STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

Review Report of the Reserve Bank of Fiji Insurance 2024 Annual Report

PARLIAMENT OF THE REPUBLIC OF FIJI
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Acronyms

AWS	Automatic Weather Stations
GDP	Gross Domestic Product
IFRS	International Financial Reporting Standards
ISF	Insurance Subsidy Fund
MOUs	Memoranda of Understanding
RBF	Reserve Bank of Fiji
SDGs	Sustainable Development Goals

Chairperson's Foreword

On behalf of the Standing Committee on Foreign Affairs and Defence, I am pleased to present this report on the review of the Reserve Bank of Fiji (RBF) Insurance 2024 Annual Report.

The Committee approached this review with the same diligence and commitment applied to all matters entrusted to it, recognising the critical role of the insurance sector in safeguarding households, supporting economic stability, and strengthening national resilience.

During the deliberations, the Committee engaged with the RBF at a public hearing held on 9 June 2026. The Committee examined the Bank's regulatory oversight, industry performance, and progress in advancing inclusive insurance, climate-risk protection, and financial sector reforms. The Committee acknowledges the continued resilience of the insurance industry in 2024, marked by strong solvency positions, growth in assets and premiums, and the absence of major catastrophe-related losses.

The Committee also recognises the significant strides made in expanding parametric and micro-insurance coverage, particularly for low-income households, farmers, persons with disabilities, social welfare recipients and maritime communities. These initiatives demonstrate the RBF's commitment to strengthening financial inclusion and climate resilience, in alignment with Fiji's national development priorities and the Sustainable Development Goals.

At the same time, the Committee has identified areas requiring sustained attention, including the need for improved gender-disaggregated data, enhanced meteorological infrastructure to support parametric insurance triggers, and continued efforts to address affordability challenges for motor vehicle and household insurance. The Committee's recommendations are intended to support the RBF in advancing regulatory modernisation, strengthening consumer protection, and deepening cross-agency collaboration to ensure that insurance services remain accessible, inclusive, and responsive to emerging risks.

I extend my appreciation to the Governor and representatives of the Reserve Bank of Fiji for their cooperation and constructive engagement. I also acknowledge the dedication of the Committee Members for compiling this bipartisan report.

On behalf of the Standing Committee on Foreign Affairs and Defence, I submit this report to Parliament.

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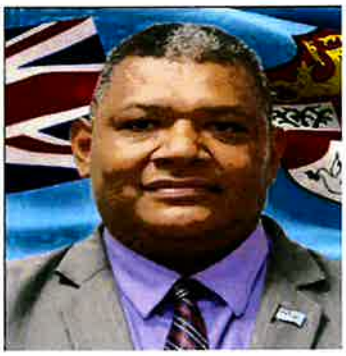
Hon. Lenora Qereqeretabua
Chairperson

1.0 Committee Remit and Composition

Under Standing Order 109(2)(e) the Committee is mandated to investigate matters related to Fiji's relations with other countries, development aid, foreign direct investment, oversight of the military, and relations with multi-lateral organisations. The members of the Standing Committee on Foreign Affairs and Defence are as follows:

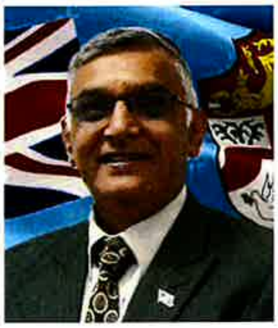
Hon. Lenora Qereqeretabua
Chairperson
Deputy Speaker of Parliament
Assistant Minister for Foreign Affairs

Hon. Rinesh Sharma
Deputy Chairperson



Hon. Ratu Isikeli Tuiwailevu
Member
Assistant Minister for iTaukei Affairs, Heritage and Arts

Hon. Penioni Ravunawa
Member
Assistant Minister for Health and Medical Services



Hon. Virendra Lal Member

Hon. Taito Rokomatu
Member

1.1 Committee Secretariat Team

Supporting the Committee in its work is a group of dedicated Parliament Officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament by Standing Order 15(3)(i). The Secretariat officers are as follows:

- Ms. Tirisiane Logavatu – Senior Committee Clerk
- Mrs. Elesi Tabuyaqona – Deputy Committee Clerk

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2.0 Background and Terms of Reference

2.1 Presentation of the Annual Report

2.1.1 The Speaker of Parliament, on 29 September 2025, referred the Reserve Bank of Fiji (RBF) Insurance 2024 Annual Report to the Committee for review. The referral was made pursuant to Standing Order 38(2), which mandates that all annual reports tabled in Parliament be referred to the relevant Standing Committee for examination and report back to Parliament.

