# APPENDICES

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# Verbatim Report

# [VERBATIM REPORT]

## STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

## ANNUAL REPORT

## Reserve Bank of Fiji 2024 Insurance Annual Report

**ENTITY:** Reserve Bank of Fiji (RBF)
**VENUE:** Big Committee Room (East Wing)
**DATE:** Tuesday, 9th June, 2026

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**VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE HELD AT THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON TUESDAY, 9TH JUNE, 2026, AT 9.01 A.M.**

**Present**

(1) Hon. L.S. Qereqeretabua - Chairperson
(2) Hon. R.R. Sharma - Member
(3) Hon. I. Tuiwailevu - Member
(4) Hon. P.K. Ravunawa - Member
(5) Hon. V. Lal - Member
(6) Hon. T.R. Matasawalevu - Member

**Interviewee/Submittee: Reserve Bank of Fiji**

In Attendance:

(1) Mr. Ariff Ali - Governor
(2) Ms. Vilimaina Dakai - Chief Manager
(3) Mr. Shanil Totaram - Manager
(4) Mr. Nadeem Khan - Manager
(5) Mr. Seci Taleniwesi - Manager

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MADAM CHAIRPERSON.- Honourable Members and representatives from the Reserve Bank of Fiji (RBF), including the Governor, members of the media, members of the public and viewers, ladies and gentlemen; a very good morning to you all. It is my pleasure to welcome everyone to the room today, as well as those who are joining us on live broadcast.

For information purposes, pursuant to the Standing Orders of Parliament, specifically Standing Order 111, all Committee meetings are open to the media and to the public, so you may see members of the media walk-in. We also have members of the public who will be watching this live on *Facebook*.

If there is any information relating to this submission that cannot be disclosed publicly, we will ask that this information may be provided to the Committee either in writing or in a closed session. This is only permitted in limited circumstances including matters relating to national security, third party confidential information, personnel or human resource matters and Committee deliberations and development of Committee's recommendations and reports which we do ourselves in closed meetings.

I want to remind all honourable Members and witnesses that any comments and questions are to be directed through the Chairperson and for those viewers who are following this meeting live on *Facebook*, your questions may be submitted via the comments section. However, please, do note that only relevant questions will be considered by the Committee Secretariat.

I want to remind everyone present that this is a Parliamentary proceeding and all information provided is protected under the Parliamentary Powers and Privileges Act 2016 and the Standing Orders of Parliament. We will not condone any slander or libel of any kind, and all information presented to the Committee should be factual.

In terms of the meeting protocol, you will see that we are surrounded by cameras, so I just ask that movement during the meeting be kept to a minimum. We also ask that you mute your mobile phones.

I will now introduce the Members of the Committee.

(Introduction of Committee Members and Secretariat)

MADAM CHAIRPERSON.- Today the Committee will receive an in-person submission from the RBF in relations to the Reserve Bank of Fiji 2024 Insurance Annual Report. During your presentation, Members of the Committee may interject so alternatively, if you wish, we can wait until your presentation is over to raise our questions.

A final note, please, remember to turn on your microphones and when you finish speaking, kindly remember to turn them off. I will now invite the Governor of the RBF and representatives to introduce yourselves before you go to your presentation.

MR. A. ALI.- Thank you, Madam Chairperson, and honourable Members of the Standing Committee on Foreign Affairs and Defence for the invitation this morning. We have got a high-power team on our side as well.

(Introduction of Reserve Bank of Fiji Officials)

MR. A. ALI.- A very good morning and we are happy to be here to present or make a submission on the Insurance 2024 Annual Report. We have already given comprehensive copies of our written submission, including responses to the 12 questions. What I will do is just briefly highlight a few points, and then we can open it up for discussion.

First of all, let me inform the honourable Members that yesterday, as Chair of the Macroeconomic Committee Meeting, we have revised our GDP numbers. A press release will go out any time this morning. Our earlier growth forecast for this year was 3 percent, but we have now revised it to 1.5 percent. This is on the back of what is happening globally.

We all know that the war in the Middle East has impacted the price of oil, as well as the supply of crude oil. Inflation in Fiji, at the end of May, was 3.9 percent. This is a significant turnaround from -3.8 percent in September last year. It has moved from -3.8 percent to +3.9 percent, so almost a 7.7 percent increase in prices over the last eight months to nine months.

We expect inflation to rise further this month, given the increase in the fuel and gas prices, as well as the full impact of electricity surcharge that comes in. What we will also see is, given that the electricity prices or the surcharges come in and the fuel prices go up, you will see that transportation and freight costs are also going up, and the second-round impact of this is impacting on things. We now see inflation slightly above 6 percent in the next couple of months, compared to our earlier forecast of 2.5 percent.

We are mindful of what is happening in the economy, particularly, in terms of the impact of this on cost of living on the most vulnerable. We also note that there could be some challenges in terms of our tourism sector, which did very well in the first quarter. However, we also feel that there could be some headwinds as we move forward, given the impact on the rising cost of living or prices in key source markets, particularly, in Australia, New Zealand and the USA.

There are also talks about Fiji Airways rationalising its flights, so this may also have some impacts. While tourism was strong in the first quarter, we see this softening as we move forward – the April numbers were marginally lower.

As prices increase, we also may see private consumption and investment being affected. At this point in time, we feel that the 1.5 percent growth in this year's GDP, there is potential for downside risk for it to be revised downwards, depending on how long this crisis happens.

We also look forward to the budget that will come out later this month. The budget can add some stimulus to the economy, but we understand that there are fiscal spaces, that Government's expenditure has risen sharply over the last three years, and the room for Government to spend more is not as much as it used to be. What we hope is some smart policies in the budget to help the economy. That is just on the economy, that we have revised growth downwards. This also has implications on everyone, including the insurance sector.

On the insurance industry, similar to what we have been doing every year, our responsibility is to ensure that the Insurance Annual Report is given to the honourable Minister by 30th June, and we have been submitting this religiously on a timely basis every year to the honourable Minister. I can also tell you that the team is almost on the verge of finalising the 2025 Annual Report and will be submitting to the honourable Minister in the next couple of weeks, well before the end of the month.

Given there was no major catastrophe or no major cyclones, the general and the life insurance industries continue to perform well, and we felt that they were resilient. Both premiums and assets rose, and the number of claims also rose slightly. There was no major change to the number of insurance companies and brokers in 2024, but I am sure you all know that we have given two licences late last year and early this year to:

(1) AMA Insurance - a Samoan-based insurance company, so we have given them the approval. They are working on things, and they should be operating in the near term or very soon.
(2) Howden Insurance Brokers – a new broker, and they should be coming on board, hopefully, before the end of the year.

That is the change in the landscape.

There are two or three things that I want to further highlight. The first is parametric insurance, which we had a lot of discussions on the last time. The RBF has been working very closely with the United Nations Capital Development Fund (UNCDF) and InsuResilience, and we now have almost five products. The target for the second year was 3,500. We have more than doubled the insurance for microparametric insurance. The total number of people who are covered is about 8,500.

One of the conditions of this parametric insurance is, 50 percent of the policyholders should be female. I can tell you that the total numbers are 53 percent for women. We have also given 2,000 policies to people with disabilities, so they are also covered. There are also about 2,000 people from the Ministry of Social Welfare who are also covered. So far, we have paid out just below $500,000.

The other issue is with regards to gender diversity from the insurance sector. There was a request whether we can break down policyholders gender-wise. There is a challenge for getting that data, particularly, for general insurance. For example, if I buy an insurance for my house, because the house is under my name, or I buy things under my name, it actually covers my wife and my family. There are some challenges for getting that because it may be under the name of the husband, but actually it covers the whole family.

When you look at life insurance, we are pleased to note that the numbers continue to rise. This was, again, provided in the submission in 2018, that is, 39 percent, and now we have seen that this has grown close to 44 percent. We see an increase in the number of females who are now taking policies.

Finally, I want to say, there is no major issue with any of the insurance companies. Their assets are now close to $3 billion. I am supposed to go and talk to an insurance broker who is celebrating his 50th anniversary this weekend. So, I was looking at some data 50 years ago, the insurance industry was hardly $25 million. The total premium that one or two large companies are now paying in terms of general insurance is what was the total premium collected 50 years ago, so the industry has significantly grown.

