

# RESERVE BANK OF FIJI



## *PRESS RELEASE*

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### **REVISED OFFSHORE PLACEMENT OF INSURANCE BUSINESS**

The Reserve Bank has revised its Policy on the placement of insurance business offshore effective from 1 July 2009. The Policy outlines the minimum requirements to be undertaken when seeking approval to purchase insurance cover from abroad.

In issuing the revised Policy, which sets out some administrative changes, the Governor of the Reserve Bank, Mr. Sada Reddy, said that “the review was taken to help simplify the approval process when purchasing insurance from offshore, following concerns raised by stakeholders in the insurance industry, as well as those of the Reserve Bank.”

In particular, for those insurance covers not available locally, the process for obtaining approvals for new covers, or renewal of maturing covers, has improved. Mr. Reddy explained that “Persons now wishing to purchase insurance for covers not available locally are no longer required to obtain multiple quotes from the domestic market, as was previously the case even though it was known that the local insurers could not provide the cover. This will certainly save on time and be more efficient for all parties concerned.”

Mr. Reddy elaborated on the overall policy, explaining that “Offshore placement for insurance is only permitted where such insurance is not available through locally licensed insurers in Fiji, or where the cover may be at least 15 percent cheaper than that offered locally. The only other instance, in which insurance cover can be sought from offshore, is where it is in the public interest to purchase the cover from abroad.” He acknowledged the active involvement of the insurance industry in the consultation process on the revised Policy.

The Reserve Bank reminds the general public that it is illegal to place Fiji insurance business abroad without the Reserve Bank’s prior approval or to place business with an overseas broker directly.

**Reserve Bank of Fiji**