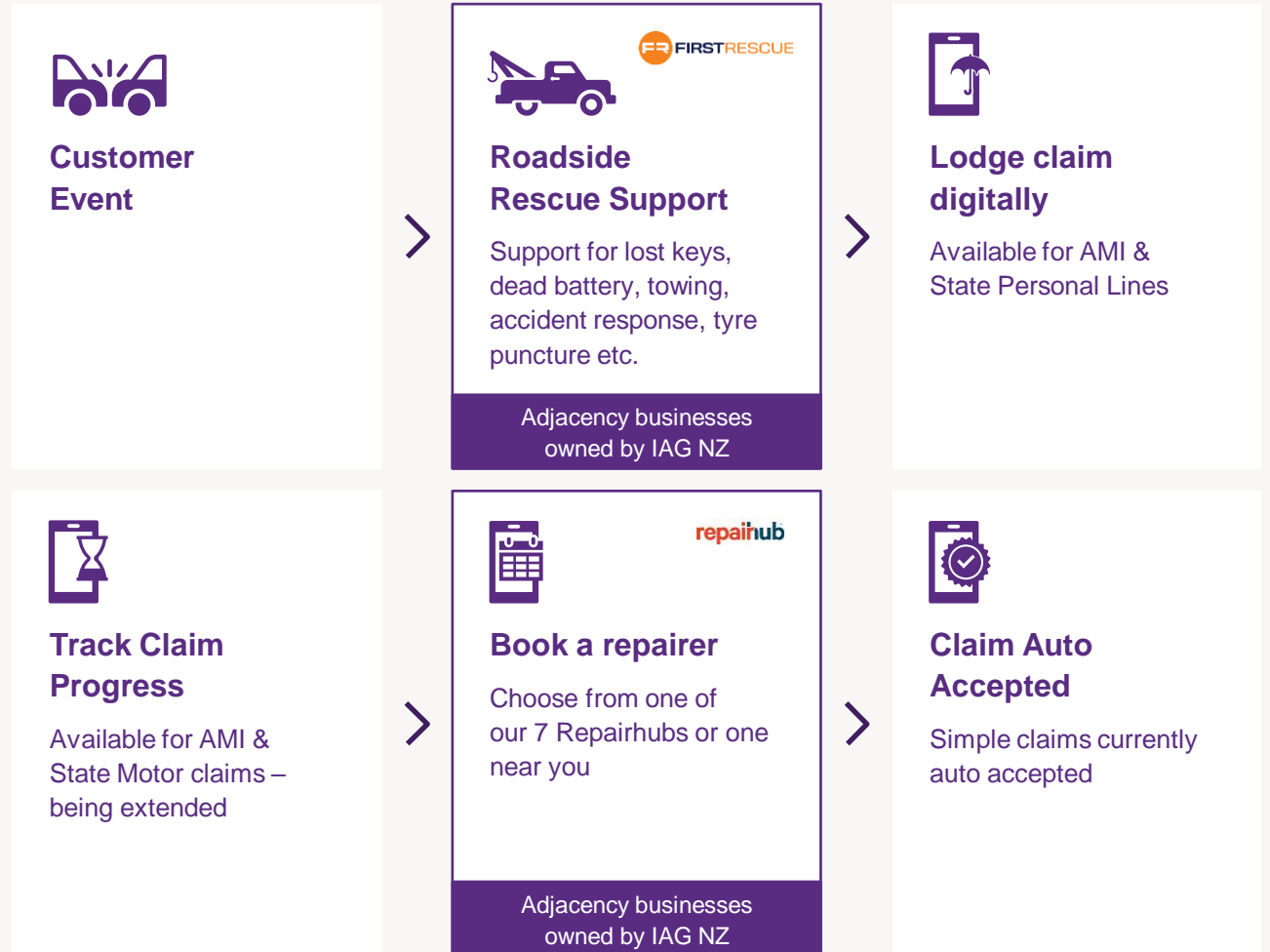


Claims

Foundations strengthened to improve customer experience and reduce costs



Customer Claims Journey



- Adjacency businesses integrated into the Customer Journey
- Delivering outstanding NPS results (Repairhub +93) and 20%+ cost savings

Conclusion

IAG New Zealand

Summary

- Achieving strong GWP growth
- Continued momentum on closing claims
- FY24 priorities:
 - Deliver margin and customer retention
 - Launch Enterprise Platform for Direct brands
 - NZ Transformation

