

OFFICE OF THE
INSURANCE
COMMISSIONER



INSURANCE ANNUAL REPORT



01 July 2024 - 30 June 2025

INSURANCE ANNUAL REPORT FY2024/2025

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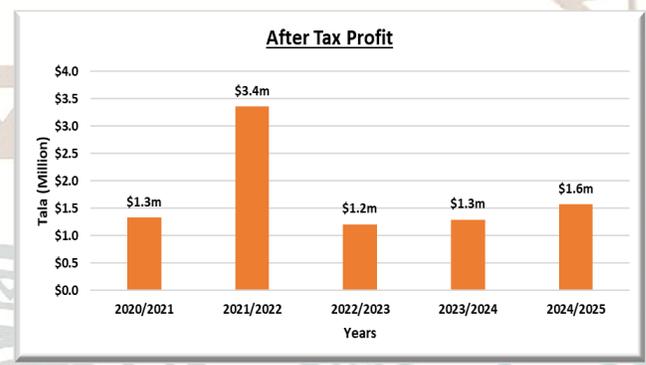
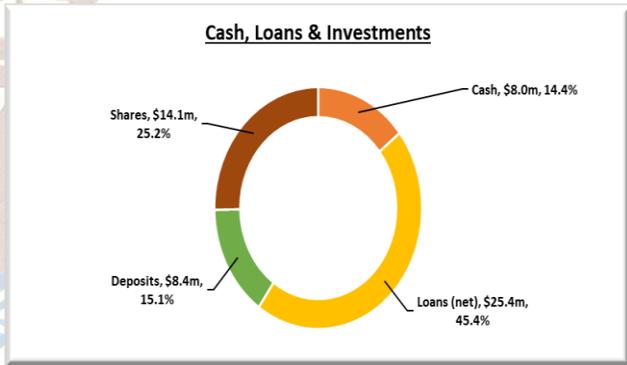
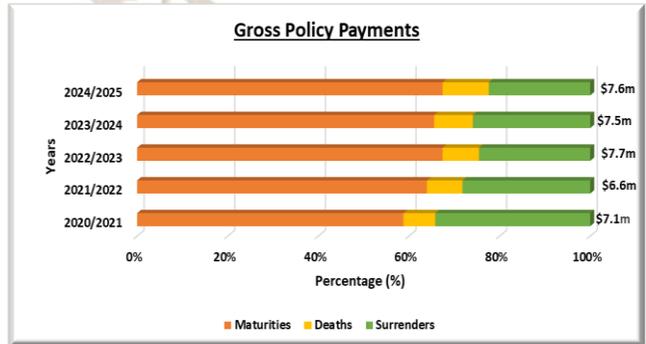
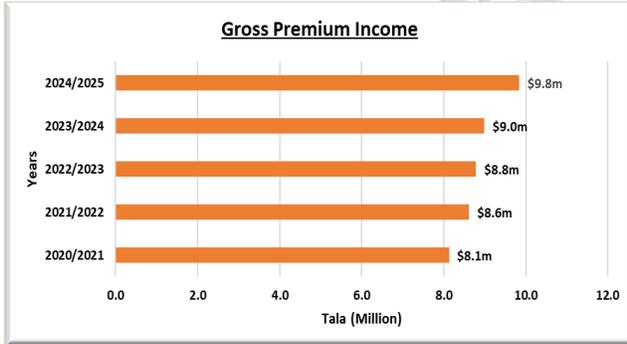
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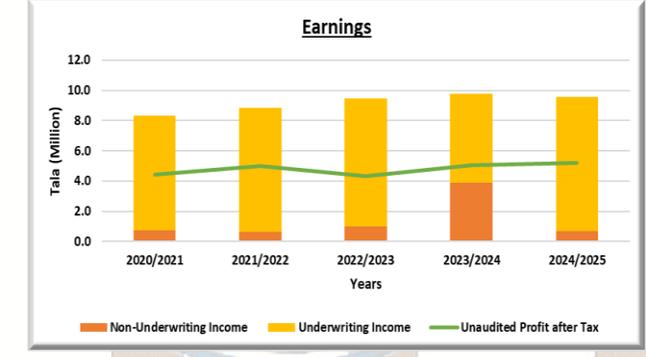
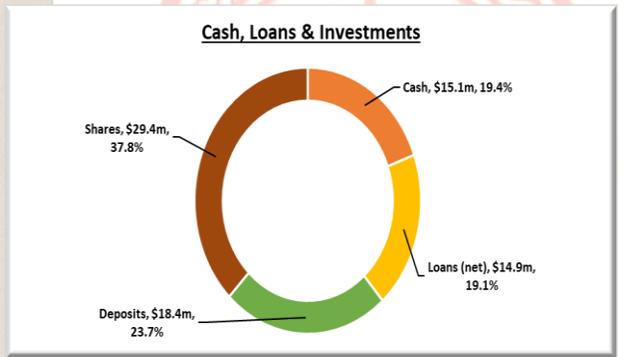
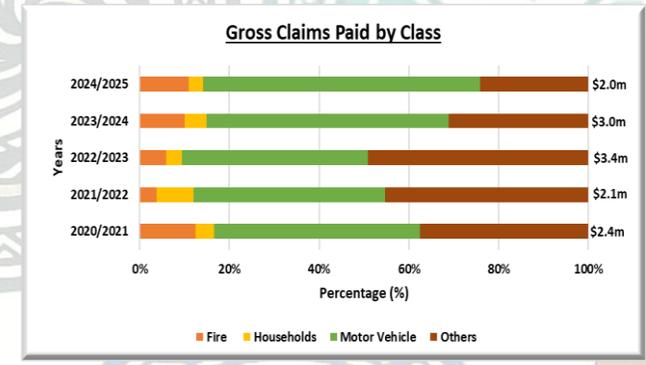
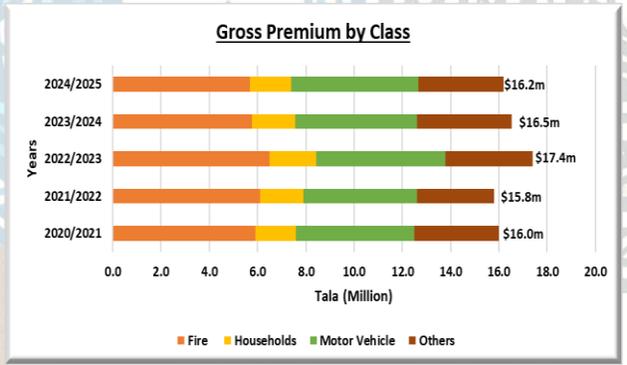
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FY2024/2025 SNAPSHOT

Life Insurance Sector Financial Highlights



General Insurance Sector Financial Highlights



INSURANCE COMMISSIONER'S FOREWORD

The Samoan insurance industry remained resilient in FY2024/2025. The absence of major natural disasters, such as flooding or cyclones, supported stable economic performance and reflected in strong solvency, liquidity, low claims, and high profitability. Close collaboration between the Central Bank and the insurance sector, alongside opportunities to develop innovative products, has strengthened the sector's role in Samoa's financial system while maintaining robust oversight.

In FY2024/2025, the industry's financial position expanded by 10.6 percent to \$164.7 million. Consolidated gross premium income grew by 2.0 percent to \$26.0 million, while gross claims paid fell 9.0 percent to \$9.5 million, resulting in an underwriting surplus of \$10.2 million and overall profitability of \$6.8 million. Life policies accounted for \$7.6 million of gross claims paid, with general policies at \$1.9 million. Combined liquid assets reached \$50.0 million, and the industry maintained a solvency position of \$51.0 million.

Protecting assets and property from climate-related hazards remains a priority for both the public and government, although high premium rates continue to limit affordability for many. To address this challenge, one general insurer launched a bundled microclimate change insurance product in March 2025. This product offers affordable protection covering hazards, life, and health benefits, expanding on a parametric insurance product introduced in 2023, which provided coverage for droughts, excessive rainfall, earthquakes, and cyclones. The insurer is also piloting an Anticipatory Action product that provides financial support to communities before and after natural disasters, enhancing resilience. These initiatives received technical and financial support from the United Nations Capital Development Fund (UNCDF).

The Central Bank actively monitors and supervises the insurance sector through offsite supervision and onsite examinations, ensuring compliance with statutory and prudential requirements. In April 2025, the Bank commenced a second round of full-scope onsite inspections of all insurance companies in Samoa, expected to conclude by November 2025, with future visits to be scheduled as needed. The Bank also continues regular bilateral consultations with insurers to address prudential matters, discuss emerging issues, and ensure mutual understanding of expectations for a safe and sound industry.

The Central Bank remains fully committed to strengthening the regulatory framework for the insurance industry. The review of the Insurance Act 2007 is currently underway, with technical support from IMF legal experts in collaboration with PFTAC. A desk review of the legislation is planned in the first half of FY2025/2026, with legislative amendments and consultations to be undertaken thereafter.

Capacity-building initiatives to enhance staff expertise in insurance supervision were facilitated through support from development partners such as the IMF, PFTAC, and GGGI, to name a few. The Bank appreciates the ongoing assistance provided by international organizations and development partners, including in-person trainings, workshops, online courses, and virtual programs throughout the year.

Finally, I extend my gratitude to the domestic insurance industry for its continued cooperation and support in maintaining a safe, sound, and stable insurance market, contributing to the overall stability of Samoa's financial system.



Maiava Atalina Ainuu-Enari
**GOVERNOR AND COMMISSIONER
OF INSURANCE**

ECONOMIC BACKGROUND

1. The World Economy¹

The International Monetary Fund (IMF) World Economic Outlook (WEO) published in July 2025 projects global growth of 3.0 percent in 2025 and 3.1 percent in 2026. These forecasts reflect upward revisions of 0.2 percentage points for 2025 and 0.1 percentage points for 2026 compared with the April 2025 WEO.

The global economy continues to navigate a complex array of challenges, including the lingering effects of the COVID-19 pandemic, ongoing geopolitical tensions, the Russia–Ukraine conflict, and the trade policies associated with the U.S. administration under President Trump. These factors have created a challenging environment for policymakers, particularly central banks tasked with balancing inflationary pressures against the need to support economic growth. Consequently, global growth is forecast to grow by 3.40 percent in FY2023/2024 and 3.15 percent in FY2024/2025.

According to the July 2025 World Economic Outlook (WEO), global headline inflation is projected to ease to 4.2 percent in 2025 and 3.6 percent in 2026, reflecting a modest downward revision compared with April projections. Nevertheless, the probability of elevated interest rates remains, driven by persistent trade tensions and policy uncertainties. Samoa’s key trading partners—including the United States, New Zealand, and Australia—experienced declines in inflation over the year, though rates generally remained above their preferred target ranges of approximately 2 to 3 percent.

