

# RESERVE BANK OF FIJI



## *PRESS RELEASE*

---

Press Release No. : 34/2010

Phone : (679) 331 3611

Date : 1 September, 2010

Fax : (679) 330 2094

E-mail : [rbf@reservebank.gov.fj](mailto:rbf@reservebank.gov.fj)

---

### RESERVE BANK OF FIJI RELEASES 2009 INSURANCE ANNUAL REPORT

The Prime Minister and Minister for Finance, Commodore Josia Voreqe Bainimarama tabled the 2009 Insurance Annual Report in Cabinet on **31 August, 2010**.

The Report includes a review of the performance of the international and local insurance industry in 2009. Highlighting the developments during the year, the Governor of the Reserve Bank of Fiji, Mr. Sada Reddy stated that “2009 was a year of recovery for the international insurance market. The impact of the global financial crisis subsided, as insurers and reinsurance companies had written off most of the direct exposures to the financial crisis. Fundamental to the recovery of the global insurance market was the lower level of catastrophe losses in 2009 compared to previous years.”

On the domestic front, Mr. Reddy said that the insurance market continued to be resilient despite the natural catastrophes and the challenging economic conditions. The insurance market continued to operate in a prudent manner, reporting an adequate solvency position in 2009 and playing a very important role in assisting the economic recovery of the nation after the devastating effects of two major events, the January floods and Cyclone Mick.

The Governor further highlighted that the industry continued to grow, with gross premiums increasing by 2.2 percent in 2009 to \$206.1 million. Much of the growth stemmed from the life insurance sector primarily due to the underwriting of investment-linked policies. Overall, the insurance industry recorded an after tax surplus of \$44.6 million, representing a growth of 32.2 percent in 2009.

According to Mr. Reddy, the outlook for the domestic insurance industry remained positive, consistent with the anticipated economic recovery. The role of the insurance industry in the sustainable development of Fiji continues to be of paramount importance.

In conclusion, Governor Reddy acknowledged the stakeholders in the insurance industry for the stewardship and cooperation in supporting the country through trying times in 2009. Mr. Reddy encouraged the insurance industry to also focus their attention on the uninsured sectors of the economy. Expanding coverage for the micro to small and medium enterprises and agricultural sectors are some areas that the industry could consider.

Mr. Reddy also stated that “the Reserve Bank will continue to align its prudential supervisory efforts to ensure that our insurance industry is developed to an internationally reputable status. A culture of good governance will ensure that the insurance industry will remain sound and stable.”

Reserve Bank of Fiji