

NEW PLAYER IN \$300 MILLION MEDICAL INDEMNITY MARKET

QBE-backed Invivo provides competitive alternative for doctors

Sydney, Australia, 29 November 2005: Sydney-based specialist underwriting agency Invivo Medical Pty Limited and QBE Insurance (Australia) Ltd today announced the establishment of a new commercially focussed and competitive medical indemnity insurance provider for Australian doctors.

Katherine Henry, Invivo Chief Executive Officer, said: "There is substantial demand from the medical community for greater choice, increased flexibility and enhanced financial security in medical indemnity insurance and our partnership with QBE allows us to address each of these issues."

Ms Henry added: "Tort law reform relating to medical claims and Government support have contributed to a more viable insurance market with enhanced stability, which has created the opportunity for Invivo and QBE to enter the sector. We have a fully-developed and differentiated approach to risk classification, underwriting and service, and we will be taking this to market immediately."

The partnership with QBE has provided Invivo the capital required to bring forward the implementation of its business plans in a measured way. Over time, this will allow Invivo to transform the competitive landscape and service levels in the Australian medical indemnity market.

In developing its business model, Invivo conducted extensive market research in Australia and internationally. It has adapted a proven model and applied best-practice underwriting methodologies in risk classification and claims processes so that Invivo can enhance the service levels and advocacy provided to doctors.

Terry Ibbotson, QBE's Chief Operating Officer - Australia, said: "Invivo is a professionally managed company with a sound business model and clear vision for the future. We believe the fundamentals and dynamics of the medical indemnity market have changed substantially over recent years and that Invivo has the opportunity to play a significant role in an important industry."

Ms Henry said: "We are confident that Invivo's partnership with QBE will provide doctors with a highly competitive alternative to what is available to them today."

Ms Henry also congratulated the Federal Government and The Honourable Tony Abbott MHR, Minister for Health and Ageing, in particular, for the proactive stance taken to encourage competition in the sector.

"A more competitive sector will be to the benefit of all stakeholders," she said.

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About Invivo

Invivo is a new specialist medical indemnity insurance underwriting agency, supported by QBE Insurance (Australia). Invivo provides doctors with confidence and protection to service their patients, in a proactive and efficient manner, through loss prevention and in-depth understanding of a doctors' business, life and needs.

About QBE Insurance (Australia) Limited

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. QBE Insurance Group operates in all key insurance markets and has more than 7,000 employees in 36 countries worldwide.