

RESERVE BANK OF FIJI



**ADDRESS AT THE 60th FOUNDATION DAY ANNIVERSARY OF LIFE
INSURANCE CORPORATION OF INDIA (LICI), FIJI OPERATIONS
BY
GOVERNOR OF THE RESERVE BANK OF FIJI
BARRY WHITESIDE
AT THE GPH ON 7 OCTOBER 2016**

Salutations

Excellency, Mr Vishvas Sapkal, the High Commissioner for India
Mr Sanjay Dayal, General Manager, Life Insurance Corporation of India
Management, Staff and Agents of LICI
Distinguished Guests
Ladies and Gentlemen

Introductory Comments

Bula vinaka, Namaste and a very good evening to you all!

It is a pleasure to join you this evening to mark this milestone event for the Life Insurance Corporation of India (or LICI as we often refer to it). I would like to thank Sanjay for his kind invitation.

It is on occasions such as this that it dawns on us how much financial institutions in Fiji have matured. And it is on occasions such as this, that we are reminded of the continued confidence our financial institutions have in serving Fiji, and in meeting the needs of the community.

Inclusive Insurance

Ladies and Gentlemen, at the Reserve Bank we continue to push the topic of financial inclusion. Insurance, or inclusive insurance to be more exact, is something that has been on our agenda, and that of the National Financial Inclusion Taskforce, for some time.

RESERVE BANK OF FIJI



I am pleased to say that LICI has been part of our financial inclusion journey from when we started back in 2009. The company was a pioneer member of our Taskforce when Narasimhan Krishnan was stationed in Fiji as your General Manager, and is currently represented on three of its Working Groups covering inclusive insurance, literacy and products and services. LICI was also one of the first insurers to offer a micro-insurance product, called Microlife. I remember I had the privilege of launching this in 2011.

Your early participation certainly cemented the role that life insurers have in financial inclusion in Fiji.

But while we will continue our important work in the inclusive and micro-insurance space, it has been made abundantly clear by our 2015 financial services demand- side survey, that there is still much to do when it comes to growing the overall insurance cover in Fiji. Apparently, taking out an insurance policy in Fiji is not the norm for our citizens. According to the survey, just 12 percent of our adult population has any type of insurance cover!

This is a number we would all like to see grow. Our second national financial inclusion strategic plan has specifically targeted the insurance sector, with the aim of growing our adult insurance cover to 25 percent by 2020.

Gearing towards this, the Reserve Bank, together with the Pacific Financial Inclusion Program, Inclusive Insurance Working Group and the Insurance industry has just this week launched an insurance awareness campaign that would improve awareness and future take-up of insurance products. We commenced the six-week campaign on Wednesday with a successful half-day Insurance Awareness Workshop for the Fiji Media Association, as we see the media being a vital partner in taking the insurance message to our people.

I also look forward to LICI playing a strong role in helping us achieve our goals.

Fiji Economy

Ladies and Gentlemen, I often take opportunities such as this to provide a brief overview of how our economy is doing.

RESERVE BANK OF FIJI



Fiji continues to rebound from the TC Winston experience with our domestic economy still being driven by strong consumption and ongoing investment activity. GDP growth is still forecast at 2.4 percent this year and apart from the sugar and timber sectors, most other sectors have recorded higher output annually, including gold and tourism.

The twin objectives of monetary policy remain intact. As of this week foreign reserves were a little over \$1.93 billion, which is sufficient to cover 5.4 months of retained imports. Inflation in September was 5.6 percent, driven upwards by market supply-side shortages following TC Winston and the more recent increases in certain CPI basket items coming out of the National Budget announcement. The year-end inflation forecast is currently 3.5 percent, however, given recent actual inflation outcomes and trends, there are strong upside risks to this outlook.

LICI Fiji

But Ladies and Gentlemen I am reminded that we are here to celebrate LICI's 60th birthday. So let's talk about the company.

It is one of two life insurers operating in Fiji. Life insurance, as I have mentioned in prior fora such as this, generates a significant impact on the economy by channeling domestic savings, into productive investments. This promotes trade and commerce activities that result in economic growth and development. This is aside from its primary role of safeguarding the policy holders' interests and protection of their families against loss and uncertainty.

LICI operates globally in 13 countries and is headquartered in Mumbai. The company began operating in Fiji on 8th October, 1956 and currently boasts a staff of 50 as well as an additional 180 agents, operating across a network of branches and agencies in Fiji. Some 60,000 policies are currently in place and I note that just over \$37 million was paid to policy holders or their families in 2015. So this is an institution that is well entrenched in Fiji as we might expect.

I congratulate LICI for its efforts to grow its service and improve the accessibility and range of its products. Its alternate premium payment channels through most of

RESERVE BANK OF FIJI



our commercial banks, Post Fiji and Vodafone have meant that policy holders do not need to travel to a branch or agent office. The promotion of digital financial services is the way of the future and indeed a big part of our financial inclusion work.

Finally, I wish to acknowledge the tremendous support that LICI contributes annually through its co- sponsorship of the National Microfinance Awards and the FDB Small and Medium Enterprise Awards. The MSME sector plays a critical role in providing jobs and a livelihood for our people and by recognising and supporting our small entrepreneurs LICI is definitely contributing to the growth of our economy.

The company also continues to be supportive of the community at large and has made strong contributions to the Prime Minister’s National Disaster Relief Fund and other relief organisations following TC Winston. I understand we will also soon witness another chapter in LICI’s generous support when they formally “adopt and help rebuild a school” that had been damaged by Winston.

Closing

In closing ladies and gentlemen, please join me in congratulating LICI for reaching this significant milestone of 60 years in Fiji, their diamond anniversary! Also join me in thanking them for their strong commitment to Fiji across all those years.

We wish Sanjay and his team the very best over the next 60 years!

Vinaka Vakalevu and Dhanyevaad!