

## IAG reaffirms full year guidance and appoints deputy chair

**Insurance Australia Group Limited (IAG) Managing Director and CEO, Mr Michael Wilkins, told shareholders at the Group's Annual General Meeting that if operating conditions experienced in the first quarter continue, IAG would expect to deliver an insurance margin towards the upper end of its 9–11% guidance for the 2010 financial year<sup>1</sup>.**

Confirming the comments on guidance provided at the Group's market briefing on 30 October 2009, Mr Wilkins said: "In the first quarter, we've seen the underlying performance of the business continue to improve and we've had the added benefit of narrowing credit spreads. If the operating conditions experienced to date continue for the remainder of the year we expect to report a full year insurance margin approaching the upper end of our 9–11% guidance.

"This remains subject to our normal caveats around natural perils and investment markets.

"We also expect to achieve our previous guidance of underlying GWP growth in the range of 3–5%. However, reported GWP is likely to be affected by the strength of the Australian dollar," Mr Wilkins said.

During the AGM, Chairman Mr James Strong announced the Board's decision to appoint Mr Brian Schwartz as Deputy Chairman. It is intended Mr Schwartz will become the Chairman of IAG when Mr Strong retires at the end of the current financial year.

"At last year's Annual General Meeting, I indicated the Board had agreed on the need for stability in the Chair position during the implementation of our revised strategy and changes in management and governance," Mr Strong said.

"I also informed shareholders when I was re-elected that, under the Board's tenure policy, this would be my last term as a director and that the Board had engaged professional advisors and would be conducting an orderly exercise to decide on Chair succession and continuing Board renewal.

"As a result of this process, the Board has unanimously agreed to appoint Mr Brian Schwartz as Deputy Chairman. Brian will succeed me in the role of Chair when I retire from the Board at the end of the financial year. The Board also expects to appoint another director in 2010.

"Over the past year, significant progress has been made by Chief Executive Mike Wilkins and his management team. The Board intends to maintain the strategy which is producing improved results for the Group."

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<sup>1</sup> This guidance is subject to losses from natural perils being within the budgeted allowance of \$350m and no material movement in foreign exchange rates or investment markets.

## Biographical details

### **MR BRIAN SCHWARTZ** **FCA, AM**

Mr Brian Schwartz has been a director of IAG since January 2005. He is Chairman of the IAG Nomination, Remuneration & Sustainability Committee. Mr Schwartz is also a non-executive director of Brambles Limited and Westfield Group. He is deputy chairman of Football Federation Australia Limited and a member of the Federal Government's Australian Multicultural Advisory Council.

Mr Schwartz was chief executive of Investec Bank (Australia) Ltd from March 2005 until March 2009. He worked with Ernst & Young Australia from 1979 to 2004, becoming its chief executive in 1998. He was a member of Ernst & Young's global board and managing partner of the Oceania region.

Mr Schwartz was appointed a Member of the Order of Australia in 2004 for his services to business and the community.

#### **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 approximately \$7.8 billion of premium per annum. It sells insurance under many leading brands including NRMA Insurance, CGU, SGIO, SGIC, Swann and The Buzz (Australia); NZI and State (NZ); Equity Red Star (UK); and NZI and Safety (Thailand). For further information please visit [www.iag.com.au](http://www.iag.com.au)

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