I think one of the things that most people do not realise is that they give protection to people and the most vulnerable people. When you take medical insurance or car insurance or house insurance, it protects you from recent challenges that you are dealing with. We see people collecting money when they have to go for overseas medical evacuation. However, they do not realise that paying a few hundred dollars every year helps you so that you do not have to dig deep into your savings or start collecting money. It is a very important role that insurance companies play, both for individuals and businesses, and we think that they should continue to be supported.

The final point is, there was one change in the 2025 National Budget. Because the Insurance Act was not revised, insurance companies were not complying to one of the accounting standards. We have now amended that in the last Budget and beginning this year, all insurance companies will be in compliant with the global accounting standard called IFRS 17.

Madam Chairperson and honourable Members, I will end there and I am happy to take any questions.

MADAM CHAIRPERSON.- Thank you very much, Governor, for the update and for the round-up of your answers to our questions. I will open the floor now for questions from the Members of the Committee.

HON. P.K. RAVUNAWA.- Madam Chairperson, through you, I thank the Governor and his Team for a brief update on our economy and the GDP of our country. On insurance penetration and financial inclusion, it was noted in the Report that the insurance penetration in Fiji has remained around 3.5 percent of our GDP for the last 20 years. What specific strategies does the RBF have to significantly increase the insurance coverage among our rural farmers, informal workers and vulnerable households over the next five years, if there is any plan that you have with you?

MR. A. ALI.- I thank you for that question. I think the responsibility does not just lie on the RBF, but this is something that we all have to acknowledge. It is a collective responsibility for everyone that we must work on it.

The other important issue is, how do you measure penetration? One of the benchmarks is, you look at the percentage of ratio of this. Sometimes, that could be misleading as well. When you look at numbers, I think, we have increased the numbers, but in terms of the benchmark as a percentage of GDP, that has not significantly grown. However, I am pleased to say that, at least, in the micro-parametric sector or the micro-insurance sector, that has significantly grown.

There are two products that are very important. One is the micro-bundle product that operates through FijiCare. Government provides or pays for the insurance premium for social welfare recipients. That is about $104,000 – the last number that I received. All the premium is paid by Government. It was started under the previous government, and I am glad that this Government has continued with that, and that is paying for the most vulnerable. It is about $10,000. It covers for funeral, fire, death benefit and personal injury. Because the premium amounts are relatively small, when you use this benchmark, it is not significant.

The other is the product that we started two or three years ago on micro-parametric insurance. The numbers have grown from zero to about 8,500. We are now working with a few institutions, including InsuResilience, UNCDF and Global Shield, hoping to get more funding. My target, and my Team knows, that we want to increase it from 8,500 to 25,000 in the next two years.

I have also been trying to talk to some Government Officials to see if Government can pay for some of these parametric insurances, particularly for maritime areas. This parametric insurance is important, particularly, in periods of natural disasters, whether it is heavy rain, cyclone, or flood, and the funds are paid out.

On the other hand, I am pleased to say that we are working with the Ministry of iTaukei Affairs, the Ministry of Rural and Maritime Development and Ministry of Women, Children and Social Protection, on how we can increase coverage. So, on one benchmark, if you look at it, it is the ratio of GDP premium that has been stable, but in terms of numbers, there has been a substantial growth in numbers, particularly, for the most vulnerable.

I still feel we can do more, and when I say we can do more, I mean both sides, not just the RBF, because you have to be mindful that we are the regulator. In fact, most people will say that this is not the role of RBF to go and promote insurance because we are the regulator. However, we feel there is a space where we need to do that. Normally, regulators do not go and promote these types of things, but we have taken this role because we know that there is a need to support, and we have taken that initiative and leadership. I think this needs to be done, together with Government's assistance, et cetera.

HON. V. LAL.- Thank you, Governor, for your update on the economy. Just adding to what honourable Ravunawa has asked, has the RBF taken any study to determine whether the insurance premiums are becoming unaffordable to low-income earners, especially, homeowners, motor vehicle owners and others?

MR. A. ALI.- The way to respond to this question is this, affordability is simply because someone cannot afford it. Insurance premiums, particularly, are driven by a number of factors. One is that insurance companies go and reinsure themselves in the global market.

What happens globally? There are more catastrophes globally and there are a lot of claims. Then it means that the insurance premium in Fiji is going to rise as well. However, what we have seen over the last 24 months or so, is that there has been some softening in the insurance market. It has not actually grown; there has been some softening on these things.

What impacts people to buy insurance? Even if insurance premiums come down by a few percent, but if the cost of living goes up, then you have to start balancing these things. From our view, we continue to see that insurance numbers are rising, premiums are rising, yes, there are challenges, especially when the cost of living becomes an issue but, generally, we feel that insurance premiums in Fiji, relative to countries of similar size and what we pay, are reasonable. Someone may say that it is high, but when we compare the cost in other countries and jurisdictions with similar size, et cetera, we feel that our insurance premium rates are reasonable. Likewise, for example, interest rates.

I had a meeting with some consultants from India yesterday on some other matters. They are here for correspondent banking. They were surprised to know that in Fiji, businesses are borrowing between 3 percent and 4 percent interest. There is no country in the world, in my view, and I hope I am not wrong, with the size of a small country like Fiji and a developing country where interest rates are as low as 3 percent to 4 percent. In fact, our interest rates right now are lower than some of the very advanced countries, so if you go to Australia, your housing loan would most probably be higher than Fiji right now.

We think that we closely monitor insurance companies. We look at their cost. We think that the premiums they offer are reasonable given the reinsurance market.

HON. V. LAL.- Just to add on to that, Madam Chairperson, as you know, Fiji is one of the most vulnerable climate countries in the world. Is there any assessment done on the number of houses that are uninsured here in Fiji?

MR. A. ALI.- In fact, there was some work done some years back. We had worked on it and we were trying to see if we could come up with a three-tiered insurance, a gold for those that have the full engineer certificate, then a silver and a bronze to cover it. The challenge with this is getting data on housing and we need to work it out, but there is a lot of informal settlements. However, the short answer to your question is, there are more houses that are not covered under insurance than there are houses covered under insurance. So, there is more that are not covered under insurance.

The only ones that are covered are those that have got a mortgage loan, and that is a requirement, and for those who have paid their loan and can afford or feel that it is important because you are paying. However, there are people who can afford, but they are still not paying for their houses even after the mortgage has been paid.

HON. V. LAL.- Madam Chairperson, in the Report, I can see that profit has increased significantly. To what extent were these profits driven by premium increases rather than improved efficiency or expanded coverage?

MR. A. ALI.- A lot of this has got to do, particularly, with general insurance companies - life is slightly different. For general insurance companies, as I have said, there is no major catastrophe. That was the driving factor. We did not have any cyclones, no major fires, so it helped out. However, it is also important to understand that there have been years where general insurance companies have made losses. So, this is something to note, that they cannot be making profits every year or they cannot be making losses every year, but there have been periods where they have been making losses after losses when we had a number of natural disasters year in, year out.

HON. V. LAL.- Madam Chairperson, I can see in this Report, it acknowledges that there are gaps, and I know you are in the process of reviewing your (I think) 1988 Insurance Act. Can you tell us what are the most significant deficiencies in the existing legislation?

MR. A. ALI.- I would not say deficiencies, but we just have to be mindful. However, the global standards keep changing, and one of it is, for example, as I said, is the accounting standards or IFRS, in terms of how you are recognised. So, the current Act meets our requirement, but what we want to do is ensure that we continue to pitch ourselves a benchmark against global specialties, so that is where it is. Otherwise, I do not think that if we do not change the Act, things will fall apart tomorrow. So, it is more to do with mainly best practices. Some of these are more accounting than anything else, some of this is in terms of how they record their revenue and expenditure, but not drastically in terms of the day-to-day business operations.

HON. V. LAL.- Perhaps, there are others who want to ask questions but, Madam Chairperson, I can see on page 35 of the Report, in 2024, the number of insurance policies terminated increased by 12.3 percent, and this is a bit significant. Can you tell me the reasons why?

