

# RESERVE BANK OF FIJI



## *PRESS RELEASE*

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### **RESERVE BANK OF FIJI RELEASES 2010 INSURANCE ANNUAL REPORT**

The Reserve Bank of Fiji has released the 2010 Insurance Annual Report following its tabling at Cabinet by the Honourable Prime Minister and Minister for Finance, Commodore Josaia Voreqe Bainimarama on 11 October 2011. The Report covered the performance of the domestic insurance industry in 2010 and includes a review of major developments in the international insurance market.

In releasing the 2010 Report, the Deputy Governor Mr. Inia Naiyaga, stated that globally the performance of the insurance industry improved in all major markets despite the continuing challenges faced post Global Financial Crisis and severe outlier catastrophes experienced during the year. Worldwide economic losses and insured losses were estimated at US\$218.0 billion and US\$43.0 billion respectively in 2010, a year described by a leading global reinsurer as a year of extreme weather events particularly floods and earthquakes that ranked among the 'deadliest, costliest and most powerful in history'.

On the domestic front, amidst trying conditions which included subdued investment, rising inflation and the remnants of 2009 catastrophes, the insurance industry performed well in 2010 remaining profitable with solvency at comfortable levels.

Looking ahead, the outlook for the insurance industry is positive. There have been early indications that premiums would be affected by the claims experience of catastrophes in the Pacific region. Moreover the imposition of Value Added Tax on certain insurance classes will further increase insurance costs to consumers and this will be an area of focus for the industry and the Reserve Bank going forward.

Deputy Governor Naiyaga took the opportunity to acknowledge the insurance industry for their co-operation and support during 2010. He reiterated the Reserve Bank's appreciation of the industry's support in promoting financial inclusion by introducing insurance products for the low income earners. The Reserve Bank also noted the contribution of the Insurance Task Force in initiating an insurance curriculum in the country.

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