



Company	Insurance Australia Group Limited
Code	IAG
Meeting	AGM
Date	23 October 2020
Venue	Virtual Meeting via Lumi
Monitor	Ian Graves

Number attendees at meeting	445 shareholders and visitors (numbers provided by the company)
Number of holdings represented by ASA	263
Value of proxies	\$6.124m
Number of shares represented by ASA	1.2m
Market capitalisation	\$748m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM-Meeting	Yes, with Chair Elizabeth Bryan & Jon Nicholson, Chair, People and Remuneration Committee

IAG seems equivocal as to whether it is in the risk business or the not for profit sector

Chair Elizabeth Bryan began her address to the meeting by drawing attention to some of the challenges that IAG had faced during the financial year. She highlighted the claim numbers (20,000) and financial impact (\$920m) of the bushfires, as well as the additional costs of COVID-19 to enable staff to work from home. Following the financial report, she acknowledged Mr Hamer and his contribution made to the company over the previous 5 years as CEO and introduced the incoming CEO Nicholas Hawkins.

However, her main focus was reporting on the building resilient communities' program. While this activity is admirable, it is not IAG's core business and left monitors wondering how it directly relates to addressing the risk management issues endemic in insurance and the concerns of retail shareholders. Joining committees of lobby groups and duplicating what is being undertaken by the insurance industry as a whole appears to be an exercise in projecting an image of doing something rather than a strategy to address climate risk; reduce hazard exposures; and protect shareholders' capital,

Robust questioning of what seems to be diversionary activity was inhibited by the meeting format, however ASA questioned the lack of growth of the company. We asked how future growth will be

achieved since the 1.1% growth from the last year had been achieved only by premiums being increased. The CEO's answer appeared to indicate that although one of his KPI's had been to increase growth, this was all that could be expected in a mature market.

There were 3 questions from the floor by either employees or their union representatives about the dissatisfaction felt with the IAG enterprise bargaining offer. Employee advocacy is a KPI which was stated as having been met. Unfortunately, the voicing of employee discontent at the meeting supports ASA's scepticism towards the measurement of this performance indicator.

Other questions included a number of the usual climate questions which were played with a straight bat.

As indicated in our voting intentions ASA was undecided about the vote for the re-election of Ms Sheila McGregor because of her workload. In response to ASA's question she advised that she was reducing her outside commitments and her role at the law firm was now part time involving no more than one day a week. Consequently, ASA supported her re-election.

The last 3 resolutions were withdrawn. These had been proposed by a group of shareholders opposed to the raising of the Warragamba Dam wall which has been proposed by government and supported by IAG to mitigate against the loss of life and property to those living in the Hawkesbury Nepean valley. IAG announced it had resolved the issue with them. So much for a practical approach to risk management and reduction of risk. The only good thing about this non-transparent change of mind was that because of the withdrawal of the resolutions, shareholders did not need to endure an extended AGM.

All resolutions were passed comfortably with less than 2.67% against