

9 November 2005

Manager, Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000



Dear Sir/Madam

INSURANCE AUSTRALIA GROUP LIMITED ('IAG')

ANNUAL GENERAL MEETING

Attached is a media release in respect of the Annual General Meeting of Insurance Australia Group Limited, which commenced at 10:00am today.

Yours sincerely

A handwritten signature in black ink that reads "Anne O'Driscoll". The signature is written in a cursive, flowing style.

Anne O'Driscoll
**Group Company Secretary &
Head of Investor Relations**

Attachment (2 pages)





IAG
Insurance
Australia
Group

Insurance Australia Group Limited

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Sydney NSW 2000 Australia

iag.com.au

MEDIA RELEASE

9 November 2005

Insurance Australia Group on track to achieve full year guidance

Insurance Australia Group Limited (IAG) Chief Executive Officer, Mr Michael Hawker told shareholders at the company's annual general meeting today the Group remained on track to deliver an insurance margin between 13.5% and 16.3%, and would continue to pursue its strategy of domestic optimisation complemented by offshore expansion.

"During the first three months of the current financial year, the business has performed in line with expectations, boosted by a strong equity market performance. As a result, our guidance on our insurance margin for the 2006 financial year remains unchanged and we still expect to deliver dividend growth of around 10%," Mr Hawker said.

"Moving forward, we will continue to enhance our existing businesses. In our Australian personal insurance portfolio, our focus remains on service quality and innovation. In our Australian commercial insurance portfolio, we will further deepen our customer relationships, particularly in the SME and rural markets where we have the largest distribution network.

"At the same time, we will continue to build our international foothold. In the near term, our focus remains on pursuing investment opportunities in Asia. The business we acquired in Thailand in July is contributing positively to profit and we recently opened a regional office in Singapore to assist with the management and growth of our Asian investments. We are also in discussions to acquire a 30% stake in Malaysia's second largest motor insurer, AmAssurance Berhad, to add to our existing portfolio of Asian assets.

"As a company which always has an eye on long term sustainability, IAG has also started preliminary research on expansion opportunities in other insurance markets around the world, including parts of North America and Europe.

"The strong performance in the first quarter has added to the Group's surplus capital. Our philosophy on using this surplus capital remains unchanged – if it is not required in the short term for organic growth or anticipated investments, it will be returned to shareholders in due course."

Mr Hawker also announced the Group had released its second Sustainability Report today titled 'It's just good business'.

"The report details the significant steps we've taken over the past 12 months towards becoming a more sustainable organisation. Importantly, it demonstrates our progress and challenges against the goals we set last year.

"The report also highlights how we are tackling challenges facing both IAG and the insurance industry in general, including the lack of consistent and affordable flood cover in Australia.



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“Ultimately we believe sustainability and long term shareholder value comes from aligning our people and our organisation with a clear purpose – that is, paying claims, understanding and pricing risk, managing costs and reducing risk,” Mr Hawker said.

IAG’s 2005 Sustainability Report key indicators were subject to independent assurance by KPMG. The full report is available at www.iag.com.au/sustreport05.

For the 30 June 2005 financial year, IAG’s net profit after tax increased to \$760 million (30 June 2004: \$665 million), reflecting strong operating and underwriting disciplines, integration synergies and the highest ever total investment income recorded by the Group. The Group also achieved a record insurance margin of 16.3%, up from 13.5% the previous year.

In light of the Group’s strong performance, the Board declared a final dividend of 14.5 cents per share, which was paid on 17 October 2005, bringing the total dividend for the year to 26.5 cents per share. This represented an increase of 20.5% on the previous year’s total dividend of 22 cents per share and is in line with the Board’s aim to deliver double-digit dividend growth.

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Insurance Australia Group (IAG) is Australasia’s leading general insurance group. The group includes some of Australia and New Zealand’s most trusted brands – NRMA Insurance, SGIO, SGIC, CGU, Swann Insurance, State Insurance and NZI. IAG’s interests in Asia include a 22% stake in Thailand’s Safety Insurance, the general insurance operations acquired from Royal & SunAlliance Thailand, and the China Automobile Association in Beijing.

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