



QBE

Insurance
Group

20 January 2009

The Manager
Company Announcements
Australian Securities Exchange
Level 6
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

re: QBE Share Purchase Plan ("SPP") – Letters to Applicants

We refer to our letter earlier today and attach for your information samples of the letters being sent to the SPP applicants.

Applicants who wish to check their allocations should be able to do so online at www.linkmarketservices.com.au or by contacting our share registrar by telephone on 1800 155 044 if calling from Australia or 0800 767 556 if calling from New Zealand.

Yours faithfully,

Duncan Ramsay
Company Secretary

Att.

QBE INSURANCE GROUP LIMITED
ABN 28 008 485 014

82 Pitt Street
Sydney NSW 2000

Postal Address

GPO Box 82
Sydney NSW 2001

Telephone: (02) 9375 4444
Facsimile: (02) 9231 6104
DX 10171 Sydney Stock Exchange



All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Toll free: 1800 115 044
From outside Australia: 0800 767 556
Facsimile: (02) 9287 0303
ASX Code: QBE
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

20 January 2009

MR A B SAMPLE
2A SAMPLE STREET
SAMPLEVILLE NSW 2000

SRN/HIN: X99999999999

Dear Shareholder

QBE Insurance Group Limited - Share Purchase Plan – Refund Cheque

Thank you for your application to purchase QBE shares. The demand for shares exceeded the number of shares available and, as a result, your application has not been met in full. Further information regarding the scale back method is contained in the attached letter from Duncan Ramsay.

Accordingly we attach your cheque relating to the refund of application monies.

Application Money received	Number of shares allocated	Cost of Allocation at \$20.50 per share	Refund Payable
\$5,000.00	50	\$1,025.00	\$3,975.00

The enclosed transaction statement confirms the allotment of new shares.

If you have any questions regarding this matter please contact Link Market Services Limited on 1800 115 044 within Australia, or 0800 767 556 from outside Australia.

Please detach this statement before depositing the cheque, as you need to retain the above information to assist you in preparing your Income Tax Return. Please retain in a safe place as a charge may be levied for replacement.

Pay the sum of ***THREE THOUSAND NINE HUNDRED AND SEVENTY FIVE DOLLARS***

To the order of MR A B SAMPLE
2A SAMPLE STREET
SAMPLEVILLE NSW 2000



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Website: www.linkmarketservices.com.au

20 January 2009

MR A B SAMPLE
3A SAMPLE SREET
SAMPLEVILLE NSW 2000

SRN/HIN: 19999999999

Dear Shareholder

QBE Insurance Group Limited - Share Purchase Plan -- Direct Credit Refund

Thank you for your application to purchase QBE shares. The demand for shares exceeded the number of shares available and, as a result, your application has not been met in full. Further information regarding the scale back method is contained in the attached letter from Duncan Ramsay.

The refunded amount has been direct credited to your nominated account as recorded on QBE's share register.

Application Money received	Number of shares allocated	Cost of Allocation at \$20.50 per share	Refund Payable
\$5,000.00	100	\$2,050.00	\$2,950.00

The enclosed transaction statement confirms the allotment of new shares.

If you have any questions regarding this matter please contact Link Market Services Limited on 1800 115 044 within Australia, or 0800 767 556 from outside Australia.

This statement represents the amount credited to your nominated financial institution.

BANKING INSTRUCTIONS

ACCOUNT NAME:
BSB:
ACCOUNT NO:

Please retain this statement as a charge may be levied for replacement



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20 January 2009

MR A B SAMPLE
3A SAMPLE SREET
SAMPLEVILLE NSW 2000

Dear Shareholder

QBE Insurance Group Limited - Share Purchase Plan ("SPP")

Thank you for participating in the SPP.

I confirm the issue price was \$20.50, well below our recent market prices; a significant benefit for those shareholders who subscribed for shares. This is in addition to the 2008 final dividend which will be paid on the new shares.

I also confirm we received applications for around \$226.5 million, which was about \$126.5 million higher than the \$100 million sought by your Directors.

Due to the oversubscription, we have had to scaleback the number of shares allotted. This has taken time because of the very large number of applications. The SPP terms and conditions provide QBE with the discretion to undertake the scaleback to the extent and in the manner it sees fit. We believe the scaleback needed to reflect the number of shares held and the application monies.

For your information, shares were allotted according to the following criteria:

		Shareholding balances as at 25/11/08				
Application Money	%	1-499	500-999	1,000 – 2,499	2,500 – 4,999	5,000 or more
\$5,000	100	50	100	150	200	244
\$4,000	80	40	80	120	160	195
\$3,000	60	30	60	90	120	146
\$2,000	40	20	40	60	80	98
\$1,000	20	10	20	30	40	49
\$500	10	10	20	24	24	24
Shares allotted						

For example, a shareholder who held 5,000 or more shares at 25 November 2008 and who applied for \$5,000 worth of shares received 244 shares; a shareholder who held between 2,500 to 4,999 shares and subscribed for \$5,000 received 200 shares.

We used 25 November as the date for calculating participation as this was the record date for the SPP, which is consistent with the institutional share placement.

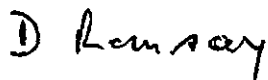
As part of the scaleback, we undertook a process to review all applications and then exclude multiple applications totalling more than \$5,000, with the intention of allowing only one application, per the SPP terms and conditions (eg. those who held shares in more than one capacity). In summary, we have attempted to exclude multiple applications which from the share register were obviously from the same shareholder or appeared to be so.

We acknowledge some shareholders received more than one offer. However, this was to give the shareholder the opportunity to decide under which shareholding to apply.

We note per the SPP terms and conditions, QBE may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with the SPP and QBE's decision is binding on all participants.

QBE appreciates your support as a shareholder.

Yours sincerely



Duncan Ramsay
General Counsel and Company Secretary
QBE Insurance Group Limited