



AUSTRALIAN STOCK EXCHANGE



QBE000372

QBE INSURANCE GROUP LIMITED
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5 February 2003

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

re: Claims Reserves Update

QBE has received a number of enquiries from shareholders concerning its USA casualty claims reserves as a consequence of the announcement of upgrades of claims by some major USA insurers.

To avoid rumour and speculation, QBE confirms that:

1. it has a relatively small exposure to USA casualty business (as previously advised); and
2. recent management and actuarial reviews as at 31 December 2002 indicate that QBE has nothing to announce on the Group's claims reserves pursuant to its continuous disclosure obligations under the Australian Stock Exchange Listing Rules.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'O'Halloran', written over a faint, illegible typed name.

Frank O'Halloran
Chief Executive Officer