

RESERVE BANK OF FIJI



PRESS RELEASE

Press Release No. : 28/2012

Phone : (679) 331 3611

Date : 4 September 2012

Fax : (679) 330 2094

E-mail : info@rbf.gov.fj

RESERVE BANK OF FIJI 2011 INSURANCE ANNUAL REPORT

The Prime Minister and Minister for Finance, Commodore Josaia Voreqe Bainimarama tabled the 2011 Insurance Annual Report in Cabinet on 28 August, 2012. The annual report provides a review of Fiji's insurance industry and also includes highlights of developments in the international insurance market.

In releasing the 2011 Report, the Governor, Barry Whiteside, stated that globally 2011 saw the highest economic losses from natural catastrophes and manmade disasters on record and the second highest insured losses ever. Total economic losses significantly increased from the US\$226 billion experienced in 2010 to a massive US\$370 billion in 2011, while insured losses were reported at US\$116 billion. Insurance companies around the globe continue to be challenged in the stringent regulatory environment post global financial crisis and face changing customer preferences and weak investment conditions that is driving the need to re-focus on their core operations.

On the domestic front, the insurance industry continued to report yet another year of strong performance in 2011 attributed mainly to stable investment income and the notable absence of severe catastrophes during this period. The domestic insurance industry recorded a growth of 6.4 percent in gross premiums to \$221.2 million, a higher growth compared to 0.9 percent in 2010. Improvement was noted in the solvency surplus of both the life and general insurance sectors in 2011. The introduction of micro-insurance was further enhanced as part of the national initiative to promote greater financial inclusion through the provision of affordable insurance plans to low income earners.

Looking ahead, the outlook for the insurance industry suggests yet another challenging year with premium rates expected to increase as the pressure of significant losses in the international markets flow through to the domestic market through reinsurance premiums. The Reserve Bank of Fiji will continue to develop the policy environment conducive to the growth of the insurance industry, as well as enhancing its supervisory role.

Governor Whiteside took the opportunity to acknowledge the cooperation of the insurance industry in 2011 given the significant changes introduced through the implementation of new supervisory guidelines. The Reserve Bank was pleased to note the increased effort of industry players in seeking to improve regulatory compliance and contribute to ensuring a sound and safe insurance industry for Fiji.

RESERVE BANK OF FIJI