



CENTRAL BANK of SOLOMON ISLANDS

P.O. BOX 634, Honiara, Solomon Islands

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## **CBSI and TPAL Sign Agreement to Pilot Parametric Insurance in Solomon Islands**

Honiara, Solomon Islands 06.05.25 - The Central Bank of Solomon Islands (CBSI) and Transpacific Assurance Limited (TPAL) have signed a Participation Agreement to pilot a groundbreaking parametric insurance solution, marking a significant milestone in advancing financial resilience across the Solomon Islands.

The signing ceremony took place at the CBSI Boardroom on Tuesday 06<sup>th</sup> of May. The testing phase will run for 12-months, enabling TPAL to evaluate the viability and scalability of the parametric insurance solution in a controlled environment using real customers. The pilot will be rolled out in Malaita and Guadalcanal provinces, with the aim of expanding coverage to all nine provinces upon successful testing. The testing phase is a critical opportunity to evaluate the product's effectiveness, gather customer feedback, and assess its suitability for Solomon Islands communities. It also enables regulators to better understand the product, identify potential risks, and develop appropriate risk mitigation and regulatory frameworks.

In his welcome remarks, CBSI Deputy Governor Raynold Moveni highlighted the initiative's strategic alignment with the bank and national priorities.

"This initiative aligns with Objective 4 of the National Financial Inclusion Strategy 3 (NFIS3), which focuses on improving the financial resilience of households and communities through accessible and effective insurance solutions tailored for rural Solomon Islanders," he said.

Speaking during the signing, Diana Taison, Country Manager for Transpacific Assurance Limited commended the collaboration:

"This partnership with CBSI demonstrates a shared commitment to innovation, financial inclusion, and climate resilience. It is a testament to what can be achieved when regulators and industry work together to address real risks affecting our communities especially those in agriculture, fisheries, and rural livelihoods."

"Our parametric insurance product is designed to be simple, transparent, and fast. It's not just about paying claims, it's about building trust and protecting livelihoods when disasters strike.

Backed by digital technology and supported by global partners such as UNCDF, this solution meets international standards while staying grounded in local realities,” she said.

This is innovation supported by the United Nations’ Pacific Insurance and Climate Adaptation Programme (PICAP). PICAP provides technical assistance to develop the product that is being tested under CBSI’s RSB.

Parametric is already in use in countries like Fiji, Samoa, and Vanuatu and is new to the Solomon Islands. Unlike traditional indemnity insurance, which compensates for actual assessed damages, parametric insurance provides predetermined payouts triggered by specific weather events such as cyclones, droughts, heavy rainfall, and strong winds. This innovative model enables faster, more transparent payouts and reduces administrative delays during crises.

As the effects of climate change continue to impact the Pacific region, parametric insurance offers a timely and scalable solution to help vulnerable communities respond to climate-related shocks. Through this initiative, CBSI and TPAL aim to build a more resilient and financially secure future for all Solomon Islanders.

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For more information, contact the **Central Bank of Solomon Islands (CBSI) on 21791 or**

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About the Central Bank of Solomon Islands:

The Central Bank of Solomon Islands (CBSI) is the nation’s premier financial institution, responsible for formulating and implementing monetary policy. CBSI oversees and regulates the country’s banking and financial system, ensuring economic stability and growth.