Labour market conditions showed some softening, with unemployment rates gradually increasing over the past twelve months. The United States, Australia, and New Zealand reported relatively higher jobless rates compared with the previous year.

In response to persistent inflationary pressures during 2025–2026, most major central banks pursued aggressive monetary tightening. However, concerns over economic growth prompted several central banks to pause or moderate the pace of interest rate hikes in the latter part of 2025.

¹ Financial Markets Department, Central Bank of Samoa

2. Domestic Economy²

a. Outcome of FY2024/2025

The Samoa's Real Gross Domestic Product (RGDP) Real GDP fell slightly to 4.2 percent in the financial year under review, from 4.8 percent growth last year. The current growth highlighted significant expansions in main sectors of the economy such as 'Commerce' (up by \$51.3 million), 'Financial Services' (up by \$23.2 million), 'Transport' (up by \$13.2 million), 'Construction' (up by \$9.0 million) and 'Public Administration' (up by \$6.0 million) to name a few.

The headline inflation went down by 1.9 percent at end FY2024/25 from 3.6 percent in the previous year. This was driven mainly by a sharp reduction in imported inflation to 0.1 percent at end June 2025 from 2.9 percent in June 2024. On local inflation, it remained high at 3.9 percent despite a drop from 4.4 percent in June last year. Similarly, the underlying inflation rate fell to 1.5 percent at end June 2025 from 4.9 percent last year.

On the external front, the balance of payments recorded another substantial surplus of \$205.8 million, which saw gross official foreign reserves jump to \$1,559.9 million at end June 2025. This was sufficient to buy 15.2 months of import of goods only. Unpinning this significant expansion in foreign reserves were large inflows of government budget support funds and financial assistance from Samoa's international development partners as well as positive results from tourism and remittances.

Due to large inflow of foreign funds, total commercial bank's liquidity expanded by \$38.6 million to \$670.0 million in June 2025, over last year. This was due to substantial hikes of \$52.2 million in Central Bank of Samoa Securities outstanding and an \$11.9 million in commercial banks' vault cash holdings respectively. This outweighed a \$25.4 million drop in commercial banks exchange settlement balances. Total commercial bank lending expanded as well, with its annual average growth rate rising to 5.4 percent at end June 2025, from -2.0 percent in June of last year. This was mainly underpinned by a 6.9 percent growth in lending to the business sector, up from -6.0 percent last year.

b. Outlook for FY2025/2026

Samoa's economy is expected to trend around its medium-term target of 3-4 percent in FY 2025/2026, from 4.2 percent in FY 2024/2025 and 4.6 percent in FY 2023/2024. On the external sector, the overall balance of payments is expected to record another modest surplus of \$62.54 million given expected inflows of Government grants and budget support funds although it will be lower than the previous year.

The headline inflation rate is expected to increase to around 2.6 percent by June 2026, up from 1.9 percent recorded in June 2025. Domestic inflation (mainly the local food commodities) is expected to rise in FY 2025/2026 due to rising demand and limited supply while imported inflation is expected to rise gradually in the coming year.

On monetary conditions, total broad money (M2) is expected to expand by 5.0 percent in FY 2025/2026 while private sector credit is expected to slow down to 2.5 percent compared to its 5.7 percent growth last year.

² Economics Department, Central Bank of Samoa

REGULATION AND SUPERVISION

1. Administration of the Insurance Act 2007

The Governor of the Central Bank of Samoa (the “Bank”) is the Insurance Commissioner (the “Commissioner”) appointed under section 4 of the Insurance Act 2007 (the “Act”), to carry out the functions and powers as stipulated under sections 5 and 6 of the Act.

The Bank has responsibilities under the Financial Institutions Act 1996 and the Insurance Act 2007 to supervise insurance companies in conjunction with the Bank’s broader responsibilities aimed at promoting the health and stability of the financial system in general.

2. Licensing and Insurance Market Structure

Section 9 of the Act requires all insurers and intermediaries, including insurance brokers and agents, conducting business in Samoa to obtain a license from the Commissioner. Only a company registered in Samoa, or a body established by an Act of Parliament may be licensed to operate an insurance business. Individuals, whether natural or legal persons, may become licensed insurance agents or brokers.

The Commissioner actively received and assessed applications for the renewal of licenses from insurers, insurance agents, and insurance brokers. Licenses are renewed once applicants meet all renewal requirements and pay the applicable renewal fees by the end of December each year. **(See Table 1).**

a. Licensed Insurance Companies

Section 15 of the Act prohibits composite insurance; therefore, a company may only be licensed to operate as either a general insurer or a life insurer. General insurance covers any class or classes of insurance business that do not constitute life insurance. Life insurance, by contrast, involves issuing life policies, assuming liabilities under life policies, or conducting any business related to issuing life policies, including the investment, administration, and management of assets within a statutory fund. A policy that pays a sum of money upon the death of a person is not considered a life policy if its term does not exceed one year.

As of June 2025, a total of five (5) insurers were licensed under the Act as follows:

- i. Four (4) insurers conducted general insurance business; and
- ii. One (1) insurer conducted life insurance business.

b. Licensed Insurance Brokers

An insurance broker acts as a representative of the insured, arranging insurance contracts with insurance companies in return for brokerage, commission, fees, allowances, or other forms of remuneration. As intermediaries, brokers are specifically required to maintain a current professional indemnity and fidelity guarantee insurance policy. By the end of June 2025, the Commissioner issued four (4) insurance broker licenses after applicants met all requirements

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under Part 3 of the Act and fulfilled the deposit obligations specified in Section 20 (**See Table 1**).

c. Licensed Insurance Agents

An insurance agent acts as a representative of an insurer, channeling, soliciting, or procuring insurance business on behalf of the insurer in return for commission, allowance, or other remuneration. Agents licensed under the Act are required to provide evidence of appointment by an insurer, and the insurer remains responsible for the conduct of its agents. By the end of FY2024/2025, the Commissioner issued sixteen (16) insurance agent licenses, including two (2) for general insurance and fourteen (14) for life insurance (**See Table 1**).

Table 1: Licensed Insurance Companies and Intermediaries as of June 2025

	General Insurers
1.	Apia Insurance Company Limited
2.	Federal Pacific Insurance Limited
3.	National Pacific Insurance Limited
4.	Samoa Surety Insurance Limited
	Life Insurers
1.	Samoa Life Assurance Corporation
	Insurance Brokers
1.	Willis New Zealand (NZ) Limited
2.	Lockton NZ Holding Limited
3.	Samoa Insurance Broker Limited
4.	Marsh Limited
	Insurance Agents – Corporate
1.	National Bank of Samoa Limited
2.	Pacific Insurance Underwriters
	Insurance Agents – Individual
1.	Letuna Insurance Agency
2.	Avaia Palapala Fruean
3.	Fuimaono Eseta Kavesi
4.	Reupena Iakopo
5.	Seuamuli Saolotoga Junior Bentin
6.	Nanai Sirovai Sila Sa
7.	Uatifoti Fatu
8.	Salaiulufa Tafa Jr Maiava
9.	Marieta Peniamina Sua
10.	Kosetatino Tumanuvao
11.	Aurelio Maiava
12.	Pelenatete Leitu
13.	Faameo Faameo
14.	Masuisui Kennaway Maisa

Source: Central Bank of Samoa

3. Key Statutory Requirements

a. Deposit Requirement

Under section 20 of the Act, every licensed insurance broker and agent must maintain a deposit or provide a guarantee of \$50,000. For brokers, the amount held must be equivalent to the greater of either the deductible or excess applicable under their professional indemnity and fidelity guarantee insurance policies.

Similarly, section 21 of the Act requires every licensed insurer to maintain a deposit of \$100,000 or an amount not less than the surplus of assets over liabilities as required under the prescribed solvency standards, whichever is greater.

The deposits must be made in a form approved by the Commissioner. As of June 2025, all licensed insurance companies and brokers complied with these statutory deposit requirements.

b. Minimum Capital

Section 24 of the Act requires every licensed insurer to maintain a paid-up capital of \$1,000,000 at all times. As of the reporting period, all insurers complied with this requirement.

c. Additional Solvency Requirements

In addition to the capital requirement, section 25 of the Act requires every licensed insurer to comply with any solvency requirements imposed by the Commissioner. Licensed insurance companies continued to comply with the solvency requirements as prescribed from time to time.

d. Policy and Claims Registers

Section 36 of the Act requires every licensed insurer to maintain a register of policies issued and a register of claims detailing each claim made. Insurers conducting business both within and outside Samoa must maintain separate registers for their Samoan and non-Samoan operations. Similarly, under section 41, intermediaries are required to maintain a register of all policies placed or procured by or through them.

e. Reinsurance Arrangements

A key licensing requirement for insurers is to provide detailed information on their reinsurance arrangements. These arrangements must be maintained and valid at all times to ensure that the insurer's liabilities are adequately reinsured, thereby providing confidence and stability as the insurer conducts its business.

f. Audit Reports

Section 33 of the Act requires every insurer and broker to submit a copy of its audit report, prepared under Section 32, to the Commissioner.

4. Supervision

The Bank has an integrated, risk-based system of supervision that uses both off-site monitoring and on-site inspections, to examine the business of each insurer, evaluate its condition, quality, effectiveness and compliance with legislation and supervisory requirements.

a. Offsite Supervision

To ensure that licensed insurers conduct their operations in compliance with the Act and prudential requirements, the Commissioner continuously conducts offsite monitoring, including the assessment of quarterly prudential returns. In addition, the Commissioner holds bilateral discussions with each insurer every quarter to review their financial condition and address any other matters of mutual interest.

b. Onsite Inspections

Onsite examinations form a critical part of the supervisory process, allowing the Commissioner to assess licensed insurers and brokers' compliance with legislation and prudential requirements. The process involves a desk review of policies, procedures, and other submitted documents, followed by on-site visits to verify information, conduct interviews with management, and discuss operational matters. Findings from desk reviews and quarterly reports are addressed at the entry meeting, while a summary of onsite findings is presented at the exit meeting. A detailed onsite report is then prepared and issued to the insurer within one month of the exit meeting.

In the review period, the second round of full-scope onsite examinations began in April 2025, starting with the Samoa Life Assurance Corporation. Visits to general insurers are scheduled for the second half of 2025 (or within the first half of FY2025/2026).

c. Prudential Returns

Sections 35 and 43 of the Act require insurers and brokers to prepare and submit periodic statements, returns, or other specified information to the Commissioner within designated timeframes. Currently, insurers must submit their quarterly prudential returns within 15 working days following the end of each quarter. The Commissioner may grant exemptions for late submissions when insurers provide valid justifications for extensions.