2.1.2 The Committee is responsible for reviewing matters concerning Fiji's international relations, development assistance, foreign direct investment, national security oversight, and engagement with multilateral organisations.

2.1.3 The RBF Insurance annual report falls outside the Committee's mandate, but the referral was made to assist in balancing the distribution of workload among the Standing Committees of Parliament.

2.2 Procedure and Program

Public Submission

2.2.1 In relation to Standing Order 111 (1), the Committee is committed to upholding public trust in Parliament, by ensuring that there is public participation and that all such participation is given due consideration. The Reserve Bank of Fiji representatives appeared before the Committee at a public hearing in Suva on 9 June 2026. The public submission was broadcast live on Parliament Facebook page and aired on the Walesi Parliament channel.

2.2.2 A summary of the submission is provided in a later part of this report, under the heading 'Committee's Deliberation and Analysis'. Copies of the written submission and the verbatim from the public hearing can be obtained from the online Appendices of the report, which can be accessed from the Parliament website: www.parliament.gov.fj

3.0 Committee Deliberation and Analysis

3.1 Introduction

3.1.1 This report presents a summary and analysis of the RBF Insurance annual report for the year 2024. It highlights key achievements, challenges, and provides recommendations for improvement to support the mandate of the insurance industry.

3.1.2 The Reserve Bank of Fiji (RBF) is responsible for maintaining the stability, integrity, and soundness of the insurance industry through the administration of the Insurance Act 1998, the Insurance Regulations 1998, and associated prudential supervision policies. Its mandate includes overseeing the conduct of insurers, brokers, and agents; ensuring compliance with legal and regulatory requirements; safeguarding policyholder interests; and advising the Minister on insurance-related matters.

3.1.3 Under section 3(2) of the Act, the RBF's functions encompass the governance of insurance and broking business, supervision of intermediaries, determination of insurance rates for specific classes of business, and broader responsibilities related to the oversight of Fiji's insurance sector. In fulfilling these functions, the Bank evaluates new and renewal licence applications and monitors the financial soundness and compliance of all licensed entities.

3.1.4 The licensing framework, set out in Part IV of the Act, requires all insurers and intermediaries to obtain an RBF licence before commencing operations. The licensing process is rigorous, ensuring that only entities meeting prescribed standards are permitted to operate. In 2024, the RBF continued to process licence renewals and assess enquiries, although no new insurer or broker licences were issued.

3.1.5 Fiji's insurance market structure in 2024 comprised seven (7) general insurers, two (2) life insurers, and five (5) licensed insurance brokers, reflecting a stable industry composition. General insurers provide non-life products, while life insurers manage statutory funds and long-term policies. Brokers continue to play a key intermediary role, supported by mandatory professional indemnity and fidelity guarantee coverage.

3.1.6 The RBF also licenses and supervises insurance agents, who may represent only one insurer per class of business. In 2024, 496 agent licences were issued or renewed, a decline from 2023 due to fewer renewals. Of these, 390 were renewals, 77 were new licences, and 29 were multi-year licences enabled by the 2022 legislative amendment allowing renewal terms of up to five years. Most agents were licensed for life insurance, with smaller numbers operating in medical and general insurance. No conduct-related incidents involving agents were reported during the year.

3.2 Committee Findings

3.2.1 Industry Performance and Stability

The Committee finds that the Fijian insurance industry remained financially resilient in 2024, supported by the absence of major catastrophes and continued growth in gross premiums. Total industry assets increased by 7.4 percent to $3.0 billion, representing 7.7 percent of total financial system assets. Profitability improved significantly, with combined net profit after tax rising to $70.8 million, largely due to reduced policy liabilities in the life insurance sector.

3.2.2 Solvency and Regulatory Compliance

The Committee finds that insurers continue to maintain strong solvency positions, with a combined solvency surplus of $688.5 million against a regulatory minimum of $87.2 million. This reflects the industry's adequate capacity to meet policyholder obligations and regulatory standards.

3.2.3 Market Structure, New Entrants, and Complaints

The Committee notes that the insurance market remained stable in 2024, comprising 2 life insurers, 7 general insurers, and 5 brokers. Two new entities AMA Insurance and Howden Insurance Brokers have been licensed and are expected to commence operations in 2026, expanding competition and market diversity. Complaints decreased by 63 percent, from 11 in 2023 to 4 in 2024, the lowest in a decade, indicating improved service delivery.

3.2.4 Expansion and Effectiveness of Parametric and Micro-Insurance

The Committee finds that parametric insurance has expanded substantially, with policyholders increasing to 8,528 in the 2025-2026 financial year, surpassing project targets. Coverage includes farmers, persons with disabilities, social welfare recipients, and selected fisher groups. Women represent 53 percent of policyholders, and 2,000 persons with disabilities are covered. Payouts across four seasons total $435,100 with 90.7 percent delivered through mobile wallets, enabling rapid disbursement. Beneficiaries report that even modest payouts ($100–$400) provide meaningful early-recovery support. In addition, a scientific impact study comparing insured and uninsured households has been completed, with results pending release.

