

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI RELEASES 2016 INSURANCE ANNUAL REPORT

The Reserve Bank of Fiji has released the 2016 Insurance Annual Report following its tabling in Parliament by the Acting Prime Minister and Minister for Economy, Hon. Aiyaz Sayed-Khaiyum on 15 September 2017. The Report provides an overview of key developments in the international insurance market and a review of the performance of the Fijian insurance industry, in 2016.

In releasing the report, the Governor of the Reserve Bank Mr Ariff Ali stated that there were a number of large scale disasters worldwide in 2016 which resulted in an increased level of catastrophe related economic losses totaling US\$175.0 billion, compared to US\$91.7 billion in 2015. The insured losses of US\$54.0 billion in 2016 were the highest since 2012 for the global insurance industry.

Governor Ali added that the Fijian insurance industry was also not spared in 2016. However, the domestic industry remained sound despite the significant damage caused by Tropical Cyclone (TC) Winston, which incurred the highest claims payment to date for the Fijian general insurance sector. Marginal losses were also incurred by the industry from flooding caused by TC Zena in April 2016.

The Governor further highlighted that the increasing severity and frequency of natural disasters are reshaping insurer views of risk, further demonstrating an increased scope for catastrophe modelling to assist in the development of specific insurance products to mitigate climate change related risks.

During the year, the Reserve Bank continued to enhance its oversight of the insurance industry as key supervisory concerns were addressed through regular consultations to ensure the ongoing safety and soundness of the individual companies and the industry as a whole.

Governor Ali thanked the insurance industry and all industry stakeholders for their continued cooperation and support and specifically called on the insurance industry to continue to explore the development of innovative products to meet the needs of the Fijian people.

The insurance industry plays an important role in the Fijian economy and at the end of 2016 registered total assets of \$1.6 billion, consisting of 9.27 percent of the total assets of the financial system.

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