DOMESTIC INSURANCE INDUSTRY

The domestic insurance industry maintained strong performance in FY2024/2025, supported by growth in premiums, underwriting results, solvency, and profitability.

1. Underwriting Result

a. Gross Premium Income

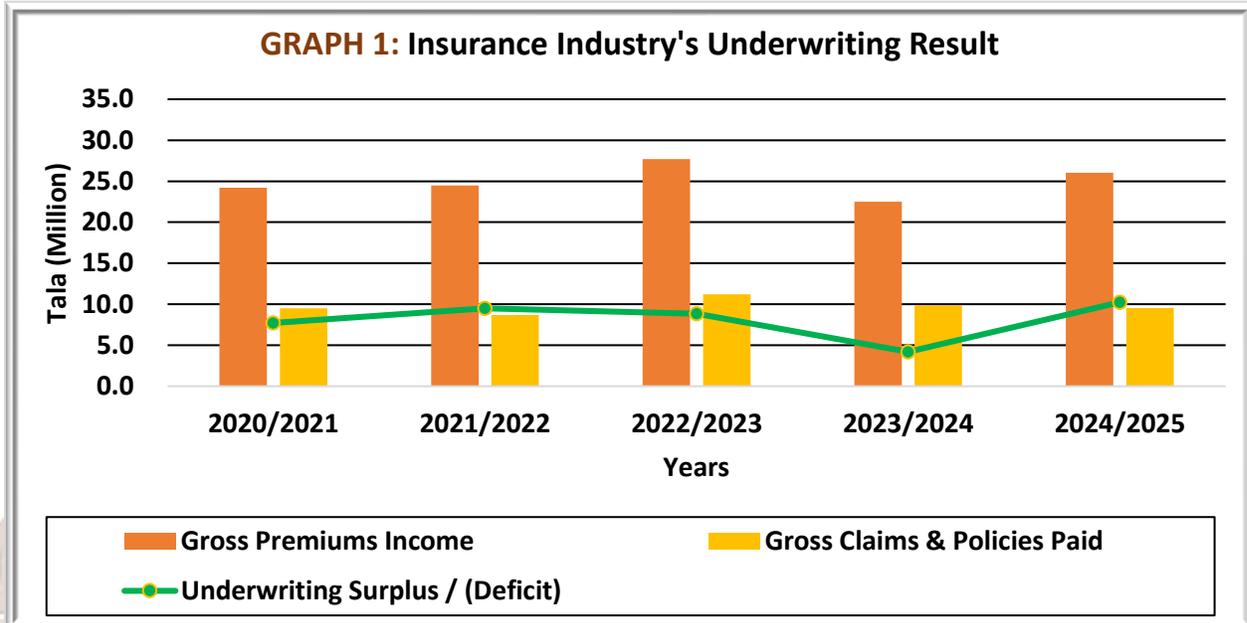
In FY2024/2025, the insurance industry generated \$26.0 million in gross premium income, representing a 2.0 percent increase (\$0.5 million) from the previous year. During the period, the life insurance sector increased its gross premium income by 9.4 percent (\$0.8 million) to \$9.8 million, accounting for 37.8 percent of the total. In contrast, the general insurance sector recorded a decline of 2.1 percent (\$0.3 million) to \$16.2 million, representing 62.2 percent of total gross premium income. Life insurance premiums comprised whole life, endowment, and money-back term policies, while general insurance premiums were driven by fire, motor vehicle, and household policies, which represented the largest shares of premium income. **(See Graph 1).**

b. Net Claims and Policy Payments

Net claims and policy payments totaled \$9.5 million, declining by 8.9 percent (\$0.9 million) from June 2024. The decrease was driven by a 35.2 percent (\$1.0 million) reduction in net claims paid by general insurers, which fell to \$2.0 million and accounted for 20.5 percent of total net claims and policy payments. Meanwhile, life insurers increased their net policy payments by 1.6 percent (\$0.1 million) to \$7.6 million, representing 79.5 percent of the total. **(See Graph 1).**

c. Underwriting Surplus

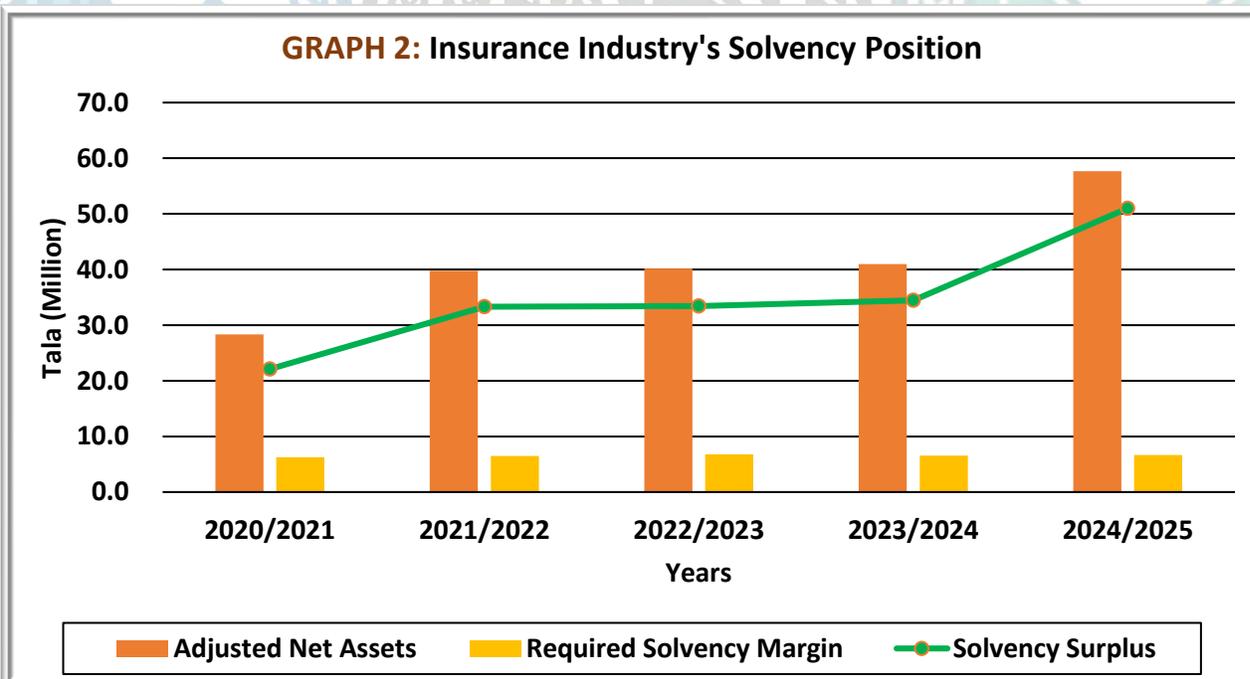
The combined underwriting surplus reached \$10.2 million, up 55.9 percent (\$3.7 million) from \$6.6 million in the previous year. General insurers reported a 51.0 percent (\$3.0 million) increase to \$8.9 million, representing 86.7 percent of the total surplus. Life insurance rose 98.4 percent (\$0.7 million) to \$1.3 million, contributing 13.3 percent. The growth in underwriting surplus was driven by a 6.3 percent (\$1.2 million) increase to \$21.2 million in net earned premiums, while net claims incurred fell 18.7 percent (\$2.1 million) to \$9.3 million and underwriting expenses decreased 14.6 percent (\$0.3 million) to \$1.6 million. **(See Graph 1).**



Source: General and Life Insurance Companies

2. Solvency Position

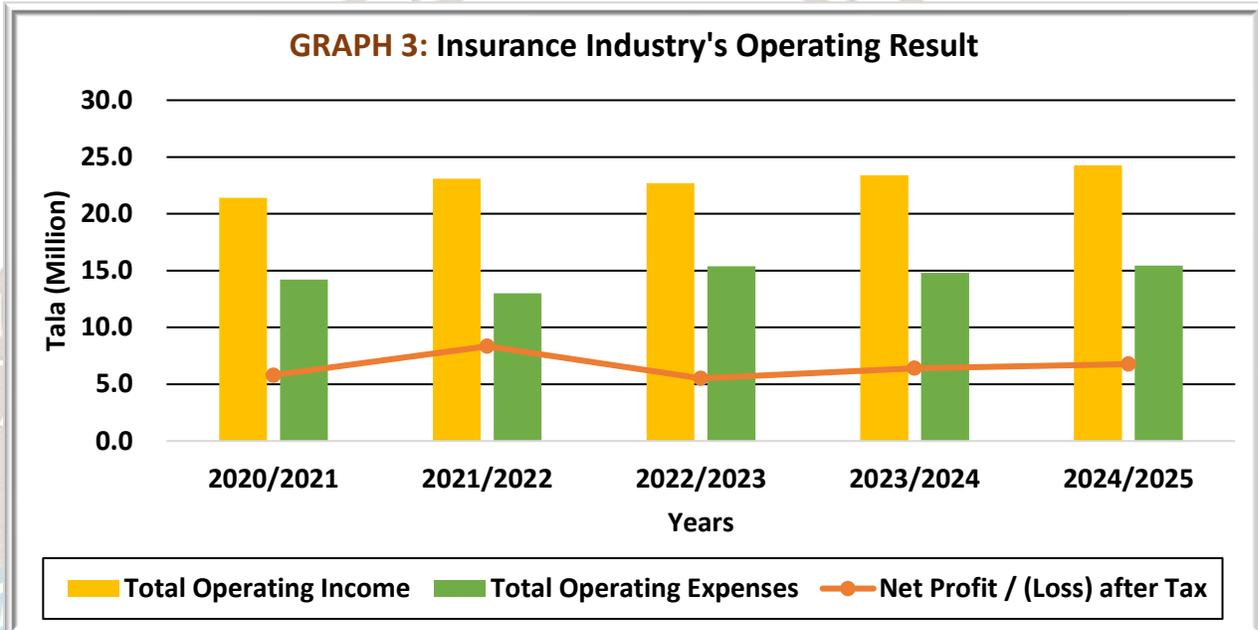
The industry maintained a strong solvency position with a combined surplus of \$51.0 million, up 48.1 percent (\$16.6 million) from \$34.4 million in June 2024 (See Graph 2). The surplus, derived from adjusted net assets of \$57.7 million less a solvency margin of \$6.7 million, was largely attributed to the general insurance sector, which accounted for 66.1 percent (\$33.7 million). Growth in total assets, coupled with a reduction in liabilities, reinforced the sector's stability. (Refer to section 4 for more details).



