



IAG acknowledges proceedings commenced by ASIC

IAG acknowledges that the Australian Securities and Investments Commission (ASIC) commenced civil penalty proceedings in the Federal Court of Australia yesterday alleging contraventions of the ASIC Act and the Corporations Act by IAG's wholly owned subsidiary Insurance Australia Limited (IAL).

The proceedings relate to IAL's failure to pass on the full amount of discounts to a significant number of NRMA Home, Motor, Caravan and Boat Insurance customers between March 2014 and September 2019.

When IAG identified this issue as part of a proactive review in 2019, the company self-reported the issue to ASIC. IAG reviewed its pricing commitments and promises across its products, and identified impacted customers to provide refunds. IAG is working closely with ASIC through the remediation program.

The customer refunds associated with these proceedings are covered by the customer refund provision that was established in FY20 and FY21, which also covers other products and pricing-related matters, but does not include any potential civil penalty outcome.

Considerable progress has been made on the remediation program with more than 80% of affected NRMA Insurance customers having now been compensated in relation to this issue.

IAG apologises for this failure, recognises the significance and that this was unacceptable, and is putting this right for its customers as soon as possible.

Since late 2019, IAG has enhanced its systems and processes for the delivery of discounts, as part of its significantly improved risk culture and control environment.

This release has been authorised by the IAG Continuous Disclosure Committee.

About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group's businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AML and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit www.iag.com.au.

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