MR. A. ALI.- If you look at the terminations year in year out, particularly, for life insurance, it may have increased that year but, generally, it has been consistent and at a level that is safe. I am not sure whether you have spoken to any life insurance agent or not, but they are one of the best salesmen. I think the two best salesmen are a car salesman and insurance salesman. There is a joke that an insurance salesman can even sell a king-size bed to the pope who may not need it, but because they are good sellers. A lot of times, they go and sell insurance, and this is not a thing that you only see in 2024 but in almost every year, people take life insurance policies, they pay for a few months and then realise that they have too many other obligations. So that ratio has been high for a very long time in Fiji. It could partly be due to insurance agents overselling because they are commission based but on the other hand, people then realise that whilst it is a good thing, they cannot afford it. So, life insurance terminations have been relatively high for a very long time.

HON. P.K. RAVUNAWA.- Madam Chairperson, through you, on climate resilience, you have mentioned to us, Governor, that insurance policies has increased over 8,500. However, the payout is only less than half a million dollars. How does RBF assess the product to see whether the insurance broker or the company is providing meaningful financial protection?

MR. A. ALI.- These 8,500 people who have this policy, very few of them have paid the premium and that has been subsidised by InsuResilience and RBF. There are a small number that have been paid by sugarcane farmers, otherwise, most of them has been subsidised or paid by RBF and InsuResilience. They have not paid for it, but they have received this benefit. Hopefully, over time, they realise that this is something that is good, so that they can start paying once the subsidy ends, so they have not paid.

Now, you may say, half a million dollars payment. I can tell you that when we had this first big payout, we had to get all of them, the GPF had a function, and for some of these people, getting $100 to $400 is a big amount of money, which is paid directly into their mobile wallets. Whilst the amounts may be relatively small for some of us, but for these people, the amounts are quite large. Also, it is the timing of this. There are videos which are at the UNCDF, as well as with us, in terms of how people are saying that this has helped them.

The key for us is, how can we expand and get more people covered? Tomorrow, if there is a cyclone, the Government does not have to rush, find out and does the payout - that will all be paid by the insurance companies and directed into your mobile. I must say that in some ways, we are lucky because we have not had a major cyclone or flood in the last 24 months, otherwise, the payout would have been more. However, what this also means is that a lot of people who are not covered would have been affected. So, I see this as a blessing, that the payout has not been that large because it would mean that the economy and the country would have been affected. It is important that we continue to look at it.

Again, I wish to stress that we continue to talk to some of the Government Ministries or Permanent Secretaries, to see whether they can fork out some of the savings in their budget for these types of things. We started this off as pilot, which was very small, where we got two insurance companies - SUN Insurance and Tower Insurance. They have now come up with four products or five products, targeting social welfare, covers both wind and rain, and they continue to invest in this, even though they are not making money on these two products. However, they feel that it is an obligation and for them to continue to help the most vulnerable in our society.

MADAM CHAIRPERSON.- Just an add-on to that question from honourable Ravunawa and I know you are the regulator and you probably do not get involved in the nitty-gritty, but you did say, Governor, that there are some who have benefited but have not paid any premiums. Is there a means test to decide who is the most deserving?

MR. A. ALI.- The people who have been covered are sugarcane farmers, crop and livestock farmers, people with disabilities, social welfare recipients and a few fishermen. For social welfare, we know that these people are on social welfare. For sugarcane farmers, the subsidy was only given to women who produce less than 50 tonnes, so we made sure that the most vulnerable are paid. We do not want to subsidise people who can afford it.

There is a study that has already been commissioned that is working on, for example, how those who have benefited from this scheme against those who do not have insurance have not benefited. There always has to be, how has the $400 benefited you to come back, compared to someone who is not? So, there is a scientific study, and I think this is done by one of the universities from Australia who is helping us with that.

MADAM CHAIRPERSON.- When will we expect the results of that study to be available publicly?

MR. A. ALI.- I think the study has been completed. We are waiting for the scientific results to be shared with us.

HON. T.R. MATASAWALEVU.- Through you, Madam Chairperson, I have a vehicle that is almost three years. The first time I paid my insurance, it was $900. Last year, I paid $1,100. My question, why has that increased, is it because of the decrease in value? I am not sure whether they are going to increase it again.

MR. A. ALI.- That is a very good question. There are a few classes of insurance where the insurance premium has gone up, and one of them is vehicle insurance. If you look at our data, you will see that the general insurance companies who are doing vehicle insurance are actually making a loss. We have more cars on the roads; we have more accidents. We have more new cars where the parts are extremely expensive and they have to air freight it, so those are really impacting the cost of insurance.

The cost of insurance is not driven by global factors in this case, and I think it is driven more by domestic factors whereby we have more accidents and the cost of repairs have really gone up. I mean, if you go and talk to Asco Motors or one of the car dealers or repair shops, they will tell you that they have lost a lot of people over the last couple of years. They now have to pay more, so that is driving up the insurance premium.

One of the good things we had seen is during COVID in 2020-2021, the price had not gone up because there are very few accidents, people are not on the roads and that kept it to a minimum.  However, now, we hear everyday accidents, deaths, so that is the reason why insurance premium for motor vehicles have gone up. It is just that our people are causing more accidents. I know some of us complain that there are too many road humps, but they are there for the right reason.

HON. P.K. RAVUNAWA.- Madam Chairperson, on the same question - insurance industry profit versus customer benefit, the insurance industry recorded a combined net profit of $70.8 million in 2024 and a solvency surplus of $688.5 million. How is the RBF ensuring that these strong financial results translate into more affordable premiums, improved customer service and faster claim processing for ordinary Fijians?

MR. A. ALI.- A very good point, so let me break it down. That $70 million profit that you talked about is the combined industry - $35 million is for general insurance and $35 million is for life. Life is very different. You will note that the two life insurance companies - BSP Life as well as LICI, both give bonuses and money back, so they actually distribute most of the profits that they make to policyholders.

On the general insurance, I know there is a news in today's *Fiji Times* which incorrectly says that FijiCare made a profit and it is the only listed company.  No, there are two listed companies, there is Sun Insurance as well.  When they make profits, these profits are given back to shareholders and the shareholders could be you, it could be FNPF, and could be Fijian Holdings, so it goes back to the shareholders and dividends are given.  However, as I have said earlier, what is really important is that they do not make profits every year.  They have been making losses. However, the last thing we want is the capital, which is the solvency to become really low. So, when there are claims to be made, they do not pay on time or are unable to pay. That is the biggest risk of insurance companies, that they do not have enough capital or not strong enough, so they start making losses every year. What will then happen? When there is a claim, they will not be able to pay on a timely basis. If they are strong and if their capital is strong, they will make payments on a timely basis. That is the key.

Do you think that the insurance premiums are reasonable? I know that a lot of people who are listening to this on social media may disagree and some of them will compare the insurance premium in Fiji with Australia, but in Australia, it is compulsory for everyone to have insurance. In Fiji, if everyone who has a car has car insurance, particularly, your premium would not be that high. Part of the reason is because a lot of cars on our roads are not insured, so if everyone pays car insurance, it will definitely be lower. Insurance is about pooling and then risking. If the pool is small, the risk is high, therefore, the premium is high.

I do not want us to be sidetracked with the profits that they make, and I do not mean that in a bad sense. What I am saying is that we want them to make profits, and I always challenge people. Why is it that when Fiji Airways makes profit, we are happy? Why is it that when Fijian Holdings makes profit, we are happy, or when RBF makes profit, we are happy. However, some of the people in the private sector are not happy. We want them to make profits, and I am saying reasonable profits, so that they reinvest, employ more people, but more importantly, in the case of insurance and the financial sector, your money is safe or your premiums are safe, so that when there is a claim, they are able to pay.

There have been cases globally, even cases in New Zealand, when there is a big earthquake, it can wipe out your capital. We are lucky that there was no big catastrophe, except *TC Winston*. I can also tell you that when *TC Winston* hit Fiji, a lot of insurance companies then realised that if the cyclone had passed through Suva and crossed over Viti Levu to Nadi or Sigatoka (at one stage, that was the track), what would have happened? Most of the insurance companies said that they would wipe out their capital, and even some started to think that if that happens, what will happen to them? Some of them were really worried, they started remodelling whether they should still operate in Fiji because the risk is so high.