Source: General and Life Insurance Companies

3. Operating Result

The sector reported an unaudited profit after tax of \$6.8 million, increasing 6.6 percent (\$0.4 million) from \$6.4 million in the previous year. Total operating income reached \$24.3 million, up 3.8 percent (\$0.9 million), while operating expenses increased by 4.3 percent (\$0.6 million) to \$15.4 million. The general insurance sector contributed the majority of profit, accounting for 76.7 percent (\$5.2 million). **(See Graph 3).**



Source: General and Life Insurance Companies

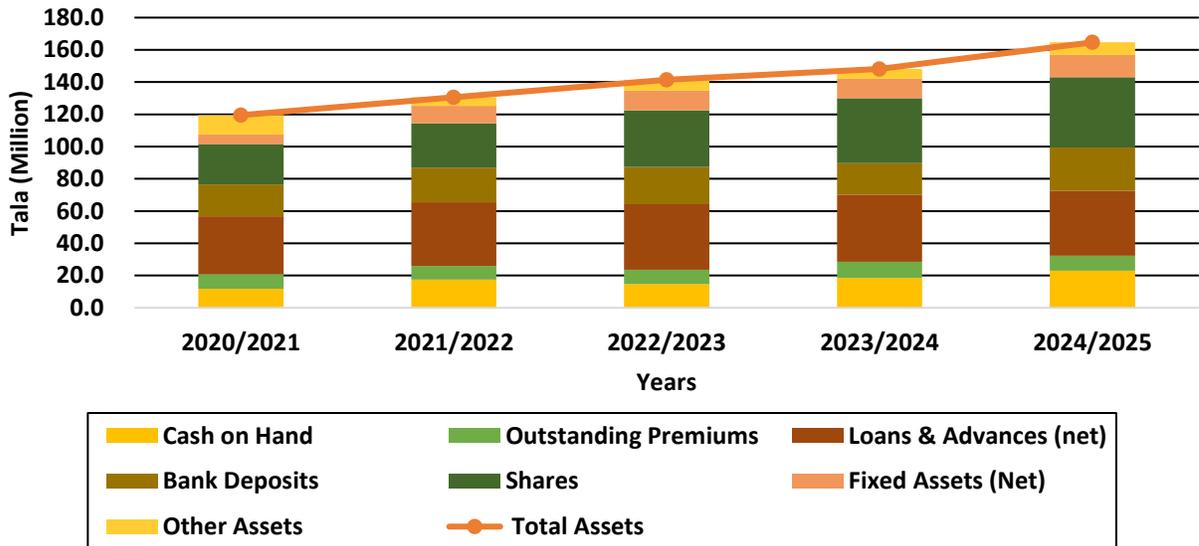
4. Balance Sheet

a. Assets

Total assets of the insurance industry reached \$164.7 million, increasing 10.6 percent (\$15.7 million) from \$148.9 million in the previous year. This growth was primarily driven by investments (including shares and term deposits), which rose 15.4 percent (\$9.5 million) to \$71.3 million, and representing 43.3 percent of total assets. Other assets³, which accounts for 18.2 percent of total assets, increased 29.5 percent (\$6.8 million) to \$29.9 million. The general insurance sector held 59.3 percent (\$97.7 million) of total assets, while the life insurance sector contributed the remaining 40.7 percent (\$67.0 million). **(See Graph 4).**

³ Other assets include cash on hand, accounts receivable, deferred reinsurance expenses, and other assets.

GRAPH 4: Allocation of the Insurance Industry's Total Assets

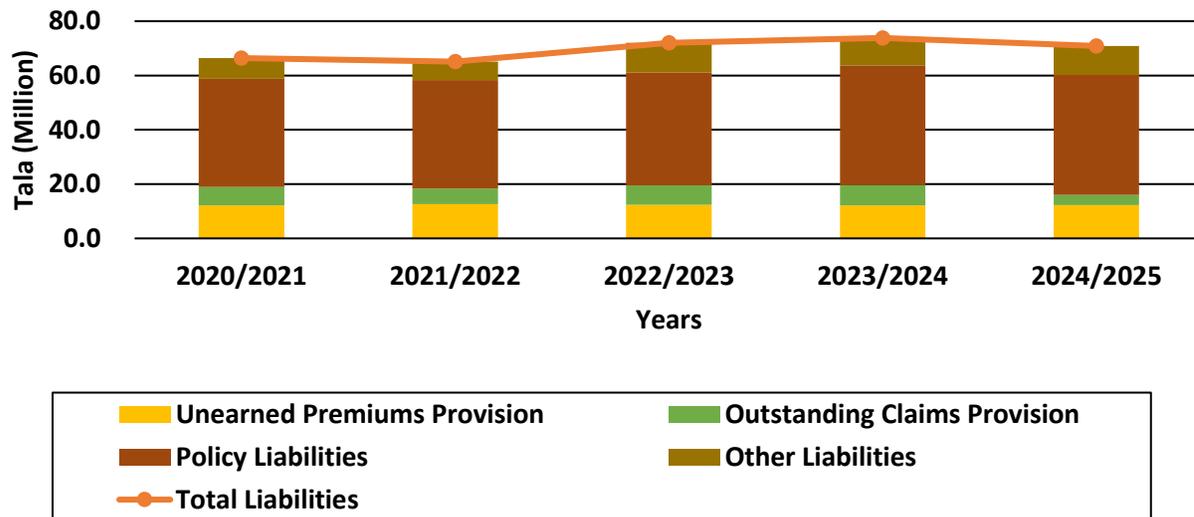


Source: General and Life Insurance Companies

b. Liabilities

Total liabilities declined 4.1 percent (\$3.0 million) to \$70.8 million over the past twelve months, mainly due to a 50.0 percent (\$3.7 million) reduction in outstanding claims provisions to \$3.7 million. Other major liability components included unearned premiums provision of \$12.3 million, policy liabilities of \$44.2 million and other⁴ liabilities aggregated at \$10.6 million. Life insurance accounted for 66.1 percent (\$46.8 million) of total liabilities, with general insurance covering the remaining 33.9 percent (\$24.0 million). (See Graph 5).

GRAPH 5: Allocation of the Insurance Industry's Total Liabilities

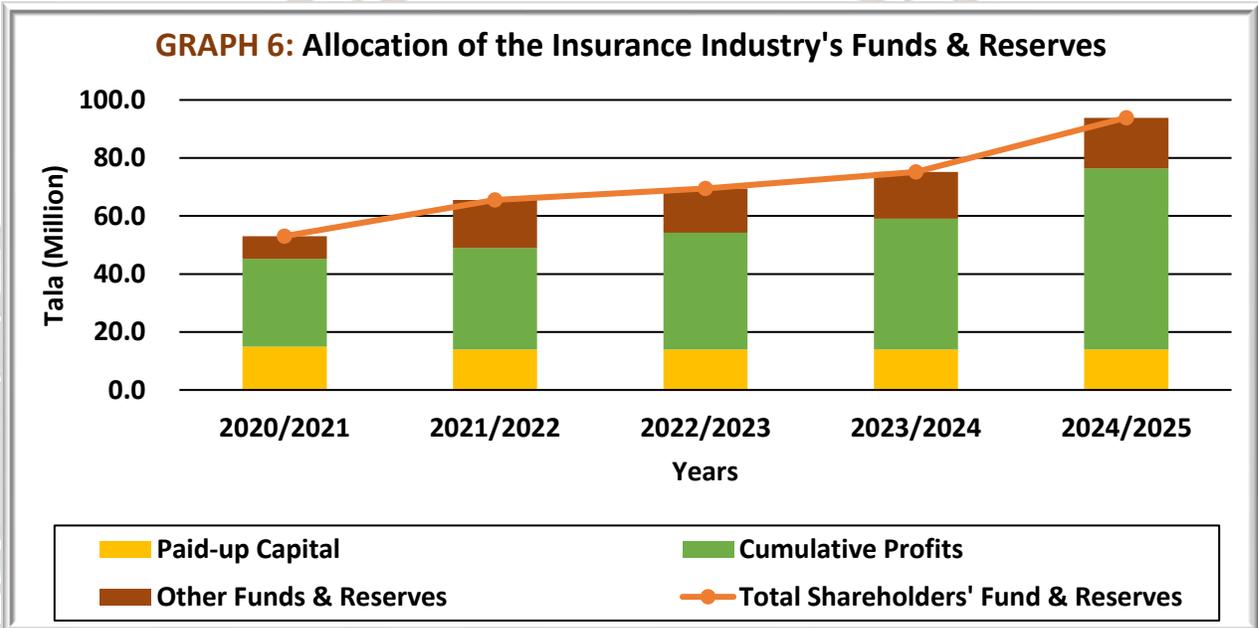


Source: General and Life Insurance Companies

⁴ Other liabilities include amounts due, other provisions, accounts payable and other liabilities.

c. Owners' Fund

Total shareholders' funds grew 24.9 percent (\$18.7 million) to \$93.9 million in June 2025. This was driven by a 38.3 percent (\$17.3 million) increase in cumulative profits to \$62.4 million, which represented 66.4 percent of total funds and reserves. Paid-up capital totaled \$14.0 million, and other⁵ funds aggregated \$17.5 million, comprised of the remaining 33.6 percent. General insurers held 78.5 percent (\$73.7 million) of total funds, with life insurers contributing 21.5 percent (\$20.2 million). **(See Graph 6).**



Source: General and Life Insurance Companies

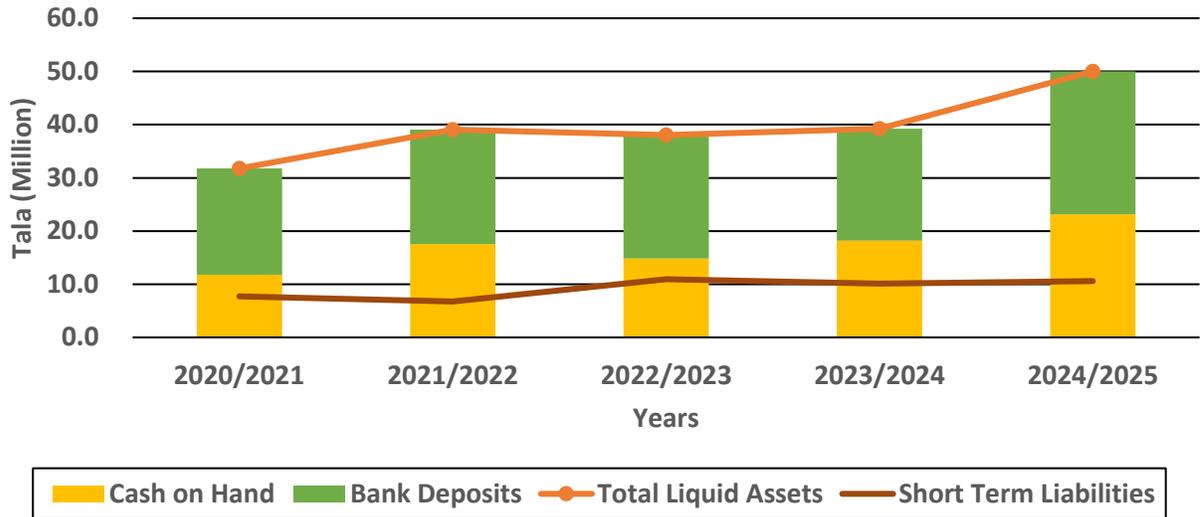
5. Liquidity Position

By the close of FY2024/2025, the domestic insurance sector held \$50.0 million in liquid assets, marking a 27.5 percent increase (\$10.8 million) compared to the prior year. This liquidity consisted entirely of \$26.9 million in bank deposits and \$23.1 million in cash balances, sufficiently covering short-term obligations of \$10.6 million. The general insurance sector held 67.0 percent (\$33.5 million) of liquid assets, while life insurance accounted for 33.0 percent (\$16.5 million). **(See Graph 7).**

⁵ Other funds include general reserves, assets revaluation and other funds.

