21 September 2012

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

Dear Sir/Madam

INSURANCE AUSTRALIA GROUP LIMITED (‘IAG’)

PRICING OF SHARES TO BE ALLOCATED UNDER
THE DIVIDEND REINVESTMENT PLAN

IAG advises that ordinary shares to be allocated under the Company’s Dividend Reinvestment Plan (DRP) will be priced at $4.3299 per share for the dividend payable on 3 October 2012.

The price has been determined in accordance with the rules of the DRP and based on a daily volume weighted average price for the ten trading days from 10 September 2012 to 21 September 2012 inclusive, excluding trades which were not considered to reflect normal supply and demand.

Participating shareholders will be mailed a notice of their new shareholding on 3 October 2012.

Yours sincerely

Chris Bertuch
Group General Counsel & Company Secretary