

MEDIA RELEASE

22 APRIL 2008



IAG VIEWS OF QBE TAKEOVER PROPOSAL REMAIN UNCHANGED

Insurance Australia Group Limited (IAG) today advised that QBE's extension of its takeover proposal until Monday, 5 May 2008 has not changed its considered views.

As announced on Tuesday, 15 April 2008, the IAG Board considered the QBE proposal was incomplete and concluded that the broad terms, in particular the price, were inadequate.

IAG Chairman, Mr James Strong said: "The QBE proposal remains unchanged as does the view of the IAG Board. The Board does not intend to respond any further to this takeover proposal and, as a result, the revised extension date is of no significance.

"The Board and management are addressing the short term challenges facing the company such that it will be well positioned to benefit from the anticipated improvement in the insurance cycle.

"The IAG Board will ensure it continues to act in the best interests of IAG's shareholders and will keep shareholders informed of any further developments."

ENDS

About Insurance Australia Group Limited

Insurance Australia Group Limited (IAG) is an international general insurance group, with operations in Australia, New Zealand, the United Kingdom and Asia. Its current businesses underwrite more than \$7.5 billion of premium per annum. It employs more than 16,000 people of which around 11,000 are in Australia. It sells insurance under many leading brands including NRMA Insurance, CGU, SGIO and SGIC (Australia); NZI and State (NZ); Equity Red Star and Hastings Direct (UK); and NZI and Safety (Thailand). For further information please visit www.iag.com.au

CORPORATE AFFAIRS

Carolyn McCann
T 02 9292 9557
M 0411 014 126
E carolyn.mccann@iag.com.au

INVESTOR RELATIONS

Michael Woods
T 02 9292 3156
M 0411 012 220
E michael.woods@iag.com.au

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