I am glad that we still have all the general insurance companies here and we are getting more. I always get asked this question, "Oh, I paid for my insurance premium and I got nothing." I always tell people that I also pay for my medical insurance, I also pay for my house insurance, and I pay for my car insurance. I am glad that my house is not burnt, my car has not had a big accident, and I did not have to pay anything because it then impacts you also in a different way. However, it is there, and you pay all those things for the unforeseen circumstances.

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HON. P.K. RAVUNAWA.- Just a follow-up question and my last question, Madam Chairperson.

MR. A. ALI.- Yes, we are here to learn.

HON. P.K. RAVUNAWA.- Although we have not had any catastrophic natural disaster, we have a health catastrophe in our nation because of the complexity of the diseases that are coming into our shores. What would be your take on having a compulsory national health insurance for Fiji?

MR. A. ALI.- It is a very important point. Again, that is another sector. If you look at our insurance report and you look at the health category, you will see that they are not making money there as well. NCD is on the rise. I was invited by the Fiji College of General Practitioners three weeks ago as a keynote speaker and I talked about these things. The link between health and the economy is much closer than what most people think. It affects productivity, et cetera.

The rise in NCDs and the rise in other health issues are a drag on our economy, and it is costing everyone. If you can have a national medical insurance, that would greatly benefit. However, that does not mean that because we all have insurance, we can relax, we can eat more, which we should not. I think it has to go hand in hand. This, to me, is really important. It is not that because you have insurance, then you say, "I do not have to worry about my health." I think that should complement each other. Making sure that people focus on the health is important and not the fact that they have insurance.

The second important thing is, we need to improve our health facilities. This is something that we have to do. We do not have enough hospitals that provide tertiary services in a number of areas. There is a lot of leakage from our economy because of medical insurance, whereby, people have to go overseas, and part of the reason is because we do not have the services here, or partly because we are unable to diagnose here. I know of three very recent cases and two of them related to my staff or their families, where they were misdiagnosed in Fiji. When they went overseas, they said there was something else. One was told that the mother has cancer, but it was not cancer, it was sinus.

I think we need to continue to invest in our health facilities. Something I would totally agree, but the question then comes, who is going to pay for it? That is the real challenge of having a general medical insurance. I know there are some talks about how we can use FNPF, but we just need to be mindful of how that is done or structured.

HON. V. LAL.- Back to the previous question which honourable Ravunawa asked, is RBF encouraging competition within the industry so that more insurance companies come up?

MR. A. ALI.- I have always said that we have no restriction on anyone wanting to apply for a licence to operate an insurance business.

HON. V. LAL.- So, there are no barriers for overseas insurance companies?

MR. A. ALI.- There are no barriers. Of course, they have to meet our requirement which is, 'the bar is not set here, it is here' because we need to protect those who pay their premium. We have to ensure that those who come and operate are not fly-by-nights, making sure that they are bona fide businesses that can offer their services. Anyone who wants to invest, there is an opportunity to make money, there is nothing wrong with that. Sometimes, people come and ask, they do their feasibility study, and then they wait and see. However, as I have said, we have one new licence, the first one after 26 years. The last one was SUN Insurance, and this new one is a Samoan- based insurance company.

HON. I. TUIWAILEVU.- Madam Chairperson, through you, for non-renewal licence, is this due to operational matter or the compliance?

MR. A. ALI.- For insurance companies and brokers, there have been no issues with compliance. The only issue has been with agents whereby some of them have not been approved, and part of the reason that has not been approved is because they have not submitted it on a timely basis, or some of them have just closed. It is the agents who sell insurance products, whether it is a general insurance or mainly life insurance companies.

HON. R.R. SHARMA.- Madam Chairperson, through you, in what number of years should we see Fiji having a compulsory fire insurance for homes and a compulsory vehicle insurance on any vehicle that is purchased? You have just highlighted the matter in detail, and is that something we are working towards that?

MR. A. ALI.- The short answer is, 'no'. We cannot force people and say, "Go and insure your house", when they say, "I do not have the money". I will give a simple example. My brother is a fisherman. I do not think he can afford insurance. Of course, he can afford insurance because

I am his brother and I can pay for his premium, but I am saying he cannot afford it. There are a number of people who simply cannot afford to pay insurance, as much as we want them to.

If you have a vehicle worth $25,000 or $30,000, you have to pay almost $1,000 in premium. They may be paying off their loan, their children could be going to university, and there are competing wants. What we always tell people or educate people about is that if you can afford it, please, pay for insurance. It will come in handy. If you have a car worth $30,000 and it is written off, without insurance, you do not get anything but if you pay $1,000, you will get your car back or a similar car of similar value. The fact is that there is a segment of society who just cannot afford house or car insurance.

HON. R.R. SHARMA.- I agree, but I also disagree. I think in years to come, if you can afford a car worth $30,000, you should put $1,000 aside to pay for insurance. Otherwise, the pressure comes on everyone else. As you have said, the pool is small and the risk is high. Can you highlight to the Committee what part of Government is insured? Judiciary, Executive?

MR. A. ALI.- I do not think Government has an insurance policy. Recently, they have insured themselves under Pacific Catastrophe Risk Insurance Company (PCRIC) which is parametric insurance, and there was a payout recently. Parametric insurance operates differently. In normal general insurance, whether it is a house or a car, if your car gets damaged, the assessor will come and say this is the damage. Even though your car is valued at $50,000, they may say the damage is only $5,000, and you will only be paid $5,000.

Under parametric insurance, there are triggers. If the wind is this strong or the rainfall is this high, you will get paid. They do not come and look at the damage. So, Government has recently taken this up and I think there was a small payout under PECRAFI. This is a regional parametric insurance that covers Fiji, Tonga, Samoa, Vanuatu, and a few others, and there have been payouts under this scheme. I do not think Government pays insurance.

HON. R.R. SHARMA.- Madam Chairperson, through you, looking at the population size, it changes by the year. We have seen over 100,000 people leave in the last few years. Do you have statistics where you compare the number of people insured against the population size?

MR. A. ALI.- Yes. We have data on insurance numbers. By breakdown in terms of whether it is vehicle, medical, housing or life, yes, we have the numbers. The penetration is not high.

HON. R.R. SHARMA.- Also for this parametric insurance, I believe the UNCDF provided some funds to kick it off. Are you looking at more donor agencies to come in and support this? Has there been any conversation around that?

MR. A. ALI.- Yes, the UNCDF provided some funds and also InsuResilience, which is a German initiative. It was a two-year programme and is coming to an end. We have been talking to other donors, and I am pleased to say that we are on the verge of signing something to continue with this. We, ourselves, have invested a significant amount of money to make sure that it is viable, so we continue to work to ensure its sustainability. As I have said earlier, most of the insurance premiums were subsidised either through the UNCDF and InsuResilience or through RBF.

HON. V. LAL.- One final question from me, Madam Chairperson. I can see in this Report that four complaints were received. They were ultimately resolved in favour of the insurers, with insurers maintaining the decision to decline the claims. My question to you is, what independent review process exists to ensure policyholders are not unfairly disadvantaged?

MR. A. ALI.- Sir, do you know how many insurance policies were in existence throughout the year? The total insurance policies in force throughout the year would be, in my view, a couple of hundred thousand. These four were only escalated to the RBF. There is a Complaints Management Framework whereby they first go to the insurance companies and complain. Most of these are resolved there. There are some that I can tell you that we have evidence on, our team goes and looks at the complaints. We have a special unit, we now have a Financial Ombudsman who looks at these complaints, but there are people who want to cheat. There are deliberate things whereby the car had an accident on the left side, but the whole of the right side is damaged. I am just giving an example. There was a small thing and some things were missing.

The insurance companies are there to protect you and me. When they do not pay, that means that someone is trying to take advantage of that, therefore, there will be more claims and the premium is going to go higher, and you and I will start paying more. They reject claims for the right reason.

In most instances, they reject for the right reason. We do an independent assessment. We look at the assessor's report and the assessors are mostly independent people, so when I look at the numbers of four out of a few hundred thousand, I am glad to say that, at least, in some ways, first of all, we can say that the complaints are not as big, based on the number of transactions that we have.

