

RESERVE BANK OF FIJI

PRESS RELEASE



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RESERVE BANK OF FIJI RELEASES 2018 INSURANCE ANNUAL REPORT

The Reserve Bank of Fiji has released the 2018 Insurance Annual Report ('Report') following its tabling in Parliament by the Honorable Minister for Economy, Mr Aiyaz Sayed-Khaiyum on 07 August 2019. The Report provides a review of the performance of the Fijian insurance industry in 2018, together with an overview of key developments in the international insurance market.

The Governor of the Reserve Bank, Mr Ariff Ali highlighted in the Report that the global insurance industry recorded modest growth in premium in 2018, driven mainly by the United States and Japanese insurance markets. Global insured losses in 2018 were notably less than that recorded in 2017, with losses mainly from minor and medium sized events.

The Report stated that the domestic insurance industry continued to register positive operating and solvency positions in 2018, as the Fijian economy grew for the ninth consecutive year, supported by an absence of significant natural catastrophes.

The Fijian insurance industry is made up of seven general insurance, two life insurance companies, five insurance brokers, and over 500 insurance agents. Total assets of the insurance companies grew by 9.2 percent to \$1.8 billion in 2018. Life insurance companies account for 75.5 percent of the gross industry assets, the general insurance sector at 21.2 percent, while insurance brokers make up the remainder.

Despite the transfer of the Compulsory Third Party (CTP) insurance class to the Accident Compensation Commission Fiji (ACCF), the Report noted that the domestic insurance industry recorded a growth of 7.5 percent in gross premiums to \$347.9 million, partly attributed to the take up of the micro insurance bundled product.

Notwithstanding the absence of significant catastrophic events in 2018, net policy payments and net claims paid grew to \$223.3 million, due to the settlement of major fire claims by the general insurance sector, and payments on matured life policies.

Expectations for 2019 highlight a growth in total premium and profitability for the Fijian insurance industry to be supported by the continued absence of major natural disasters, with provisional figures already received for the first half of the year. However, a gradual growth in gross premium is expected in the medium term aligned to slowed economic growth forecasts for the rest of 2019.

In releasing the Report, Governor Ali has expressed his gratitude to all stakeholders and development partners for their continued support of the Reserve Bank of Fiji's supervision and development mandate for the insurance industry.

The Reserve Bank of Fiji continues to assist in a number of key industry initiatives aimed at increasing insurance take-up in Fiji and the use of insurance to safeguard key economic sectors as well as communities and households, and regards its partnership with Government, stakeholders and development agencies as vital to the continued development of a sound and inclusive Fijian insurance industry.