

ASX release

14 October 2026

ACCC Merger Review Update – Public Benefits Application

IAG has underlined its commitment to its proposed alliance with the Royal Automobile Club of Western Australia (RAC) as it moves through the public benefits phase of the Australian Competition and Consumer Commission's (ACCC) merger control regime and addresses ACCC concerns.

IAG today responded to competition issues raised by the ACCC by offering a range of measures and commitments. It is seeking a determination from the ACCC that the proposed alliance be allowed because it will result in a net public benefit.

IAG stated the alliance will deliver substantial public benefits to Western Australia by providing broader claims handling expertise, major natural peril event response capacity, leading technology, and access to global reinsurance and capital markets. The alliance will deliver the essential financial, technological and prudential resilience that RAC has been seeking through its strategy to partner with a leading insurer¹.

The commitments offered by IAG² include:

- Transferring the renewal rights for active NRMA Insurance home and motor policies in Western Australia to another insurer through a sale process;
- Addressing the availability of RAC home insurance products in the north of the state (above the 26th parallel in mainland Western Australia including the communities of Karratha, Port Hedland and Broome), where there is currently limited insurance availability;
- Investing \$20m to further support community resilience-building initiatives in Western Australia over the next decade; and
- Underscoring IAG's commitment to providing quality products, service and member outcomes, stronger measures if IAG breaches requirements in relation to product pricing and competitiveness of the RAC-branded insurance offering.

IAG Managing Director and CEO Nick Hawkins said IAG has offered further commitments to address the ACCC's concerns and secure the public benefits of the proposed alliance.

"In light of our commitment to RAC and its members, and in response to the ACCC's competition decision, we are offering to transfer renewal rights for our active NRMA Insurance home and motor insurance policies in Western Australia to another insurer.

"Furthermore, we are proposing additional commitments and accountabilities in relation to product pricing and competitiveness of the RAC insurance offering.

¹ RAC undertook a strategic review of its insurance business including consideration of potential partners, and in May 2025 announced a 20-year general insurance partnership with IAG, subject to approvals.

² Measures are dependent on the alliance being approved and completed.

“The commitments will also secure more benefits for Western Australians. This includes making RAC home insurance available in parts of the North West where insurance can be difficult to access today.

“We have also proposed a \$20 million investment in Western Australian communities over the next decade. That's in addition to RAC's existing community investment program and reflects our long-term commitment to the state.

“RAC is a wonderful organisation with a much-loved brand. RAC has chosen to partner with IAG to ensure its insurance offering to members is sustainable into the future, benefiting from our scale, technology and global reinsurance arrangements. We are committed to creating this strategic alliance and are making substantial commitments to RAC, its members and all Western Australians,” Mr Hawkins said.

Financial implications

The net impact of the RAC alliance and the transfer of the NRMA Insurance home and motor policies in Western Australia results in an additional \$1.2bn in annual gross written premium.

IAG confirms that the remedies and public benefits commitments do not alter the transaction's underlying strategic or financial rationale. The expected financial implications remain consistent with those outlined when the strategic alliance with RAC was announced in May 2025. The transaction is expected to be earnings per share (EPS) accretive in the first full year of ownership and mid-single digit EPS accretive on a full synergy run-rate basis.

As previously disclosed, IAG expects to incur between \$15m and \$25m in annual integration costs over the next three years. In conjunction with reinsurance synergies, this will deliver approximately \$100m in annual pre-tax synergies once integration is complete.

The RAC alliance is consistent with IAG's Ambition 2030 targets of a sustainable 15% plus reported insurance margin and 15% return on equity.

A summary of IAG's public benefits application will be available on the ACCC website.

The public benefits phase is expected to be completed in December 2026, subject to any extensions.

This release has been authorised by IAG's Managing Director and CEO.

About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG's main businesses underwrite over \$18 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), RACQI (under a distribution agreement with RACQ), CGU and WFI (Australia); and NZI, State, AML and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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