Secondly, most complaints are handled well within industry. Those that come to us, we independently look at it. There have been instances in the past whereby we have disagreed with the insurance companies and big payouts have been made. Large payouts, running into hundreds of thousands of dollars. So, in this case, our assessment on the insurance, but there have been cases whereby we have said, "You need to strike a balance, we feel that there is some merit for you to pay", and insurance companies have paid.

HON. R.R. SHARMA.- One last question from my end and this is more like a sentiment from the public; when payments are due, why do we have to pay immediately but the claim process is pretty brutal and lengthy? It takes time.

MR. A. ALI.- That is a factual statement. If you do not pay, then your insurance lapses. There is an agreement that it lapses. There have been cases whereby people have delayed and because there is no accident, they have not paid their premium. There is a significant amount or sizable amount of insurance, both on housing and vehicles, where people have not paid. They have not paid simply because they say, "I did not have any accident this year. Why should I pay for it?

On the other hand, there is a process of insurance claims, assessors, and right now, there is a big issue with repairs. If you have a new car, for example, a Kia or a Prado, there are no parts. The car has just come in, it is one year, but most businesses do not keep all the parts, particularly, the panel parts. So, that is where the delays are.

They also need to get assessments, at least, from two or three companies to get a quote, to make sure that garages do not make a big cut. I am sure you would have heard funny stories. You go to one repair shop, they quote the price here, the next one quotes here. Why do they do that? It is making sure that there is no abuse because, ultimately, the more payout there is, or the payout is higher than what it should be, it is going to impact everyone in terms of insurance premium.

HON. R.R. SHARMA.- So, as a regulator, what do you suggest that these companies should comply with what policies or reforms that may come in, that you know that the burden does not come on to these insurance companies and RBF? If you are selling the vehicle, at least, have certain percentage of backup because, yes, you are absolutely right.

MR. A. ALI.- I mean, let us be practical here, and I use the word 'practical'. If you import 10 new cars right now, are you going to import each and every component as repairs for the cars? No, you will not, because that means you have such a large holding cost of just keeping the parts. That is a fact. You will not have each and every part.

What happens right now, all you do is, when another car hits you and one of your fenders goes, if they do not have it, they will have to get it on the next flight, et cetera, so this is what it costs. So, the cost of new cars that come in, that is where the cost is very high. However, if you have a Prius, you do not have an issue because there are more than enough Prius cars in the country and I am sure that all the spare parts of the vehicle are with the motor vehicle companies. However, this has got to do with new cars that are now coming in everyday into the market and whether they have excellence.

HON. V. LAL.- Madam Chairperson, through you, I also see in this Report that the number of insurance agents have declined. Is there any prescribed programme for these agents so that more people come into the business?

MR. A. ALI.- It was due to one of the insurance companies, in 2024, that delayed the submission of the agents' application to the RBF. We have a cutoff period, and if you look at the 2025 Report, you will see that the numbers have increased.

Insurance companies have a training programme for the agents. However, it is not easy being an agent. There are other agents, like BSP Life or LICI, who are in the million-dollar club because they are able to sell things, but there are those that think it is easy and they try. They are able to sell the policies, get commissions based on it, but they realise that it is not as easy as they think, so people just fall out because it does not become a good source of income for them. There are those who have been there for a very long time and now have their clientele.

HON. V. LAL.- For new graduates, who all qualifies? How does a person qualify to become an insurance agent?

Mr. A. ALI.- You have to have some basic understanding on the policy on insurance. We have actually a policy for those who can be an insurance agent.

HON. V. LAL.- What are the requirements?

MR. A. ALI.- The requirements include competency, understanding of the insurance product, and a minimum Form 6 qualification with experience in the industry, et cetera.

MADAM CHAIRPERSON.- Thank you, honourable Members, for all your questions this morning. We have come to a time when we need to end our session.

On behalf of all of our Committee Members, thank you very much for a great presentation. It has definitely given us a lot to think about and a lot to go on when we write our report back to Parliament.

Before I close this meeting, Governor and your Management Team, I just want to draw your attention to the requirements of the Standing Orders of Parliament, particularly, Standing Order (121)(6)(b) where it provides that the Minister responsible for the relevant organisation must table a substantive response to the Standing Committee's Report within 21 days of receiving the Report. In this regard, the Committee looks forward to receiving the RBF's formal response to the Committee's review on the Reserve Bank of Fiji 2024 Insurance Annual Report within the prescribed timeframe of 21 days, following the tabling of our report to Parliament, which will happen in the near future. The Committee trusts that the response will address the findings and recommendations contained in the report and to assist Parliament in its ongoing oversight role.

On that note, on behalf of my Committee and its Secretariat, I say 'thank you very much', Governor, and to your Chief Manager and Management Team, and also to Mervyn, for making the time to appear before the Committee this morning. *Vinaka sara valevu!*

The Committee adjourned at 9.59 a.m.

# Written Response

# RESERVE BANK OF FIJI

## WRITTEN SUBMISSION TO THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

## RESERVE BANK OF FIJI INSURANCE ANNUAL REPORT 2024

### A. Introduction

- The Reserve Bank of Fiji ('RBF; Reserve Bank') extends its appreciation to the Honourable Chair and Honourable Members of the Standing Committee on Foreign Affairs and Defence, for the invitation to make a submission on its 2024 Insurance Annual Report.

- At the outset, we can confidently attest that the RBF has consistently met its obligation to submit the Insurance Annual Report to the Minister for Finance by 30 June of every year, as required under section 165 of the Insurance Act 1998.

- We are therefore delighted to provide a summary of the Fijian insurance industry's performance in 2024.

### B. The Fijian Insurance Industry in 2024

- The Fijian insurance industry remained resilient in 2024, supported by a notable absence of severe catastrophes, and continued growth in gross premiums. Compared to 2023, the gross assets of the insurance industry grew by 7.4 percent to $3.0 billion, making up 7.7 percent of the total assets of the financial system.

- The penetration rate of insurance in Fiji, measured by the ratio of premium income to GDP, was recorded at 3.5 percent in 2024 (2023: 3.6%), and this indicator has been within the rate of 3.0 - 4.0 percent for the last two decades.

- The combined gross premium income for the Fijian insurance industry stood at an all-time high of $476.0 million. The life insurance sector reported a growth in gross premiums of 3.2 percent to $203.1 million, underpinned by an increased uptake of endowment products. Similarly, the general insurance sector's gross premiums grew by 11.9 percent to $272.9 million, attributed to majority of the classes of insurance.

• A total of $254.2 million in net claims and policy payments was paid out by the insurance industry in 2024, compared to $244.5 million in 2023. Net policy payments by the life insurance sector grew by 2.4 percent to $139.3 million, with the general insurance sector's net claims paid increasing by 6.0 percent to $114.9 million. The majority of the life insurers' policy payments (79.7%) were for matured policies, while medical and motor vehicle classes represented the majority for the general insurers, at 35.9 percent and 34.9 percent, respectively.

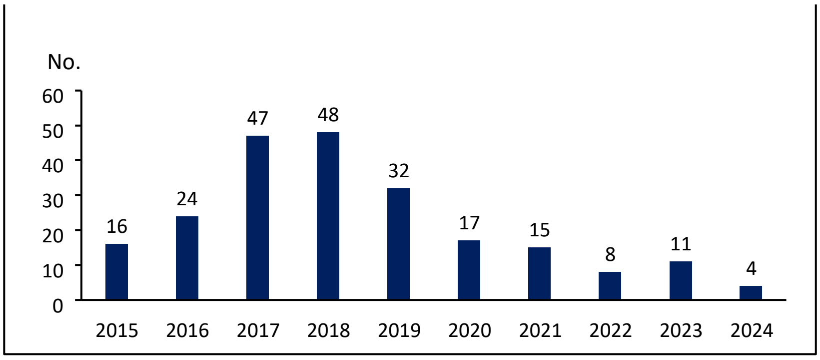
• Profitability of the domestic insurance industry improved, with the combined net profit after tax growing by 114.4 percent to $70.8 million in 2024. This was driven by the life insurance sector, which reported an after-tax surplus of $35.7 million, an increase of $30.2 million compared to $5.6 million in 2023. The improvement was underpinned by a significant reduction of $37.3 million in total outgoings, in particular policy liabilities. Similarly, the general insurance sector continued to record growth in its net profit after tax to $35.1 million in 2024, as a result of the increase in underwriting surplus.