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GRAPH 7: Insurance Industry's Liquidity Position



Source: General and Life Insurance Companies



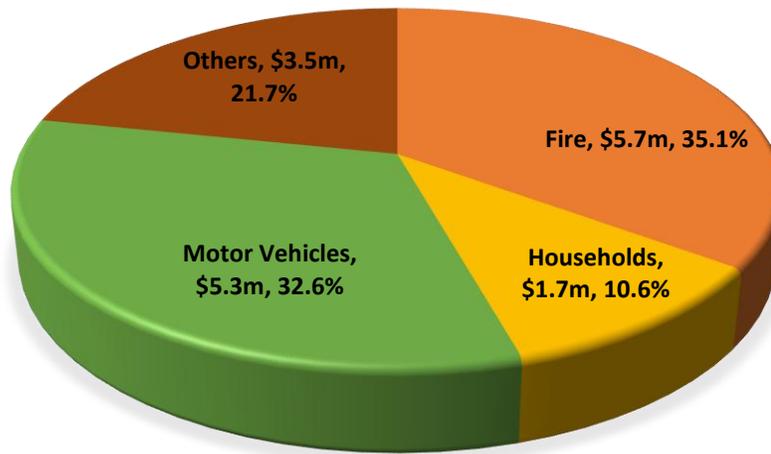
GENERAL INSURANCE SECTOR

1. Underwriting Operations

a. Gross Premium Income

In FY2024/2025, general insurers generated gross premiums of \$16.2 million, reflecting a 2.1 percent decline (\$0.3 million) compared to the previous year. Fire insurance contributed the largest share, representing 35.1 percent (\$5.7 million) of total premiums. **(See Graph 8).**

GRAPH 8: COMPOSITION OF THE GENERAL INSURERS' GROSS PREMIUM INCOME BY CLASS

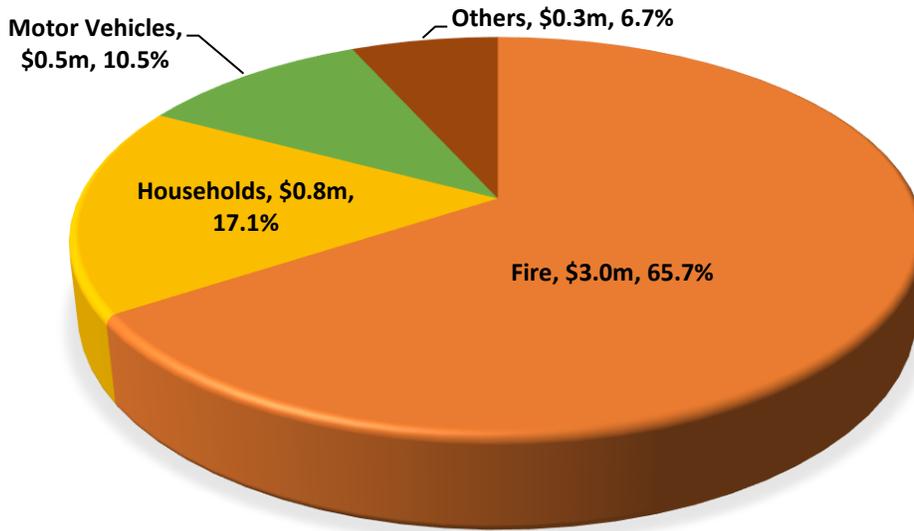


Source: General Insurance Companies

b. Reinsurance Cessions/Outwards

During FY2024/2025, insurers ceded \$4.6 million (equivalent to 28.4 percent) in premiums for reinsurance, reflecting a 20.9 percent decrease (\$1.2 million) from the \$5.8 million recorded in FY2023/2024. Reinsurance across all product lines, including fire, motor vehicle, household, professional indemnity, public liability, and others—declined during the period, driving the overall reduction. Outward reinsurance represents the portion of premiums transferred offshore to secure coverage against potential losses. Fire insurance remained the most reinsured line, accounting for 65.7 percent (\$3.0 million) of total reinsurance expenditures due to the significant risks associated with the product. Treaty reinsurance continued as the preferred arrangement for local insurers. **(See Graph 9).**

GRAPH 9: COMPOSITION OF THE GENERAL INSURERS' REINSURANCE OUTWARDS BY CLASS

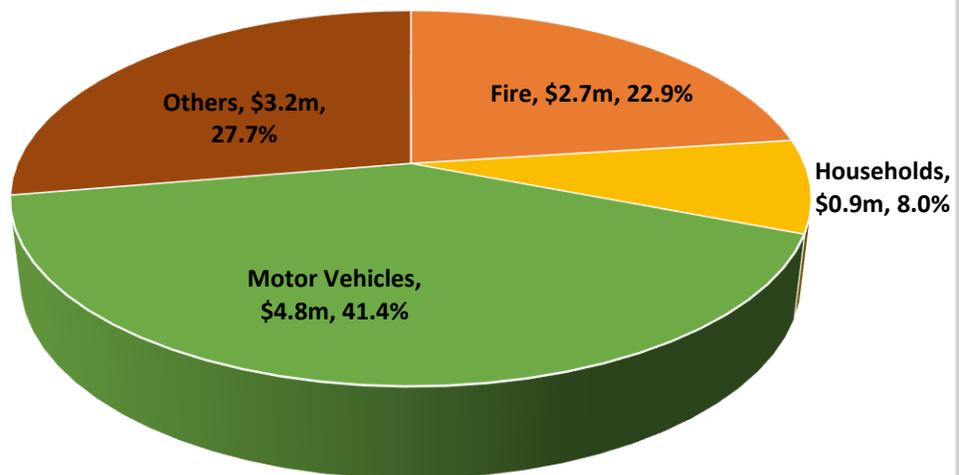


Source: General Insurance Companies

c. Net Premiums Income

Net premium income, representing premiums retained after reinsurance outwards, rose 8.0 percent (\$0.9 million) to \$11.6 million over the year. This increase resulted from a sharper decline in reinsurance outwards compared with gross premium income. Motor vehicle insurance accounted for the largest portion of net premiums at \$4.8 million, or 41.4 percent of the total portfolio. (See Graph 10).

GRAPH 10: COMPOSITION OF THE GENERAL INSURERS' NET PREMIUM INCOME BY CLASS

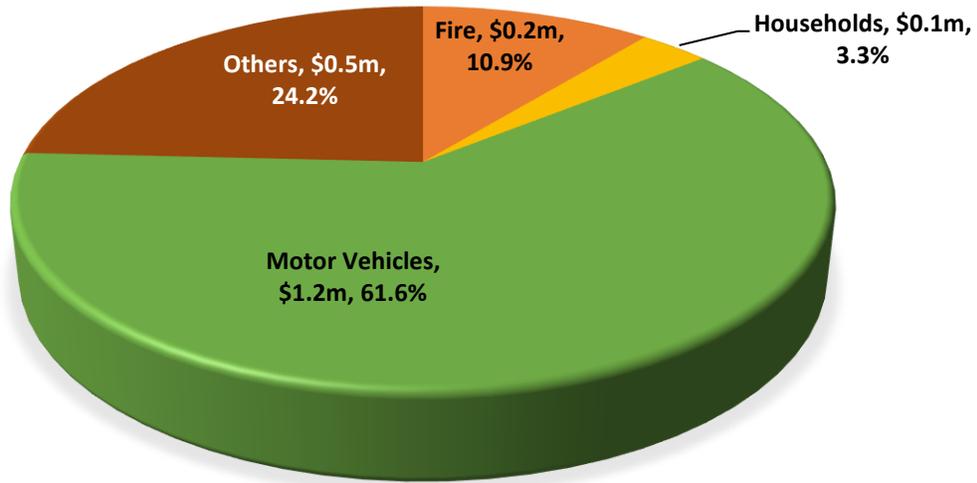


Source: General Insurance Companies

d. Gross Claims Paid

In FY2024/2025, general insurers paid only \$2.0 million in gross claims, reflecting a 35.1 percent decline (\$1.1 million) from FY2023/2024. This was due to reduction in claims across all insurance classes, including fire, households, motor vehicles, and marine insurance, to name a few. Motor vehicle insurance accounted for the largest share of claims at \$1.2 million, representing 61.5 percent of the total. (See Graph 11).

