



ASX Announcement

1 July 2011

SUNCORP REINSURANCE UPDATE

Suncorp Group Limited (Suncorp) today confirmed placement of its property catastrophe reinsurance program for the financial year to 30 June 2012.

The program provides up to \$5.8 billion of cover across Suncorp's home, motor and commercial property portfolios for major events such as earthquakes, cyclones, storms, flood and bushfires.

For the 2012 financial year, the retention under the catastrophe program is \$250 million. Additional cover has been purchased to reduce the retention for Suncorp's New Zealand risks to NZ\$50 million.

Suncorp has also placed an aggregate catastrophe reinsurance cover that provides cover of up to \$90 million per Australian event. This program has a retention of \$250 million for events over \$10 million and provides total coverage of up to \$200 million.

Suncorp Group CEO Patrick Snowball said: "The last nine months have reinforced the importance of investing in a comprehensive reinsurance program to protect the balance sheet.

"We are satisfied with the outcome of recent reinsurance negotiations given the unprecedented number of major natural hazard events since September 2010.

"The program we have placed for this financial year is broadly similar to last year's in terms of the protection it provides but, as expected, this protection comes at a higher price following a year of earthquakes, cyclones and floods in our region."

Despite higher reinsurance costs and increasing its allowance for natural hazard claims, Suncorp reiterated its view that the underlying insurance margin for the 2012 financial year will be at least 12%.

Suncorp will present its financial results for the year to 30 June on 24 August 2011.

Ends

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