



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
Manila

24 November 2012

The HONORABLE CESAR V. PURISIMA
Secretary of Finance
Department of Finance
Manila

Dear Sir:

We have the honor to submit herewith our Annual Report for the year ended 31 December 2011 on the administration of the Insurance Code and the Pre-Need Code, as well as the performance of the insurance industry including that of the mutual benefit associations and pre-need companies.

Thank you.

Yours faithfully,



EMMANUEL F. DOOC
Insurance Commissioner

Table of Contents

Page/s

I. Administration of the Insurance and Pre-Need Codes

1. Licensing and Market Structure	2
2. Financial Surveillance	3
3. Tariff Compliance Monitoring	3
4. Public Assistance/Claims Adjudication	4
5. Conservation/Receivership/Liquidation	4
6. Security Deposits/Guaranty Fund/Security Fund	4
7. Reinsurance	4
8. Policy/Bond Forms/Endorsements/Riders	4
9. Regulatory Updates	5
a. Capitalization	5
b. Corporate Governance	5
c. Microinsurance	5
d. Compulsory Insurance Coverage for OFWs	6

II. Performance of the Insurance and Pre-Need Industries

1. Overview	8
2. Life Insurance	10-18
a. Premium Income	
b. New Business	
c. Terminations	
d. Insurance In Force	
e. Summary of Operations	
f. Investments	
g. Balance Sheet	
3. Non-Life Insurance	19-25
a. Gross Premiums	
b. Net Premiums	
c. Premiums Earned	
d. Losses Incurred	
e. Summary of Operations	
e. Investments	
f. Balance Sheet	
4. Mutual Benefit Associations (MBAs)	25-25
5. Trusts For Charitable Uses	25-25
6. Insurance and Reinsurance Brokers	26-26
7. Pre-Need	26-27

III. The Government Service Insurance System (GSIS)

27-27

IV. Appendices for the Insurance Industry

Statistical Tables	30-493
Regulatory Issuances in 2011	495-585
Licensed Insurance Companies	586-589
Licensed Insurance Brokers	590-591
Licensed Reinsurance Brokers	592-592
Licensed Insurance Adjusters	593-594
Licensed Resident Agents	595-597
Licensed Mutual Benefit Associations	598-598
Licensed Trusts for Charitable Uses	599-599
Accredited Actuaries	600-600
Accredited External Auditors	601-604
Licensed Pre-Need Companies	605-605

V. Appendices for the Pre-Need Industry

Statistical Tables	608-613
Regulatory Issuances in 2011	614-621
Licensed Pre-Need Companies	622-623

Administration of the Insurance Code

Pages

02-02	Licensing and Market Structure
03-03	Financial Surveillance
03-03	Tariff Compliance Monitoring
04-04	Public Assistance/Claims Adjudication
04-04	Conservation/Receivership/Liquidation
04-04	Security Deposits/Guaranty Fund/Security Fund
04-04	Reinsurance
04-04	Policy/Bond Forms/Endorsements Riders
05-05	Regulatory Updates
	a. Capitalization
	b. Corporate Governance
	c. Micro Insurance
	d. Compulsory Insurance Coverage for Overseas Filipino Workers (OFWs)

Tables:

02-02	Table 1: Insurance Companies Authorized to Transact Business in the Philippines as of 31 December 2011
03-03	Table 2: Licenses Issued to Insurance Intermediaries and Other Technical Support Entities - 2011

I. ADMINISTRATION OF THE INSURANCE AND PRE-NEED CODES

1. Licensing and Market Structure

For license year 2011 - 2012, a total of 116 insurance companies were granted certificates of authority (CA) or licenses to transact insurance business in the country. This is composed of 4 composite, 30 life and 81 non-life companies and 1 reinsurance company.

Also issued licenses were 26 mutual benefit associations (MBAs), 13 of which are microinsurance MBAs, and 2 trusts for charitable uses.

On the other hand, 21 pre-need companies received their licenses in January 2011 to expire 12 months thereafter.

Table 1 : Insurance Companies Authorized to Transact Business in the Philippines As of 31 December 2011					
Classification of Company	Direct Insurers			Prof. Reins.	TOTAL
	Composite	Life	Non-Life		
A. Domestic	3	22	73	1	99
B. Foreign					
Domestically Incorporated	1	7	5	-	13
Branch	-	1	3	-	4
Total	4	30	81	1	116

To support the insurers in the conduct of their business, a total of 46,030 intermediaries and technical support entities were issued certificates of registration.