GRAPH 11: COMPOSITION OF THE GENERAL INSURERS' GROSS CLAIMS PAID BY CLASS



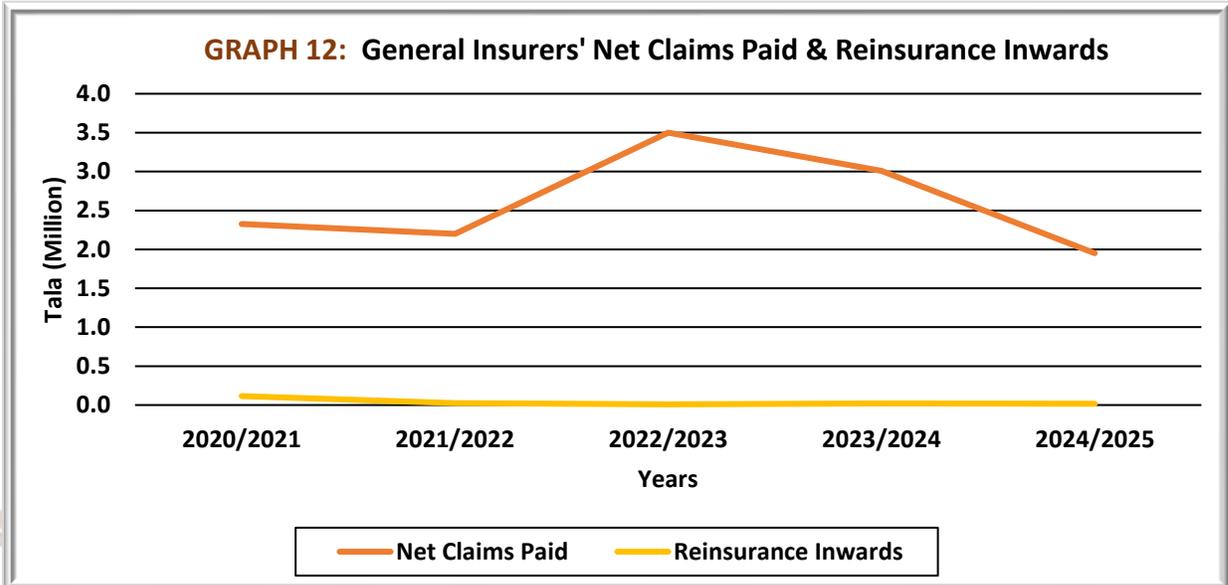
Source: General Insurance Companies

e. Reinsurance Recoveries/Inwards

General insurers recovered only \$0.015 million from offshore reinsurers to offset claims payments, primarily for fire and household insurance. This represented a 25.0 percent decline (\$0.005 million) compared to the same period in FY2023/2024. (See Graph 12).

f. Net Claims Paid

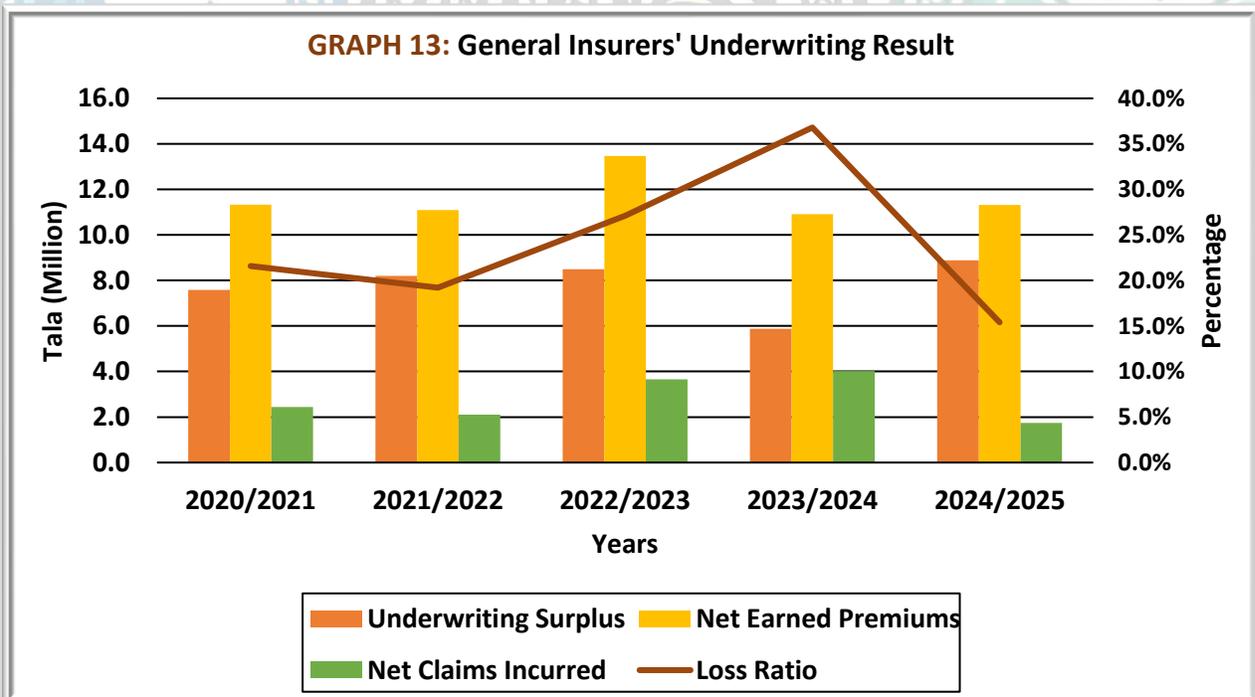
Net claims (calculated as gross claims less reinsurance recoveries), totaled at \$1.9 million, a decline of 35.2 percent (\$1.0 million) from the prior year due to the reduction in gross claims paid. (See Graph 12).



Source: General Insurance Companies

g. Underwriting Result

The sector achieved a combined underwriting surplus of \$8.9 million, up 51.0 percent (\$3.0 million) from \$5.9 million in June 2024. Growth was driven by a 3.7 percent increase (\$0.4 million) to \$9.8 million in net earned premiums, coupled with reductions in net claims incurred and total underwriting expenses by 56.6 percent (\$2.3 million) and 31.8 percent (\$0.3 million), respectively (**See Graph 13**). All classes posted positive underwriting results, with motor vehicle insurance contributing 45.0 percent (\$4.0 million), fire insurance accounting for 25.7 percent (\$2.3 million), and other classes representing 29.3 percent (\$1.4 million).



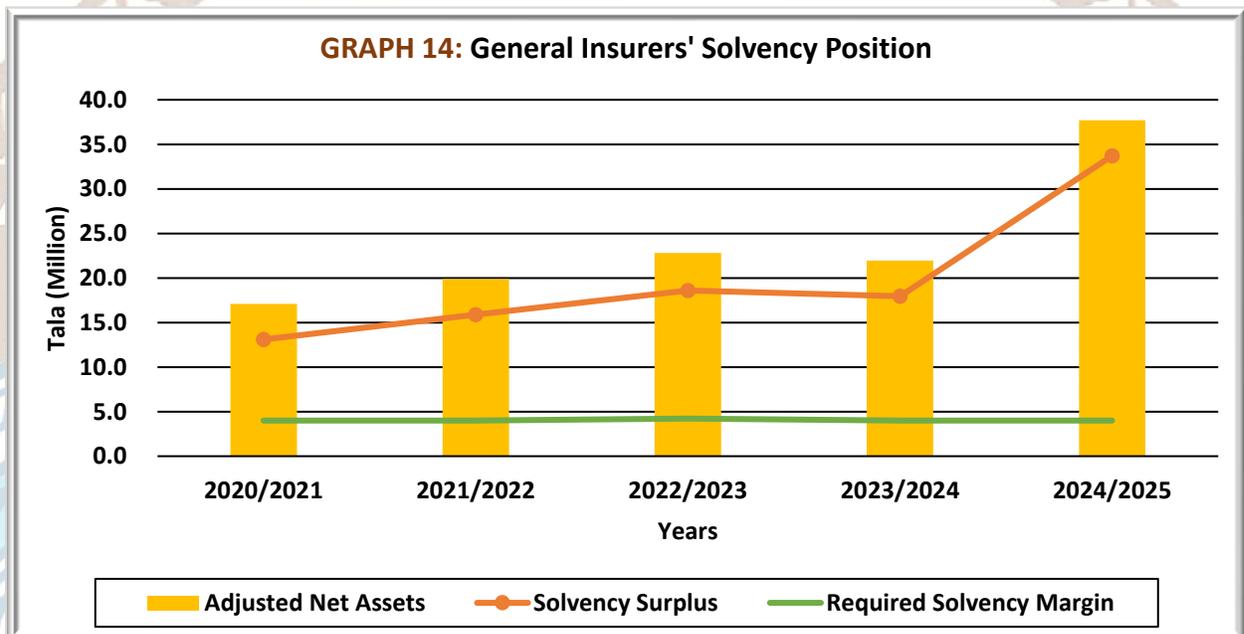
Source: General Insurance Companies

INSURANCE ANNUAL REPORT FY2024/2025

The sector's net loss ratio improved to 15.4 percent from 42.3 percent in the prior year, indicating that 15.4 sene of every Tala earned in premiums was spent on claims. By class, Household insurance recorded the highest net loss ratio at 61.8 percent, followed by medical insurance at 52.1 percent, and motor vehicle insurance at 17.8 percent.

2. Solvency Position

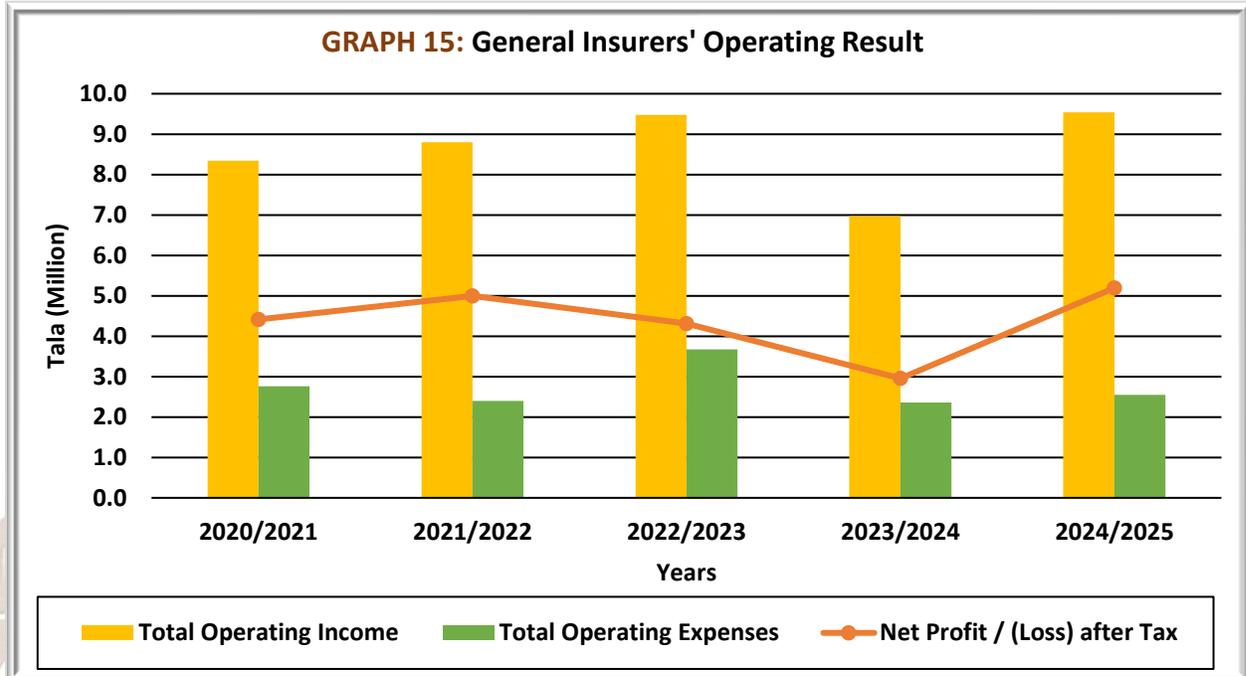
General insurers reported a combined solvency surplus of \$33.7 million, a 79.8 percent increase (\$15.0 million) from the previous year. Growth in total assets, alongside a reduction in total liabilities (see #4 below), increased net assets (before adjustments) to \$73.6 million from \$56.6 million in June 2024. The required solvency margin remained at \$4.0 million. **(See Graph 14).**



