



15 September 2016

Company Announcements Office
ASX Limited

ASIC's review of add-on insurance policies

A.P. Eagers Limited (ASX: APE) acknowledges ASIC's report on the sale of add-on general insurance policies through car dealerships (ASIC Rep 492) and a reported proposal by the Insurance Council of Australia (ICA) to cap commissions payable on these policies.

We welcome initiatives that will improve regulatory transparency, clarity and consistency across both the automotive industry and other industries with similar insurance products, and we will continue to operate in compliance with all regulatory requirements of ASIC, APRA and ACCC in all aspects of our business operations, including the sale of insurance products.

To ensure we meet any new insurance requirements we will continue to work with industry bodies, suppliers and regulators between now and the expected date for implementation of ASIC's proposed insurance changes in July 2017.

We are currently meeting with our insurance providers to model the impact of the proposed changes across each product line to gain a better understanding of the financial impact on our business. There is no anticipated impact on our results for 2016.

If, after modelling the future impact of the changes and reviewing all mitigation solutions, we find there will be a material financial impact on our business in future years, we will make a further announcement if necessary.

Regarding ASIC's review of flex commissions, we are expecting ASIC to publish their position paper some time before the end of 2016.

In contrast with ASIC's direct engagement on flex commissions, we are not aware of any consultation by ASIC or ICA at a business or industry level on the sale of add-on insurance products.

ENDS

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