3.2.5 Accessibility for Low-Income and Rural Populations

The Committee finds that the RBF has adopted a targeted and inclusive approach to expand insurance access through:

- aggregator partnerships with farmers' associations, disability groups, and social welfare networks
- MOUs with key Government ministries
- premium subsidies totalling $350,000 (in addition to ISF subsidies)
- community outreach reaching over 20,000 individuals
- Beneficiaries in the pilot phase were not required to pay premiums.

3.2.6 Data Limitations and Gender-Disaggregated Reporting

The Committee finds that while progress has been made in collecting gender-disaggregated data, industry-wide gaps remain, particularly for general insurance where policies often cover entire households under one name. Available data shows increasing female participation, including:

- 44 percent of life insurance policyholders
- 22 percent of general insurance policyholders
- 61 percent of the insurance workforce
- Female participation in life insurance has risen from 39 percent in 2018 to 44 percent in 2024.

3.2.7 Climate and Weather Data for Parametric Insurance

The Committee notes that the 2024 Report does not provide updates on the installation of Automatic Weather Stations (AWS). However, an MOU was signed in February 2026 between the RBF, Weather Risk Management Services, and the Fiji Meteorological Service to address data quality and timeliness issues essential for parametric insurance triggers.

3.2.8 Legislative and Regulatory Modernisation

The Committee finds that the RBF is progressing with the transition to IFRS 17, following amendments in the 2025 National Budget. Integrated quarterly reporting templates were rolled out in 2025, and amended solvency returns in 2026. The review of the Insurance Act 1998 is ongoing, driven by alignment with global best practices. A revised draft Act is expected by the end of 2026, with a final Bill targeted for June 2027.

3.2.9 Cybersecurity Readiness

The Committee finds that cybersecurity oversight has strengthened through Prudential Supervision Policy Statement No. 2, which requires regulated entities to maintain robust cybersecurity frameworks and report incidents within 24 hours. Banks and insurers demonstrated higher maturity levels, while smaller institutions exhibit governance gaps requiring continued supervisory support.

3.2.10 Insurance Agents and Licensing Trends

The Committee finds that the decline in licensed insurance agents in 2024 from 646 to 496 was due to one insurer not renewing most of its licences, rather than a systemic issue. Agent numbers have since rebounded in 2025 and 2026.

3.2.11 Insurance Affordability and Market Pressures

The Committee notes concern regarding rising insurance premiums, particularly for motor vehicles. Premium increases are driven by higher accident rates, increased repair costs, shortages of skilled technicians, and higher freight costs for imported parts. General insurers are making underwriting losses in motor insurance, contributing to premium adjustments.

3.2.12 Low Household Insurance Coverage

The Committee was informed that a significant proportion of Fijian households remain uninsured. Previous attempts to design tiered home insurance products (gold/silver/bronze) were constrained by insufficient housing data.

3.2.13 Life Insurance Policy Terminations

The Committee notes that life insurance policy terminations increased by 12.3 percent in 2024. High termination rates are longstanding and often driven by aggressive commission-based sales practices, inability to sustain premium payments, and competing household financial obligations.

3.2.14 Macroeconomic Context and Emerging Risks

The Committee finds that Fiji's economic outlook has weakened, with GDP growth for 2026 revised downward from 3 percent to 1.5 percent due to global instability, rising oil prices, and inflationary pressures. Inflation is expected to rise further due to fuel, gas, and electricity surcharges. These conditions may affect private consumption, investment, and the insurance sector's operating environment.

3.2.15 Role of Government and Cross-Agency Collaboration

The Committee finds that the RBF is working closely with Government ministries including iTaukei Affairs, Rural and Maritime Development, and Women, Children and Social Protection to expand insurance access in rural and maritime communities. The RBF has encouraged Government to consider funding parametric insurance for maritime populations.

