

27 January 2011

The Manager Company Announcements ASX Limited Level 6 Exchange Centre 20 Bridge Street SYDNEY NSW 2000

Dear Sir/Madam,

QBE acquires the Australian Operations of CUNA Mutual

Please find attached an announcement for release to the market.

Yours faithfully,

Duncan Ramsay
Company Secretary

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Encl.

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MARKET RELEASE

QBE Insurance Group Limited ABN 28 008 485 014 82 Pitt Street Sydney NSW 2000 Australia

27 JANUARY 2011

QBE ACQUIRES THE AUSTRALIAN OPERATIONS OF CUNA MUTUAL

QBE Insurance Group today announced it has agreed to acquire the Australian operations of US-owned CUNA Mutual Group subject to regulatory approval.

The acquisition, scheduled for completion in March, will increase QBE's share of the Australian credit union and community-based financial institutions sector and generate over A\$80 million of gross written premium in 2011.

Frank O'Halloran, Chief Executive Officer of QBE Insurance Group Ltd, says "The acquisition is a key component in QBE's strategy of building its presence in the Australian Financial Institutions sector."

"CUNA Mutual Australia is a well respected company with more than 40 years' track record of successful operations and relationships within this niche environment" says Mr O'Halloran.

"It is an excellent business with long-term established customers and evidence of improved underwriting performance."

CUNA Mutual commenced its Australian operations in 1969 to provide white label insurance products to credit unions and building societies. The organisation has built a major specialist presence in the Financial Institutions sector, offering a comprehensive suite of personal lines products to members and customers.

CUNA Mutual Australia's Managing Director, Karen Milton says the move is a win for both companies.

"QBE has a successful track record of acquisitions and integrations " Ms Milton says. "We look forward to continuing our services for customers through this exciting transition."

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Investor Relations

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ABOUT QBE INSURANCE GROUP

QBE Insurance Group is one of the top 25 insurers and reinsurers worldwide, with operations in all key global insurance markets. QBE is an Australian listed company, with a Group Head office in Sydney and operations in 49 countries, with over 13,500 staff worldwide.

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