



## IAG finalises its 2022 catastrophe reinsurance program

IAG has successfully finalised its catastrophe reinsurance program for the 2022 calendar year, maintaining its gross reinsurance protection cover at up to \$10 billion, the same level as 2021. The main features, before consideration of quota share impacts, are:

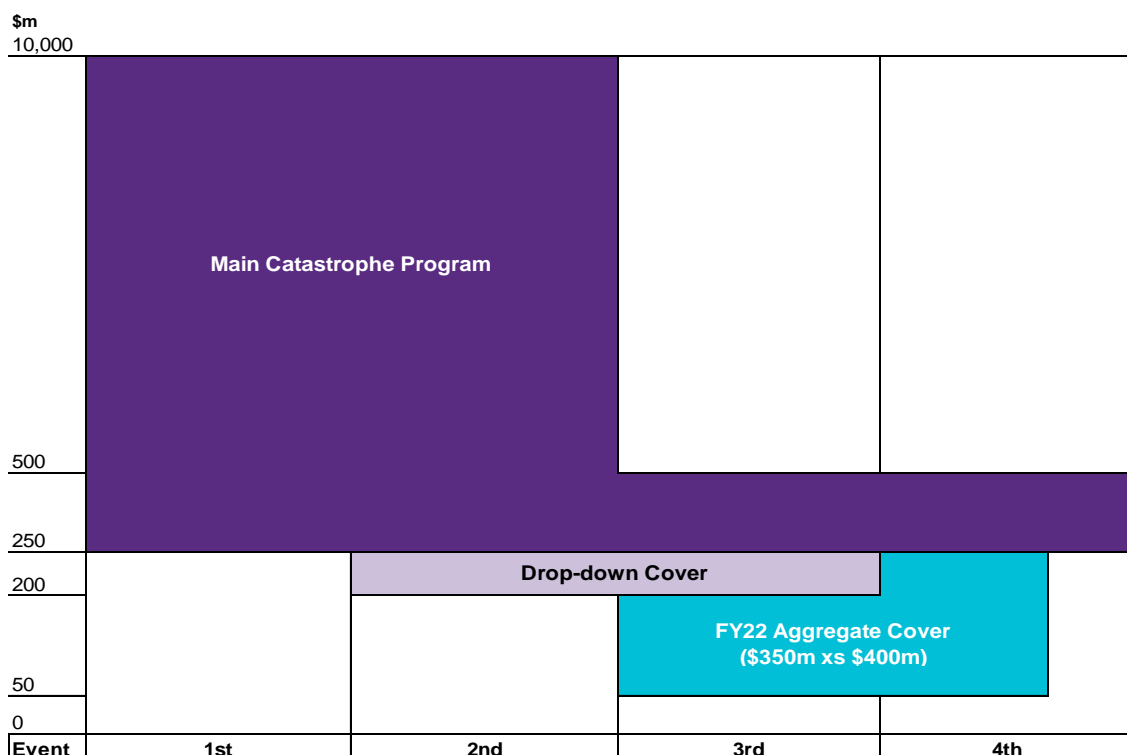
- A main catastrophe cover for losses up to \$10 billion, including one prepaid reinstatement;
- IAG retaining the first \$250 million (2021: \$250 million) of each loss;
- Second and third event drop-down covers of \$50 million, reducing the cost of these events to \$200 million (2021: \$50 million for a second and third event); and
- Three prepaid reinstatements secured for the lower layer (\$250 million excess of \$250 million) of the main program (2021: three).

The program has been placed to the extent of 67.5% to reflect IAG’s cumulative whole-of-account quota share arrangements.

IAG’s Chief Financial Officer Michelle McPherson said: “Our catastrophe reinsurance program remains an intrinsic part of IAG’s capital management strategy. The structure of the new program is similar to that of prior years, and we received strong support from our reinsurance partners with whom we have long-term relationships.”

The cost of the program has increased by mid-single digits, in line with the assumptions incorporated into IAG’s internal planning processes.

### IAG catastrophe reinsurance cover – 2022 program (gross)



Around 60% of the gross main catastrophe program for calendar 2022 is protected by multi-year coverage, providing certainty of future reinsurance cover. The overall credit quality of the 2022 program is strong, with over 90% placed with entities rated A+ or higher, an increase compared to 2021.

As previously disclosed, IAG's program also includes an aggregate sideways cover for the 12-month period to 30 June 2022. This provides \$350 million of protection in excess of \$90 million, following an estimated \$310 million erosion of the \$400 million deductible during the six months to 31 December 2021 (pre-quota share).

After allowance for the quota share arrangements, the combination of all catastrophe covers at 1 January 2022 results in IAG having a maximum event retention of \$95 million.

This release has been authorised by IAG's Chief Financial 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 \$12.5 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU, SGIO, SGIC and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit [www.iag.com.au](http://www.iag.com.au).

### Media

Amanda Wallace  
Mobile. +61 (0)422 379 964  
Email. [amanda.wallace@iag.com.au](mailto:amanda.wallace@iag.com.au)

### Investor Relations

James Coghill  
Mobile. +61 (0)412 426 272  
Email. [james.coghill@iag.com.au](mailto:james.coghill@iag.com.au)

### Insurance Australia Group Limited

ABN 60 090 739 923  
Level 13, Tower Two, 201 Sussex Street Sydney  
NSW 2000 Australia  
Telephone. +61 (0)2 9292 9222