

ASX announcement

Cover-More Business Update

Sydney, 3 May 2016: Cover-More Group Limited (ASX:CVO), a specialist, integrated travel insurance and assistance provider, today announced commencement of sales of travel insurance in the USA, the world's largest travel insurance market.

Cover-More has partnered with Flight Centre Travel Group (ASX:FLT) to provide travel insurance across nine Flight Centre brands in the US, including the flagship Liberty Travel stores. Distribution will be undertaken across 275 stores and is expected to represent sales of A\$30 million in the first 12 months of operation.

Group Chief Executive Officer, Peter Edwards, said "This is a pleasing start to our new US business. This amount of first year revenue will make Cover-More's US operations the third largest travel insurance business by volume in the group."

In addition, Cover-More advised that it is well advanced on reaching an agreement on a new underwriting model with Munich Re that will increase alignment and reduce volatility in underwriting premium paid by the Australia business. It is expected that this will be finalised in the coming weeks.

Cover-More also advised that Group revenue for Q3 reflected growth of 4.7%.

Sales in the Australian travel insurance business from January to April 2016 reflected growth of 6.9% against pcp and in line with the 7.1% growth rate reported in H1 FY16.

A more detailed trading update will be released on Thursday in Cover-More's presentation at the Macquarie investor conference.

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