

Press Release 19/2020

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CBSI consultations on insurance conducted in Isabel Province

The Central Bank of Solomon Islands (CBSI) along with the Ministry of Finance & Treasury (MOFT) last week visited Isabel Province to consult on the policy for the review of the Insurance Act.

CBSI Governor, Dr. Luke Forau travelled to Isabel Province with his team to formally open the consultations, and conduct other related workshops and visits in and around provincial capital, Buala.

Speaking during the opening of the "Insurance Legislative Review" meeting on Friday 16th October, Governor Forau explained that the purpose of the consultation was mainly to get feedback and reactions over the recommendations for revision.

He stated that the review of the current Insurance Act is inclusive of all the other consultation feedbacks already conducted in other provinces throughout the country.

"Your participation this morning is very important, and it forms part of the overall consultation that has been conducted so far by CBSI and MOFT," Governor Forau explained.

"Thank you all for responding positively to our invitation to attend and please make full use of this opportunity to express your views and thoughts about this proposed legislative review of the Insurance Act", he added.

According to CBSI, the national government first regulations on insurance was made in 1986 following the enactment of the Insurance Act (Cap 82). The particular Act governed the operations of the insurance sector in Solomon Islands particularly the business of Insurance Company, Brokers and Agents up until today and now needs updating in order to meet current environment.

Governor Forau made sure to highlight this particular importance, to the participants in Buala.

"As of December 2019, total asset value of the industry amounted to \$152.6 million and constituted around 1.4% of the overall financial system's assets," he explained.

"Despite this small size, the insurance industry plays a very important role in the financial system and economy of our country. It provides a safety net for individuals and businesses against financial losses, resulting from either man-made or natural disasters. It is because of this very nature that we need a stronger legislation," Governor Forau expressed.

"All of this form the very basis for the revision of this legislation, hence the consultation we are conducting now. Therefore, with your contributions we hope to have these revisions included into the draft before submitting it to Cabinet through the Ministry of Finance and Treasury."

Governor Forau stated that the aim is to ensure that the document reflects the insurance needs of the people of Solomon Islands and that it also addresses the gaps within the insurance industry.

The consultation was conducted at IPG Chamber and included the participation of provincial government executives, community stakeholders, private businesses and other senior members of the public.

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