

# **BILL NO. 23 OF 2025**

## **A BILL**

### **FOR AN ACT TO AMEND THE INSURANCE ACT 1998**

ENACTED by the Parliament of the Republic of Fiji—

#### *Short title and commencement*

- 1.—**(1) This Act may be cited as the Insurance (Budget Amendment) Act 2025.
- (2) This Act comes into force on 1 August 2025.
- (3) In this Act, the Insurance Act 1998 is referred to as the “Principal Act”.

#### *Section 2 amended*

**2.** Section 2 of the Principal Act is amended after the definition of “principal officer” by inserting the following new definition—

““prudential standard” means a standard formulated by the Reserve Bank under section 3(2)(a);”.

#### *Section 20 amended*

**3.** The Principal Act is amended in section 20(1) by deleting paragraph (c) and substituting the following—

“(c) has a value of not less than the minimum solvency required to be maintained by the insurer under section 31.”.

*Section 31 amended*

**4.** Section 31 of the Principal Act is amended by deleting subsections (1) and (2) and substituting the following—

“(1) An insurer licensed to carry on any class of life insurance business must, at all times, maintain the specified minimum solvency, capital and other requirements necessary for an insurer carrying on life insurance, as determined by the Reserve Bank through the prudential standard.

(2) An insurer licensed to carry on any class of general insurance business must, at all times, maintain the specified minimum solvency, capital and other requirements necessary for an insurer carrying on general insurance, as determined by the Reserve Bank through the prudential standard.”.

*Section 35 amended*

**5.** Section 35(1) of the Principal Act is amended by deleting “is the market value of the asset at that time” and substituting “will be formulated through the prudential standard issued by the Reserve Bank”.

*Section 60 amended*

**6.** Section 60 of the Principal Act is amended by—

- (a) in subsection (1), deleting “the prescribed statements of account and other prescribed statements” and substituting “the statements of account and other statements required under the prudential standard and written notices issued by the Reserve Bank”; and
- (b) in subsection (2), deleting “within 6 weeks after each 31 March, 30 June, 30 September and 31 December, prepare and send to the Reserve Bank any prescribed statements” and substituting “within timelines specified by the Reserve Bank through prudential standard and written notices, prepare and submit any required statement to the Reserve Bank”.

June 2025

## **INSURANCE (BUDGET AMENDMENT) BILL 2025**

### **EXPLANATORY NOTE**

*(This note is not part of the Bill and is intended only to indicate its general effect)*

#### **1.0 BACKGROUND**

- 1.1 The Insurance Act 1998 (**‘Act’**) provides for *inter alia* the regulation of the businesses of insurance and the licensing and supervision of insurers and insurance intermediaries.
- 1.2 The Insurance (Budget Amendment) Bill 2025 (**‘Bill’**) seeks to amend the Act to provide for the 2025-2026 budgetary policy changes.

#### **2.0 CLAUSES**

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2025.
- 2.2 Clause 2 of the Bill amends section 2 of the Act to provide for the definition of “prudential standard”.
- 2.3 Clause 3 of the Bill amends section 20(1) of the Act to now provide that in relation to a deposit required to be made and maintained by an insurer, the deposit must meet the minimum solvency levels as referred to under section 31.
- 2.4 Clause 4 of the Bill amends section 31 of the Act to provide for the minimum capital and solvency requirements required to be maintained by an insurer, which will be determined by prudential standards formulated by the Reserve Bank of Fiji (**‘Reserve Bank’**).
- 2.5 Clause 5 of the Bill amends section 35(1) of the Act to provide that the valuation of an asset of an insurer will be as according to prudential standards issued by the Reserve Bank.
- 2.6 Clause 6 of the Bill amends section 60 of the Act to provide that where insurers are required to submit statements to the Reserve Bank, such statements must be made in accordance with timelines and other requirements under prudential standards or written notices issued by the Reserve Bank.

**3.0 MINISTERIAL RESPONSIBILITY**

3.1 The Act comes under the responsibility of the Minister responsible for finance.

S. D. TURAGA  
Acting Attorney-General