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**SPEECH BY FIAME NAOMI MATAAFA
ACTING PRIME MINISTER
REMARKS AT FEDERAL PACIFIC GROUP FIFTEEN (15) YEARS CELEBRATION**

13 October 2014

The Chairman of the Board of Directors of Federal Pacific Group, Mr Alistar Hutchison, Members of the Board, Management and Staff, Chairman of CBL, Sir John and Lady Wells and Board members, distinguished guests, ladies and gentlemen.

It is indeed a great pleasure for me to address this special occasion, on behalf of the Government of Samoa, in celebrating an important milestone achieved by the Federal Pacific Group in providing insurance business and financial services in Samoa for the past fifteen (15) years to date.

The Federal Pacific Group has contributed very strongly to the development of Samoa's financial system in several ways which include:

- paving the country's financial landscape on insurance businesses and services;
- contributing to financial soundness and stability by underwriting financial risks in both the banking system, as well as, the non-bank financial institutions; and
- enhancing a competitive and innovative market on both financial services, as well as, insurance products and services offered for the benefit of customers, in both the private and public sector.

I have also been informed that FP Insurance has an excellent record of meeting customers claims, in a swiftly manner, especially during times of disasters (be it natural or physical in nature) that affect peoples lives and well being. And, as an insurer, FPI has stood the test of time and commitment in meeting its contractual obligations, in particular, during several natural disasters that caused a lot of damages to properties and infrastructure and sadly, our loved ones that lost their lives during the Tsunami in 2009 and Cyclone Evans in December, 2012, to name a few.

On behalf of the Government of Samoa and its people, let me acknowledge with sincere appreciation and gratitude, FP Group's contribution in terms of financial support and assistance to the Samoan economy, through its various business undertakings.

There is no doubt that the insurance industry worldwide has continued to face huge challenges brought about by the 2008 global financial crisis and recent events which crippled large financial conglomerates in both developed and developing economies such as the US and United Kingdom.

Also, the NZ and Australian economies have had their fair share of setbacks, in which, to some extent, have a bearing on the future of our insurance industry here in Samoa.

The global banking system, including the insurance industry experienced significant systemic issues that urgently required Central Banks and Governments around the world to take actions in providing financial assistance and support, necessary to prevent “too big to fail” institutions from going under, at the expense of taxpayers.

In essence, such experience has greatly undermined market confidence and economic growth has indeed taken quite some time to recover.

I am not aware of any major impact of the global crisis on Samoa’s insurance industry, but suffice to say, that the industry remained somewhat stable and robust throughout, as evidenced by the strong support of payments of customers claims, especially those that were affected by the natural disasters that occurred in 2009 and 2012.

The Insurance Act 2007 which repealed and replaced the old Insurance Act 1976 provided for the Governor of the Central Bank of Samoa, as the Commissioner of Insurance. Essentially, a regulatory function to have oversight over albeit a small but nevertheless a growing industry. More importantly, it updated the legislative framework to be more in line with international standards and best practice. Mention must be made of the re-insurance programmes to spread and share risks mainly from abroad, and I wish to acknowledge the FPG’s partners in those endeavours.

Our Government places priority on creating an environment to foster better partnerships between the Public and Private sectors for enhanced economic development through improved opportunities and services for our people.

I am therefore pleased to note in the FPG’s media release for this weekend’s event, and I quote: “Its encouraging for private businesses to see the level of partnership that is possible between an open regulatory body and the private sector” (end quote) courtesy of Susuga Papali’i Alan Hutchison’

With an increasingly globalised world which relies on technology, new risks have emerged and therefore new opportunities for insurance businesses have been created.

So it is fundamental that, as an industry, it must be effective and efficient in building market confidence and in articulating and generating new ideas and services that would benefit the customers and the economy in general. Equally important, the integrity in the processing and

payment of claims must be maintained at the highest level (of course, I am referring to genuine claims only).

The industry must ensure that insurance products and services provide true value to the customers as these issues can so easily bring an industry into disrepute. Maintaining and observing prudential standards and sound practices in managing insurance business is crucial in sustaining market confidence and stability of the industry in general.

I think it is fair to say that for centuries, insurance have protected individuals and businesses and public entities from being adversely affected by external forces. This is still the case to date, although more recently, new financial innovations and products have been created that would require the support of insurance services.

The point I am making is that without insurance, new inventions and developments which benefit society and the wider economy, would not (or may not) have been realized.

On that note, let me wish the FP Group all the best for its 15 years Anniversary and may it continue to flourish in its future endeavours for the benefit of the people of Samoa and the economy as a whole.

I wish everyone a happy and festive night.

Soifua.