Source: General Insurance Companies

3. Operating Result

The sector recorded an unaudited net profit after tax of \$5.2 million, up by 2.7 percent (\$0.1 million) over the prior year. Total income amounted to \$9.6 million, comprising \$8.9 million in underwriting surplus and \$0.7 million in non-underwriting income. Expenses and taxes totaled \$4.4 million, with salaries, management fees, and commissions accounting for \$1.6 million. **(See Graph 15).**



Source: General Insurance Companies

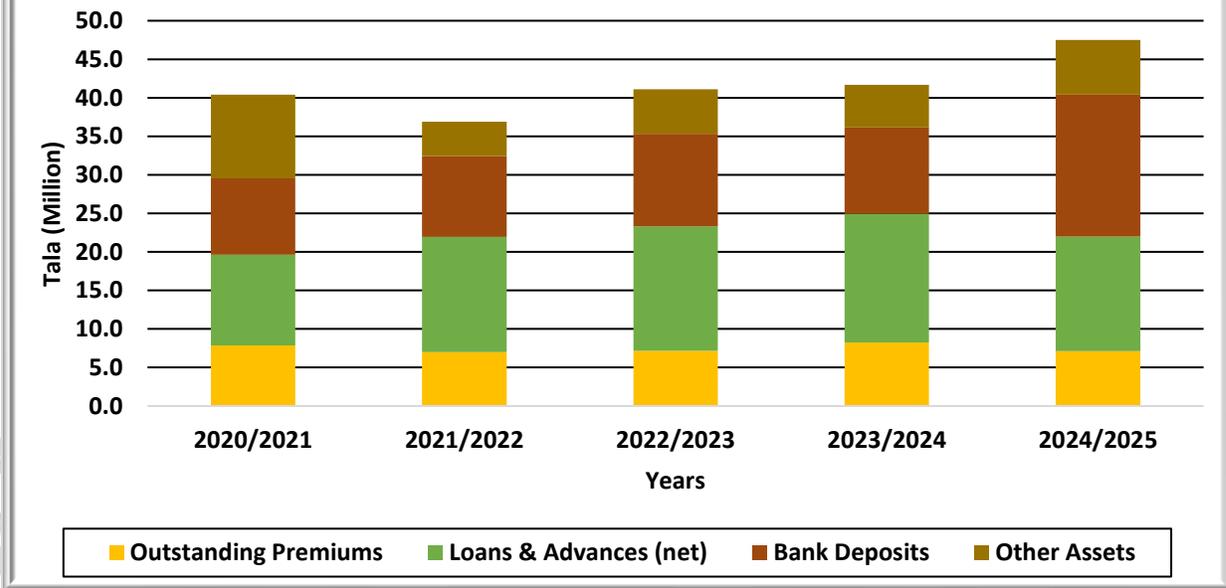
4. Balance Sheet

a. Assets

Total assets expanded 16.8 percent (\$14.0 million) to \$97.7 million over June 2024. Key drivers of growth included cash on hand, which increased 42.2 percent (\$4.5 million) to \$15.1 million, bank deposits rising 45.2 percent (\$5.7 million) to \$18.4 million, equity investments up 12.6 percent (\$3.3 million) to \$29.4 million, and net fixed assets climbing 59.0 percent (\$2.1 million) to \$5.7 million. Equity investments, bank deposits, and cash on hand remained the primary components, representing 30.1 percent, 18.9 percent, and 15.5 percent of total assets, respectively. **(See Graph 16).**



GRAPH 16: Distribution of the General Insurers' Assets

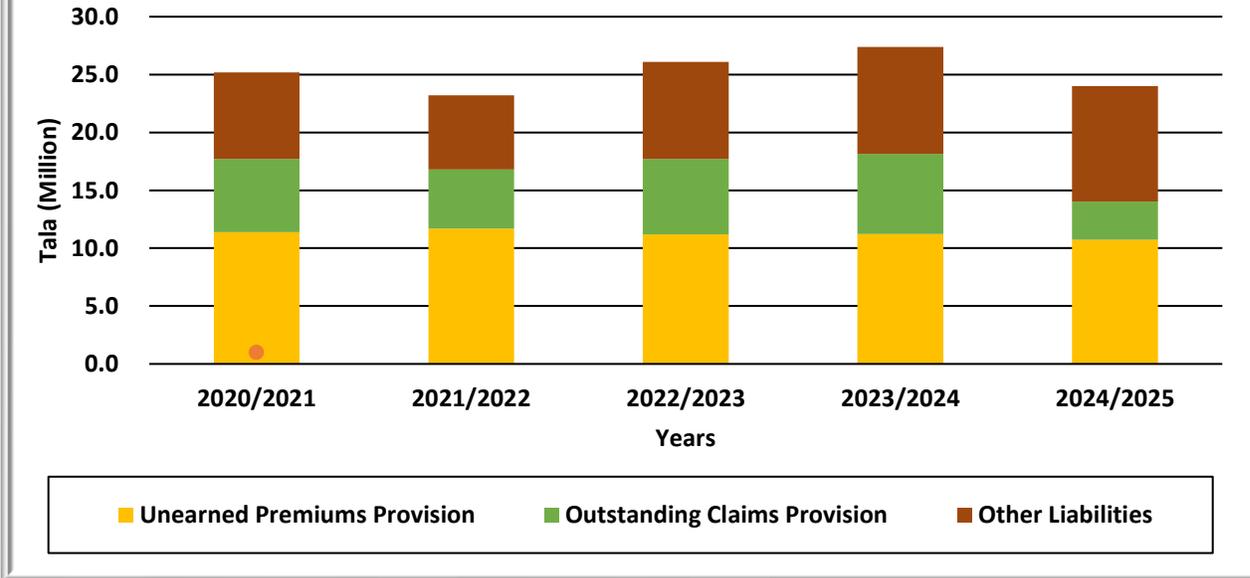


Source: General Insurance Companies

b. Liabilities

Liabilities fell 11.2 percent (\$3.0 million) to \$24.0 million over the preceding year, primarily due to a 52.4 percent (\$3.6 million) reduction in outstanding claims provisions, which totaled \$3.3 million and accounted for 13.7 percent of total liabilities. Other key components included unearned premium provisions, which amounted to \$10.7 million (44.7 percent) and other liabilities⁶ totaling \$10.0 million (41.6 percent). (See Graph 17).

GRAPH 17: Distribution of the General Insurers' Liabilities

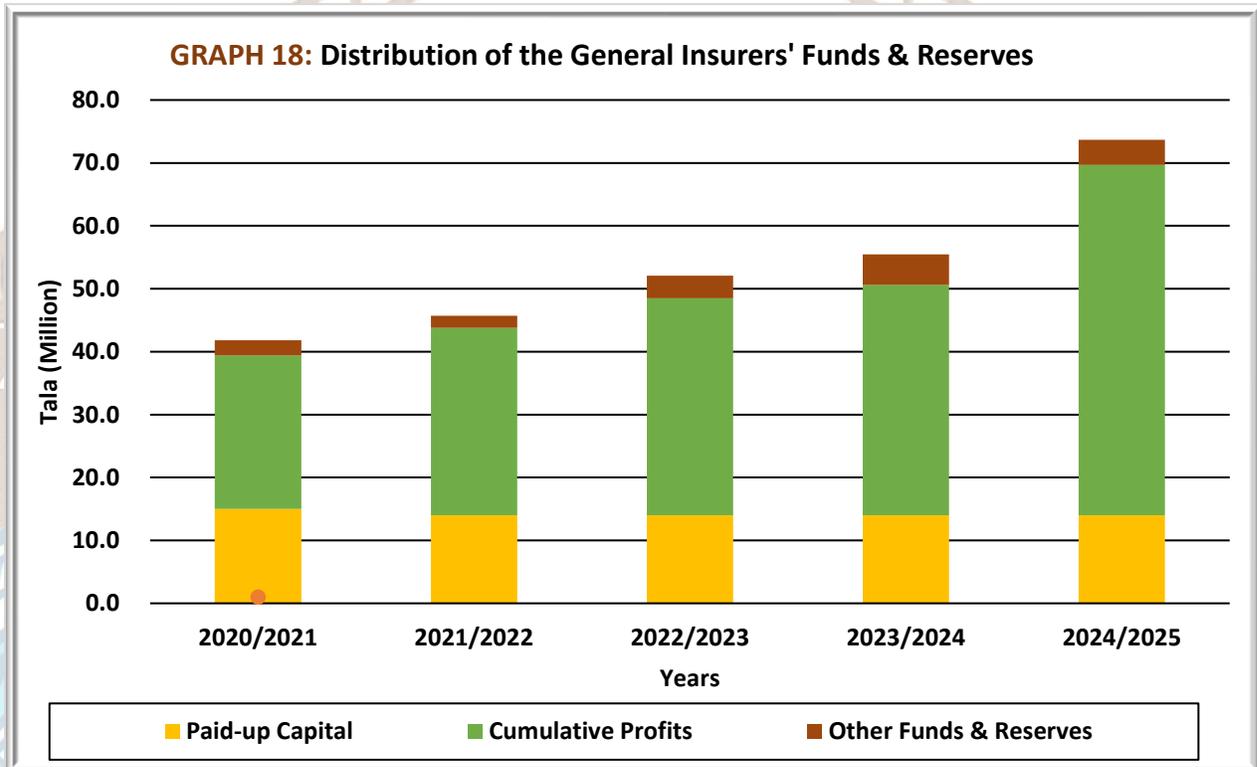


Source: General Insurance Companies

⁶ Other liabilities include amounts due, accounts payable and other provisions.

c. Owners' Fund

In FY2024/2025, the general insurance sector reported total shareholders' funds of \$73.7 million, reflecting a 30.2 percent increase (\$17.1 million) from the previous year. The growth was largely driven by a 47.7 percent rise (\$18.0 million) in cumulative profits, which reached \$55.7 million and accounted for 75.6 percent of total funds. Other components included paid-up capital of \$14.0 million (19.0 percent), general reserves of \$2.5 million (3.4 percent), and asset revaluation of \$1.5 million (2.0 percent). **(See Graph 18).**