• Overall, the Fijian insurance industry demonstrated financial resilience in 2024. With a regulatory minimum solvency margin requirement of $87.2 million, the insurance industry reported a combined solvency surplus of $688.5 million as at 31 December 2024, highlighting the insurers adequate capacity to meet policyholder obligations and regulatory standards.

• The composition of the Fijian insurance market remained relatively unchanged in 2024 with two (2) life insurance companies, seven (7) general insurers and five (5) insurance brokers. 496 insurance agent licences were issued and/or renewed in 2024, when compared to 646 licences in 2023, and the reduction was due to the non-renewal of licences by the one insurer for 2024.

• Four (4) complaints relating to the insurance industry were received compared to 11 in 2023, noting a 63 percent reduction in complaints escalated to the RBF, the lowest in the last 10 years. The four complaints were predominantly related to motor vehicle disputes on claims that were denied and delayed by the insurer. These were closed as at 31 December 2024.

**Figure 1: Number of Complaints 2015 - 2024**




- As a notable milestone under the RBF insurance development initiatives, we entered into a grant agreement with the InsuResilience Solutions Fund (ISF) in August 2024. This partnership

has facilitated the introduction of new climate risk parametric insurance products and the expansion of existing ones in Fiji.

- This initiative forms part of the RBF's ongoing collaboration with development partners to improve access to climate risk insurance for vulnerable households. As a result, the number of parametric insurance policyholders has reached a record 8,528 in the 2025/26 financial year.

## C. Alignment of the RBF's Activities with the Sustainable Development Goals

- Insurance serves as a vital risk transfer mechanism providing financial security and resilience against natural catastrophes and man-made disasters. As such, the RBF' s mandate and objectives entail supporting the orderly growth of the insurance industry and the protection of the policyholders.

- The InsuResilience Solutions Fund Project that the RBF is leading aligns with the vision of the National Financial Inclusion Strategy 2022 -2030 of empowering Fijians to build resilient and sustainable livelihoods and businesses through financial inclusion. The parametric microinsurance product strengthens the resilience of households against insurance risk and directly links to SGD 1 (No Poverty) and SDG 13 (Climate Action).

- Insurance enhances the ability of households to save and access credit (SDGs 8 and 10), while also supporting healthcare needs and reducing unexpected expenses (SDG 3). For businesses, insurance enhances access to financing (SDG 9), supports agricultural development (SDG 2), and promotes innovation (SDGs 9 and 17).

• For governments, insurance plays a vital role in driving economic growth (SDG 8), generating employment opportunities (SDGs 8 and 10), and maintaining financial stability (SDG 10). It also encourages savings (SDG 8), creates fiscal space in the aftermath of natural disasters (SDGs 1, 11, 13, and 17), complements social safety nets (SDGs 1, 8, and 10), attracts foreign direct investment, and facilitates trade activities (SDG 17).

• As the regulator of the insurance industry in Fiji, the RBF's objective of the protection of policyholders through the safety and soundness of insurance entities and the resilience of the insurance sector supports the ongoing efforts towards the achievement of SDGs.

## D. Gender Analysis of the Reserve Bank's Activities and Staffing

• The RBF actively integrates gender-related considerations into its key deliverables, such as disaggregated data collection, targeted financial inclusion initiatives and the National Financial Inclusion Strategy. Success in this regard is detailed in the Gender Inclusive Finance Report (September 2025), which highlights that female account ownership rose from 52 percent in 2014 to 82 percent in 2022, narrowing the gender gap from 16 percent to 10 percent.

• In a landmark move towards fostering women's economic empowerment, the RBF along with other financial institutions, has committed to the Women Entrepreneurs Finance Initiative (WEFi) Code. This significant step underscores the commitment of Fiji's financial sector to support and uplift women entrepreneurs across the country.

• Furthermore, a workshop was hosted by the RBF in March 2026 to mark the International Women's Day, in conjunction with the Asian Development Bank and key national partners to reflect on and amplify support for a more gender inclusive financial system. A similar "ring the bell for gender equality" event was held in 2025 to promote the call to action for accelerating gender parity under the United Nations theme for 2025 of "For All Women and Girls: Rights, Equality, Empowerment".

• Reflecting on a call by Former RBF Governor in 2017 for higher participation and representation of women of merit on boards of listed companies, the RBF board presently has 50 percent female representation, (when excluding the Governor as the Chair). Similarly, the senior leadership team of the RBF currently has 60 percent women with the total FTEs of the RBF at this time equally divided at 50 percent male and female.

## E. Outlook and Conclusion

• Given the timing of this presentation, we wish to also provide a list of key developments in the insurance sector in 2025, which will be highlighted in detail when we submit the 2025 Insurance Annual Report by 30 June 2026.

• For 2025, while several cyclone-related weather events resulted in some disruptions and insurance claims, including Tropical Cyclone (TC) Rae in February 2025, the impact on the insurance industry was assessed as moderate with no escalation of major catastrophic losses.

• Total assets and owners' funds of the insurance companies continued to grow in 2025, despite a moderation in profitability, reflecting the industry's sound capital management practices and the long-term accumulation of investment returns, and capacity to absorb shocks and meet longterm commitments to policyholders.

• The RBF received applications for licences to conduct business in Fiji by new entities: AMA Insurance Company Limited and Howden Insurance Brokers (Fiji) Pte Limited in 2025. Relevant licences have been granted increasing the number of insurance companies to eight (8) and insurance broker to six (6).

• The Insurance (Budget Amendment) Act 2025 has provided for the implementation of the riskbased solvency framework, as well as the roll-out of the IFRS 17 reporting returns for the insurance industry, which will be finalised by end of 2026.

• The Reserve Bank will continue to strengthen its regulatory role through the review and development of prudential policies and legislation. In this regard, efforts are underway to complete the review of the Insurance Act 1998, and to finalise the IFRS 17 transition/implementation.

• The RBF is grateful for the assistance and support of Government and all our stakeholders in the insurance sector who continued to partner with us on ensuring a safe and inclusive industry. We remain committed to strengthening our regulatory role and ensure that the insurance sector in Fiji is well-positioned to meet the growing demand for insurance coverage and the potential for innovation-led growth.

**Reserve Bank of Fiji**

**09 June 2026**

**RESPONSES TO QUESTIONS**

***1. Given that the 2024 Report highlights the expansion of parametric insurance products and initiatives aimed at supporting climate-vulnerable and low-income households, why does the Report not provide any update on the installation of new Automatic Weather Stations or the expansion of meteorological coverage in remote areas, considering the importance of accurate weather data in determining Parametric Climate Insurance payouts?***

- The importance of correct and timely data for parametric insurance is an integral aspect, and in this regard, the installation of automatic weather stations (AWS) is acknowledged. This has been deliberated as a primary data source for the excess rainfall cover during the early stages of the ISF project, however, there are various challenges being faced relating to the quality and timeliness of data submission.

- Nonetheless, a Memorandum of Understanding (MOU) has been signed in February 2026 between the RBF, Weather Risk Management Services (the risk modeler for one insurer's PMI products) and the Ministry of Public Works, Meteorological Services and Transport through the Fiji Meteorology Services, to address pertinent data issues.. Developments will subsequently be reflected in relevant RBF publications going forward.

***2. Given the Committee's 2023 recommendation for future Insurance Annual Reports to include gender-disaggregated data on employment within the insurance sector and on beneficiaries of insurance products, why does the 2024 Report not provide information on the ratio of men and women employed in the sector or the gender distribution of policyholders and beneficiaries.***

- The RBF's *Financial Sector Development Policy Statement No.1* stipulates the requirements for the provision of disaggregated data, with the aim of addressing the need for granular data on the provision of financial services. However, the scope of data collection and limitations reported by institutions have resulted in the non-availability of industry-wide gender-related disaggregated data in some respects such as the beneficiaries of insurance products. Based on the proxy data from one life insurer, females would make up 41 percent of the total number of 7,234 beneficiaries.