4.0 Recommendation

4.1 The Committee fully supports the RBF's intention to:

- expand parametric insurance from 8,528 to the targeted 25,000 beneficiaries by end of 2028;
- ensure timely release of the scientific impact study to inform policy decisions (*reference 3.2.4*);
- strengthen data systems, including the rollout of Automatic Weather Stations (AWS), to support accurate parametric triggers. *(reference to 3.2.5, 3.2.7, 3.2.15)*

4.2 The Committee recommends that the RBF require insurers to progressively improve gender-disaggregated data collection, particularly for general insurance, and publish annual gender participation data to support inclusive policy development. *(reference to 3.2.6)*

4.3 The Committee recommends that the RBF intensify supervisory engagement with smaller institutions exhibiting cybersecurity governance gaps and consider establishing minimum cybersecurity competency requirements for all regulated entities. *(reference to 3.2.9)*

4.4 The Committee recommends that the RBF work with life insurance companies/brokers to strengthen consumer protection measures, including:

- improved disclosure of long-term premium obligations;
- monitoring of commission-based sales practices;
- financial literacy initiatives to reduce early policy lapses. *(reference to 3.2.13)*

4.5 The Committee considers that the current low level of household insurance coverage exposes many Fijian families to significant financial hardship following fires, natural disasters, medical emergencies, road accidents, and other unexpected events.

The Committee recommends that the Government, through the Reserve Bank of Fiji and relevant stakeholders, undertake a comprehensive national study on household assets, housing, health, vehicle ownership, and disaster-related risks to inform the development of a national insurance policy framework.

The framework should support the design of affordable and accessible insurance products, particularly for low-income and vulnerable households, with the aim of increasing insurance coverage, strengthening financial resilience, and reducing the long-term fiscal burden on Government following emergencies and natural disasters. *(reference 3.2.12)*

5.0 Sustainable Development Goals

5.1 **SDG 5 – Gender Equality**

The Committee notes the RBF's continued commitment to advancing women's economic empowerment through gender-inclusive financial policies and programmes. The Committee commends initiatives such as Fiji's participation in the Women Entrepreneurs Finance Initiative (WE-Fi) Code and targeted measures to improve women's access to financial services, which contribute to reducing gender disparities in financial inclusion. The Committee further notes with encouragement that women account for 53 percent of policyholders under the parametric microinsurance programme, exceeding the programme target of 50 percent female participation. This achievement demonstrates tangible progress towards enhancing the financial resilience, economic empowerment and social protection of women, particularly those in vulnerable communities.

5.2 **SDG 8 – Decent Work and Economic Growth**

The Committee finds that the RBF's regulatory oversight of the insurance sector contributes to economic stability, investor confidence, and sustainable economic growth. By maintaining a sound and resilient financial system, the Bank supports business continuity, encourages savings and investment, and facilitates access to financial services.

5.3 **SDG 9 – Industry, Innovation and Infrastructure**

The Committee notes that the RBF has promoted innovation within Fiji's financial sector through the development of climate-risk financing mechanisms and the adoption of supervisory technology and regulatory technology solutions. These initiatives strengthen the efficiency of financial sector supervision while supporting innovation in insurance products and improving access to financing for businesses and individuals.

5.4 **SDG 13 – Climate Action**

The Committee considers SDG 13 to be the area of strongest alignment with the RBF's current initiatives. Through the expansion of parametric climate-risk insurance and partnerships with international development organisations, the Bank is strengthening Fiji's capacity to respond to climate-related disasters and build long-term resilience. The Committee notes that collaboration with stakeholders, including the Fiji Meteorological Service, enhances the reliability of climate data used to trigger insurance payouts, ensuring that affected communities receive timely financial support following extreme weather events.

6.0 Conclusion

The Committee acknowledges the Reserve Bank of Fiji's effective oversight of the insurance industry in 2024, which contributed to the continued stability, resilience and growth of the sector. The industry recorded strong financial performance, supported by increased assets, premium income and solvency levels, while maintaining adequate capacity to meet policyholder obligations. The Committee further commends the RBF for advancing key reforms, including the transition to IFRS 17, the ongoing review of the Insurance Act 1998, strengthened cybersecurity supervision, and initiatives aimed at promoting financial inclusion, consumer protection and climate resilience.

The Committee is particularly encouraged by the significant expansion of parametric insurance coverage, which has improved access to financial protection for vulnerable groups, including smallholder farmers, persons with disabilities and social welfare recipients. The Committee notes that these initiatives, together with strong collaboration between the RBF, Government ministries and development partners, are contributing to a more inclusive and resilient insurance sector. While challenges remain in areas such as insurance affordability, household coverage, gender-disaggregated data collection and climate-related risk management, the Committee is satisfied that the RBF is proactively addressing these issues and remains well-positioned to guide the insurance industry in supporting Fiji's sustainable economic and social development.

7.0 Committee Members' Signatures

Hon. Lenora QEREQERETABUA
Chairperson

Hon. Rinesh SHARMA
Deputy Chairperson

Hon. Ratu Isikeli TUIWAILEVU
Member

Hon. Penioni RAVUNAWA
Member

Hon. Virendra LAL
Member

Hon. Taito ROKOMATU
Member

8.0 Annexure

Published evidence

Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link:
https://www.parliament.gov.fj/committees/standing-committee-on-foreign-affairs-and-defence/