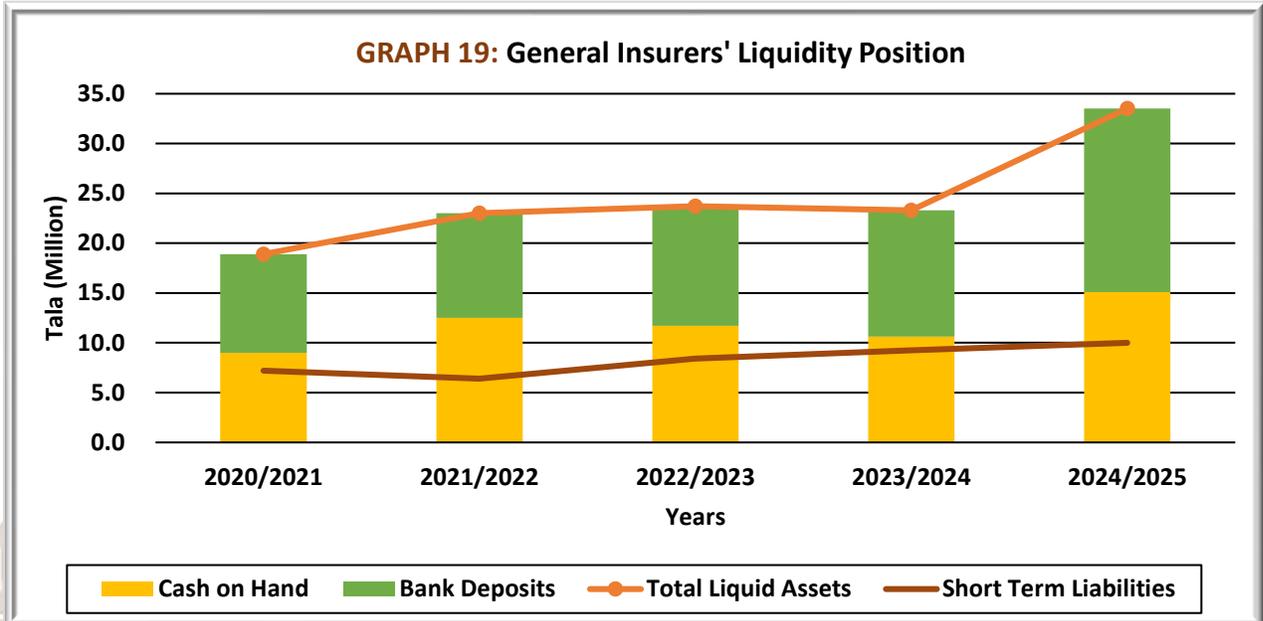


Source: General Insurance Companies

5. Liquidity Position

The general insurance sector held liquid assets of \$33.5 million, marking a 43.8 percent increase (\$10.2 million) over the previous year. Liquidity comprised solely of bank deposits and cash on hand, with the growth driven by increases in these components (see comments under 'Assets'). The sector's liquid assets represented 139.6 percent of total liabilities, providing full coverage for short-term obligations of \$10.0 million **(See Graph 19).**

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Source: General Insurance Companies



PARAMETRIC INSURANCE

UNDERSTANDING PARAMETRIC INSURANCE?



What is Parametric

Parametric insurance is a financial-risk-transfer contract in which a payout to the policyholder is triggered when a pre-defined measurable parameter or index (for example: wind speed, rainfall amount, earthquake magnitude, or number of people affected) reaches or exceeds a specified threshold — regardless of the actual loss or damage incurred.

How it Works

Set the trigger
 Define a measurable event threshold (e.g., cyclone wind speed of 120 km/h)

Monitor the event
 Independent data sources verify whether the event has occurred

Automatic Payout
 If the threshold is met or exceeded, a pre-agreed payout is received

Current Parametric Insurance Products in Samoa

Cyclone Insurance
 Triggered by cyclone wind speeds reaching or exceeding threshold

Flood Insurance
 Activated when rainfall or flood levels surpass a specified measurement

Drought Insurance
 Triggered by prolonged periods of insufficient rainfall by meteorological data

Earthquake Insurance
 Triggered when seismic activity exceeds a defined magnitude or ground shaking intensity

Microclimate Change Bundled Insurance
 Combined product offering protection against multiple weather-related risks (such as cyclone, floods, and drought) with general insurance benefits incl funeral, term life, personal accident, house fire loss, and hospital coverage.

Why Parametric Insurance Matters for Sustainability

Rapid Recovery
 Quick payouts help communities and businesses restore operations, reducing long term economic disruption

Disaster Resilience
 Encourage preparedness by providing financial certainty for extreme weather events

Inclusive Coverage
 Designed to reach underserved populations, such as farmers or small businesses

APPENDICES – STATISTICAL TABLES

1. Consolidated Table (Life and General)

Table 2: Domestic Insurance Industry – Financial Highlights

Samoa Insurance Industry (General & Life)
Financial Highlights
For FY 2024/2025

In Tala Thousands

	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
ASSETS					
1. Total Assets	119,501	130,656	141,448	148,938	164,659
2. Outstanding Premiums	9,068	8,458	8,825	10,586	9,159
3. Due from reinsurers ¹	6,593	4	146	6	20
4. Loans & Advances (net)	35,798	39,494	40,631	41,491	40,284
5. Investments	45,811	50,009	59,202	61,802	71,338
6. Fixed Assets (net)	6,089	10,729	12,317	11,949	13,937
7. Other Assets	16,142	21,962	20,327	23,104	29,921
LIABILITIES					
1. Total Liabilities	66,436	65,081	72,005	73,798	70,781
2. Unearned Premiums Provision ¹	12,154	12,669	12,429	12,133	12,272
3. Outstanding Claims Provision	6,815	5,687	7,068	7,498	3,752
4. Policy Liabilities ²	39,766	39,972	41,561	44,056	44,186
5. Other Liabilities	7,701	6,753	10,947	10,111	10,571
SHAREHOLDERS FUNDS & RESERVES					
1. Total Shareholders' Fund & Reserves	53,066	65,576	69,444	75,140	93,878
2. Paid-up Capital ¹	15,000	14,000	14,000	14,000	14,000
3. Cumulative Profits	30,276	34,932	40,188	45,086	62,350
4. Other Funds & Reserves	7,790	16,644	15,256	16,054	17,528
PROFITABILITY					
1. Net Profit / (Loss) after Tax ³	5,749	8,338	5,519	6,353	6,770
a. Total Operating Income	21,428	23,136	22,705	23,386	24,269
b. Total Operating Expenses	14,245	13,008	15,397	14,810	15,445
UNDERWRITING ACCOUNT					
1. Underwriting Surplus / (Deficit)	7,724	9,520	8,837	6,567	10,239
2. Gross Premiums Income	24,157	24,453	27,650	25,531	26,030
3. Net Premium Income/Insurance Premiums	19,500	19,235	22,156	19,731	21,440
4. Gross Claims Paid	9,518	8,745	11,195	10,489	9,549
5. Net Claims Paid & Policy Payments	9,403	8,721	11,186	10,469	9,534
6. Reinsurance Inwards ¹	115	24	9	20	15
7. Reinsurance Outwards	4,653	5,218	5,494	5,800	4,590
8. Net Earned Premiums ¹	19,458	19,766	22,257	19,912	21,160
9. Net Claims Incurred ¹	9,521	8,704	11,381	11,480	9,329
SOLVENCY					
1. Solvency Surplus / (Deficit)	22,108	33,263	33,402	34,434	50,999
2. Required Solvency Margin	6,246	6,498	6,767	6,537	6,670
3. Adjusted Net Assets	28,354	39,761	40,169	40,971	57,669
LIQUIDITY					
1. Total Liquid Assets	31,759	39,054	38,015	39,229	50,001
a. Cash on hand	11,812	17,543	14,842	18,202	23,136
b. Bank deposits	19,947	21,511	23,173	21,027	26,865

Note:

1. Figures relate to general insurers only.
2. Figure relates to life insurer only.
3. General insurers have different financial periods (i.e. March, June, September & December).

Source: General and Life Insurance Companies

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2. General Insurers' Table

Table 3: General Insurers' Financial Highlights

General Insurance Industry
Financial Highlights
For FY 2024/2025

In Tala Thousands

	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
ASSETS					
1. Total Assets	66,965	68,942	78,162	83,631	97,668
2. Outstanding Premiums	7,882	6,988	7,174	8,674	7,129
3. Due from reinsurers	6,593	4	146	6	20
4. Loans & Advances (net)	11,732	14,957	16,119	16,691	14,858
5. Investments	26,316	28,852	34,566	39,741	48,760
6. Fixed Assets (net)	2,155	2,182	3,796	3,575	5,685
7. Other Assets	12,287	15,959	16,361	14,944	21,216
LIABILITIES					
1. Total Liabilities	25,131	23,267	26,076	27,043	24,017
2. Unearned Premiums Provision	11,368	11,709	11,208	10,717	10,731
3. Outstanding Claims Provision	6,295	5,140	6,492	6,906	3,287
4. Other Liabilities	7,468	6,418	8,376	9,420	9,999
SHAREHOLDERS' FUND & RESERVES					
1. Total Shareholders Fund & Reserves	41,834	45,675	52,086	56,588	73,651
2. Paid-up Capital	15,000	14,000	14,000	14,000	14,000
3. Cumulative Profits	24,433	29,811	34,520	37,694	55,673
4. Other Funds & Reserves	2,401	1,864	3,566	4,894	3,978
PROFITABILITY					
1. Net Profit / (Loss) after Tax ¹	4,417	4,981	4,313	5,059	5,194
a. Total Operating Income	8,340	8,836	9,480	9,790	9,544
b. Total Operating Expenses	2,763	2,369	3,674	2,809	2,552
UNDERWRITING ACCOUNT					
1. Underwriting Surplus / (Deficit)	7,586	8,210	8,499	5,883	8,882
2. Gross Premiums Income	16,022	15,836	18,862	16,535	16,189
3. Net Premium Income/Insurance Premiums	11,369	10,618	13,368	10,735	11,599
4. Gross Claims Paid	2,443	2,177	3,464	3,029	1,966
5. Net Claims Paid	2,328	2,153	3,455	3,009	1,951
6. Reinsurance Inwards	115	24	9	20	15
7. Reinsurance Outwards	4,653	5,218	5,494	5,800	4,590
8. Net Earned Premiums	11,327	11,149	13,469	10,916	11,319
9. Net Claims Incurred	2,446	2,136	3,650	4,020	1,746
SOLVENCY					
1. Solvency Surplus / (Deficit)	13,122	15,860	18,589	18,755	33,718
2. Required Solvency Margin	4,000	4,000	4,222	4,000	4,000
4. Adjusted Net Assets	17,122	19,860	22,811	22,755	37,718
LIQUIDITY					
1. Total Liquid Assets	18,866	22,966	23,721	23,306	33,516
a. Cash on hand	8,955	12,467	11,683	10,614	15,092
b. Bank deposits	9,911	10,499	12,038	12,692	18,424

Note:

1. General insurers have different financial periods (March, June, September & December).

Source: General Insurance Companies