- Similarly, and based on the available disaggregated data on the distribution of insureds, there is an increasing trend in female policyholders, that is, from 39 percent in 2018 for life insurance policies to 44 percent in 2024, and from 19 percent in 2018 for general insurance policies to 22 percent in 2024.

- Regarding employment in the general and life insurance sectors, the total workforce stood at 469 employees as at the end of 2024, comprising 61 percent (285) females and 39 percent (184) males.

**Table 1: Gender Distribution of Insurance Staff (General and Life Sectors) in 2024**

| **Gender** | **No. of staff** |
|---|---|
| Male | 184 |
| Female | 285 |
| Total | 469 |
| *Male staff (%)* | *39%* |
| *Female staff (%)* | *61%* |

***3. What progress has been made towards the implementation of the Insurance Act 1998 reforms and the transition of the insurance industry to IFRS 17 adoption by 2026, and what key challenges or preparedness issues have been identified among insurance providers during this transition process?***

- In the ongoing efforts of modernising its regulatory framework, the RBF continued to work on the review of the Insurance Act 1998 and progressed well with its efforts to enable transition of the insurance industry to IFRS 17 adoption in 2026. The RBF amongst all its other priorities is hoping to provide the draft revised Insurance Act to the insurance industry for comments in 2026.

- As the reporting templates for insurers are prescribed in the Insurance Act 1998, provisions for their amendment to facilitate the implementation of IFRS 17 were made through the 2025 National Budget Act Amendments. Subsequently, the IFRS 17 integrated quarterly returns were rolled out for industry consultation in July 2025, and full implementation has started from 2026.

***4. What has been done to reduce the risk of Cybersecurity threats?***

- The RBF had issued its *Prudential Supervision Policy Statement (PSPS) No.2 on the Minimum Requirements for the Management of Cybersecurity Risk by Supervised Entities* in March 2023. This policy mandates RBF-regulated entities including insurance companies and brokers to establish and maintain a comprehensive and effective cybersecurity risk management framework, with boards ultimately responsible for ensuring that cybersecurity is effectively embedded in the regulated entity's operations at all times.

- The prudential policy also requires regulated entities to notify the RBF of any material cybersecurity incident within 24 hours and submit a report on all cybersecurity incidents on a quarterly basis.

***5. What measures are being taken to ensure all insurers achieve full compliance with the cybersecurity requirements by March 2025?***

- Compliance with the PSPS No.2 is monitored through ongoing supervision. In this regard, all supervised entities were requested to undertake a self-assessment survey in June 2025, where their boards were required to complete the survey on cybersecurity risk management, while senior management completed the related governance arrangements and compliance sections.

- All the banks, insurance companies, and credit institutions, including the FNPF had completed the online survey, and generally demonstrated a higher level of maturity in implementing the RBF's cybersecurity policy standards. Notwithstanding this progress, some minor gaps remain, particularly in relation to governance arrangements within these institutions. In contrast, smaller institutions, such as restricted foreign exchange dealers and capital market intermediaries exhibit more pronounced gaps, especially from a governance perspective and in achieving full implementation of their cybersecurity risk policy framework. Nevertheless, the RBF will continue to work closely with all financial institutions to strengthen their cyber risk frameworks. These efforts will be supported through ongoing prudential consultations and targeted onsite examinations.

- As a related matter, banks have collectively established a scam working group, which serves as a collaborative platform for sharing information, coordinating responses, and discussing emerging issues related to scams and fraud, as well as emerging cyber threats. The working group facilitates the exchange of insights on scam typologies, prevention strategies, and customer awareness initiatives across the banking sector.

- In addition, the RBF had established the Cybersecurity Working Group (CWG) with the commercial banks in October 2024 to foster collaboration, sharing best practices, and addressing common cybersecurity challenges. The CWG aims to create a unified approach to cybersecurity, ensuring the resilience and integrity of the financial system, and protecting against financial scams and other cyber threats. Thus far, the Reserve Bank had organised three working group meetings.

### *6. What led to the reduction of insurance agents?*

- In 2024, 496 insurance agent licences were issued and/or renewed by the RBF, when compared to 646 licences in 2023. While insurance agents are now permitted to apply for a renewal term of up to five (5) years following an amendment through the Insurance (Budget Amendment) Act 2022, the reduction in 2024 was due particularly to one insurer which did not renew most of its licences for the 2024 period, however had resubmitted in 2025 and 2026.

**Table 2: Number of Insurance Agent Licence Renewals**

| **As at** | **Dec 2019** | **Dec 2020** | **Dec 2021** | **Dec 2022** | **Dec 2023** | **Dec 2024** | **Dec 2025** |
|---|---|---|---|---|---|---|---|
| Corporate Agents | 23 | 23 | 28 | 26 | 23 | 21 | 24 |
| Individual Agents | 484 | 558 | 534 | 624 | 623 | 475 | 614 |
| **Total** | **507** | **581** | **562** | **650** | **646** | **496** | **638** |

***7. What is the payout of all types of insurances? How much of non-taxable sum was paid out? What were the categories of non-taxable payout?***

- Gross claims paid by the general insurers in 2024 amounted to $121.2 million for all classes, which represented 44.4 percent of gross premium income of $272.9 million. The general insurance claim payments are not subject to income tax or VAT.

- Similarly, the principal sum paid under life insurance policy is not subject to tax, however the bonus or interest portion is taxable as it is considered 'income from investment'. Data on the amount of tax paid in this regard may be obtained from the FRCS.

- With regards to insurers' income, VAT is applicable on premiums for all general insurance classes, except term life and medical classes. Furthermore, a 3 percent non-resident withholding tax is levied on insurance premiums paid to offshore insurance providers. This stood at approximately $2.6 million for 2024.

- Relative to the net profits reported for the 2024 calendar year, taxation expenses for the general insurers aggregated to $9.6 million (2023: $5.9m), while life insurers reported taxation expenses of $4.2 million (2023: $3.4m). Taxation expenses for brokers stood at $3.0 million (2023: $2.3m).

***8. The review of the Insurance Act 1998 is ongoing. What is the timeline for completion? Implementation is expected by 2026. What are the readiness challenges?***

- The review is delayed due to the required work to be undertaken on IFRS 17 where new reporting returns have been issued for industry consultation and will be finalised upon conclusion of the consultation phase in June 2026 with the audited returns for the 2026 reporting period expected in 2027. The amended solvency returns have also been rolled out in April 2026 and is under industry consultation, with finalisation aimed for August 2026 following feedback and technical assistance by the RBF Consultant Actuary. These amended returns will have to be included as prescribed requirements under the revised Insurance Act 1998.

- The RBF expects to finalise its review of the Insurance Act by the end of 2026, addressing prescriptive sections, and issue the revised draft to the industry for comments. By June 2027, the RBF plans to consolidate and address industry comments received and provide a finalised draft Bill for vetting by the SGO and subsequent approval process through the Ministry of Finance, Cabinet and Parliament.

***9. There are now five parametric insurance products. How effective are these in reaching vulnerable communities?***

- There are five (5) parametric insurance products offered by two general insurers and a number of aggregators. The total number of policyholders have doubled from 4,246 in the 2024/25 financial year to 8,528 in the 2025/26 financial year, the majority of which are sugar cane and crop & livestock farmers, people with disabilities and social welfare recipients.

**Table 3: Policyholder onboarded in 2024/25 and 2025/26 financial years**

| Aggregator | 2024- 25 | | 2025-26 | |
|---|---|---|---|---|
| | Onboarded by SUN | Onboarded by Tower | Onboarded by SUN | Onboarded by Tower |
| Cane Farmers' Co-operative Savings & Loans Association (CCSLA) | 416 | | 327 | |
| Sugar Cane Growers Council (SCGC) | 685 | | 869 | 46 |
| Fiji Crop & Livestock Council (FCLC) | 40 | | 74 | 12 |
| Pacific Disability Forum (PDF) | 759 | | 1,000 | 1,000 |
| Social Welfare Recipients | 2,000 | | 2,075 | 2,136 |
| Fiji Development Bank | | 78 | | 731 |
| Individuals | | 239 | | 100 |
| Nadave | | | | 158 |
| **Total** | **3,929** | **317** | **4,345** | **4,183** |
| | **4,246** | | **8,528** | |

***10. The InsuResilience Solutions Fund (ISF) project aims to expand coverage. What measurable benefits have been achieved so far?***

- Almost all the key outcomes under the project have been achieved to date with the key objective of scaling up parametric insurance, achieved through the uptake of parametric insurance products from a baseline of 1,146 policyholders at the beginning of the project to now total policyholders of 8,528 at the end of onboarding season for Year 2. This has surpassed the target of 5,000 policyholders. Furthermore, women policyholders made up 53 percent, that is, above the target of 50 percent and there are 2,000 policyholders with disabilities.

**Table 4: InsuResilience Solutions Fund Targets and Progress in the 2024/25 and 2025/26 Financial Years**

| | Year 1 | | Year 2 | |
|---|---|---|---|---|
| | **Target** | **Outcome** | **Target** | **Outcome** |
| Policyholders | 2,000 | 4,246 | 5,000 | 8,528 |
| Women policyholders | 50% | 2,192 (52%) | 50% | 4,499 (53%) |
| Persons with disability | - | 759 | - | 2,000 |
| CDRFI products | 2 | 3 | 4 | 4 |
| Awareness events | 50 | 72 | 104 | 100 |
| Training workshops | 28 | 32 | 28 | 10 |
| Individuals reached through awareness | 10,000 | 10,298 | 10,000 | 9,895 |

- The total number of beneficiaries increased by 82 percent to 38,645 in Year 2 of the InsuResilience Solutions Fund Project.

- The real impact of parametric insurance lies in its ability to provide quick payout (when triggers are met) that can assist in early recovery for its beneficiaries. Over the last four seasons, a total of 3,162 beneficiaries received payouts aggregating to $435,100, implying an average payout of $137.60 per beneficiary. For the 2025/26 insurance period, payout shown in the table was made in March 2026 with a further payout of $45,725 to 1,412 beneficiaries, including 1,067 social welfare recipients being anticipated.

- Women represented 45.9 percent of overall beneficiaries who received payout in the last four insurance periods, while over the last two insurance period (2024 to 2026) women beneficiaries accounted for 56.8 percent of the total. As per the objective of parametric insurance, the use of mobile wallets has been the major medium of payout at 90.7 percent, ensuring speedy response to the policyholders.

**Table 5: Parametric Insurance Payouts**

| **Financial Year** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **Grand Total** |
|---|---|---|---|---|---|
| Total Number of Payouts *(of which):* | 1,013 | 379 | 1,101 | 669 | 3,162 |

| | | | | | |
|---|---|---|---|---|---|
| *Female Beneficiaries* | *281* | *164* | *707* | *298* | *1,450* |
| Total Value of Payouts *(of which):* | 201,000 | 90,450 | 107,000 | 36,650 | 435,100 |
| *To Bank Accounts* | *40,375* | *100* | *0* | *0* | *40,475* |
| *To Mobile Wallets* | *160,625* | *90,350* | *107,000* | *36,650* | *394,625* |

### *11.How will RBF ensure that insurance reaches low-income and rural populations?*

- The RBF has adopted a targeted and inclusive approach to ensure that parametric insurance products are accessible to low-income and rural populations throughout Fiji. These include:

(i) Continuation of the aggregator distribution model deployed since the pilot using farmers associations and cooperatives who already serves the low income and vulnerable groups and households. These are reflected in the onboarding numbers by these Aggregators for Years 1 and 2 of the ISF Project including the Social Welfare recipients.

(ii) Working with relevant Government Ministries including:

- Ministry of iTaukei Affairs – MOU signed;
- Ministry of Rural & Maritime Development and Disaster Management – MOU signed; and
- Ministry of Women Children and Social Protection.

(iii) Premium Subsidies – the RBF has allocated $350,000 over the two years of the project for premium subsidies targeting social welfare recipients, persons with disabilities and vulnerable segments/members of aggregator members. This is in addition to the $360,000 available under the ISF Project budget available to the two insurers which are part of the Project.

(iv) Parametric insurance awareness and outreach activities, where efforts are ongoing in leveraging the aggregator partnerships and partnerships with Government ministries, The RBF and its partners have reached over 20,000 individuals through community outreach and awareness events and digital awareness through social media channels.

***12. What further reforms are planned to improve:***

***a. SupTech/Reg Tech initiatives***

The RBF's 2024-2029 Strategic Plan entails a strategic deliverable relating to "automation of various functions with effective technology solutions, development of modern data and analytics to strengthen research, analysis and operations, and digital transformation of workflows". As such, the RBF will be piloting a Supervisory Technology Solution to fully digitise its supervisory processes.

***b. Risk management***

Plans are underway to review supervision policies impacted by the implementation of IFRS 17 such as Solvency Requirements and the provision of Key Disclosure Statements and enhancing prudential requirements on operational resilience.

***c. Consumer protection***

The RBF will continue to monitor compliance by the insurance industry with prudential and development policies relating to consumer protection (Management of Culture and Conduct Risk, Protection and Fair Treatment of Financial Consumers)

End.

# Additional Information

**From:** Elesi Waiwalu
**Sent:** Tuesday, June 16, 2026 11:55 AM
**To:** nathaniel.lal@suninsurance.com.fj <nathaniel.lal@suninsurance.com.fj>
**Cc:** Tirisiane Logavatu <tirisiane.logavatu@legislature.gov.fj>
**Subject:** Request for Information - Parametric Microinsurance Products

Bula Vinaka Nathaniel,

I write on behalf of the Standing Committee on Foreign Affairs and Defence, which is currently reviewing the Reserve Bank of Fiji Insurance 2024 Annual Report.

As part of the Committee's scrutiny of the Report, information was provided regarding parametric microinsurance products. To assist the Committee in better understanding these products and compiling its report to Parliament, we would appreciate your assistance in providing the following information:

1. Detailed information on the parametric microinsurance products offered by Sun Insurance.

Sun Insurance offers parametric microinsurance products designed to provide fast, and affordable financial protection to vulnerable communities. Parametric insurance gives quick payouts based on pre-set conditions, like wind speed or rainfall, instead of checking actual damage. When those conditions are met, the payment is triggered automatically - helping people recover faster after disasters.

**Perils /Risk Covered**

- Cyclone Windspeed Cover
- Excess Rainfall Cover

2. Information on premium subsidies offered or supported by the Reserve Bank of Fiji.

The Reserve Bank of Fiji (RBF), through its financial inclusion, in terms of premium subsidies and awareness campaigns etc has played a supportive role in the development and uptake of parametric microinsurance in Fiji.

The Committee would appreciate receiving the requested information at your earliest convenience.

Should you require any clarification, please do not hesitate to contact the Secretariat.

Vinaka vakalevu,

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**From:** Elesi Waiwalu <elesi.waiwalu@legislature.gov.fj>
**Sent:** Wednesday, 17 June 2026 1:41 pm
**To:** Nathaniel N. Lal <nathaniel.lal@suninsurance.com.fj>
**Cc:** Tirisiane Logavatu <tirisiane.logavatu@legislature.gov.fj>; INFO Email <info@suninsurance.com.fj>
**Subject:** Re: Request for Information - Parametric Microinsurance Products



Bula Vinaka Nathaniel,

Following today's Committee sitting, the Hon. Members requested clarification on the matter outlined below.

1. Does Sun Insurance, as an insurance company, have any opinion or information regarding whether other insurers provide coverage for termite infestation or similar risks? Sun Insurance does not provide insurance coverage for termite infestation or similar risks under its current product offerings. Additionally, we do not have visibility over the underwriting policies or product offerings of other insurers in the market, therefore, are not in a position to confirm whether such coverage is provided by other insurers.

The Committee would appreciate your response to the matters raised today, as well as to the questions previously sent on Tuesday, 16 June 2026.

Vinaka,

**Elesi Tabuyaqona (Mrs)**
Deputy Committee Clerk
Committee Unit
Parliament of the Republic of Fiji
P.O Box 2352, Government Building
Suva, Fiji.
"A Resilient Parliament

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