Of the total intermediaries, 36,850 were licensed as ordinary agents, 192 general agents, 8,314 variable life agents, 51 resident agents and 86 brokers (63 insurance including 1 microinsurance, 23 reinsurance).

Accredited to provide technical support services were 407 non-life underwriters, 34 actuaries and 53 adjusters.

For external auditors, new and/or renewal accreditations were granted to 37 auditing firms and some 14 individual auditors or signing partners.

Table 2: Licenses Issued to Insurance Intermediaries and Other Technical Support Entities - 2011			
Sales/Technical Support	New	Renewal	Total
Ordinary Agents	12,677	24,173	36,850
Life	10,598	14,654	25,252
Non-Life	2,057	9,519	11,576
Microinsurance	22	-	22
General Agents	16	176	192
Life	5	37	42
Non-Life	11	139	150
Variable Life Agents	3,016	5,298	8,314
Brokers	2	84	86
Insurance	2	61	63
Reinsurance	-	23	23
Non-Life Underwriters	33	374	407
Resident Agents	7	44	51
Actuaries	6	28	34
Adjusters	4	49	53
External Auditors			
Firm	8	29	37
Individual	5	9	14

2. Financial Surveillance

On site and/or off site examinations of the financial condition and methods of doing business was conducted covering a total of 322 companies (insurance, pre-need and mutual benefit associations) covering 2009 and 2010 business operations.

The results of 121 individual insurance/pre-need company examinations summarized as “synopsis” were published in national newspapers of general circulation in accordance with law to inform the policyholders and other stakeholders of the financial condition of their insurers.

Financial statements of the insurance and reinsurance brokers, trusts for charitable uses and adjusters were also verified to determine their solvency.

3. Tariff Compliance Monitoring

Premium rates applied to a total of 53,902 bonds issued in favor of the government were verified and analyzed. In addition, a total of 53 companies were examined relative to their underwriting and rating practices. Some 1,641 breaches of tariff rates were noted for which a total of ₱ 3.92 million in penalties were collected.

4. Public Assistance/Claims Adjudication

A total of 30,946 meetings/conferences were held to assist the general public in their claims against insurance/pre-need companies or assist them resolve queries or complaints. These resulted in the issuance of 515 resolutions/orders, thus settling 12 formal cases and 993 informal cases filed with the Commission.

5. Conservation/Receivership/Liquidation

In 2011, Valuegen Financial Insurance Co., Inc. was issued a Cease and Desist Order and was placed under Conservatorship. During the same year, Pension & Retirement Plan Corporation was placed under conservatorship while conservators were appointed for six pre-need companies such as Rhine Plans Corporation, Primeplan Int'l Corporation, Pryce Plans Inc., Pamana Inc., Phil. Asia Care Plans, Inc. and Danvil Plans.

6. Security Deposits/Guaranty Fund/Security Fund

The total security deposits and guaranty fund deposited with the Insurance Commission amounted to ₱ 7,934.53 million as of December 31, 2011. These deposits were in the form of government bonds, time deposits and stock certificates of which, 58.42% came from the non-life companies, 26.24% from the life companies, 4.5% from composite companies, 7.41% from MBAs and 3.43% from suspended companies.

7. Reinsurance

A total of 518 requests for facultative placements abroad were approved by the Commission while at the same time reinsurance treaties/agreements, cover notes and certifications in support of foreign exchange remittances were evaluated and approved during the year. Reports on foreign exchange receipts and statistical reports were likewise reviewed and found compliant with regulatory requirements.

8. Policy/Bond Forms/Endorsements/Riders

A total of 4,013 plans/riders/forms for various traditional life insurance products, variable unit linked (VUL) products, products/policy forms for microinsurance and migrant workers compulsory insurance were evaluated and approved in 2011. For non-life, 46 bond forms and 376 policy forms were likewise evaluated and approved during the year.

9. Regulatory Updates

a. Capitalization

The required annual build-up in minimum paid-up capital of insurance companies was continued in 2010 where the paid-up capital was further increased to ₦ 125 million and higher for companies with more than 40% foreign equity. All those insurance companies that have been granted license or certificates of authority for 2011-2012 were found compliant with the requirement.

b. Corporate Governance

In addition to the various requirements related to enhance corporate governance in all regulated entities, aside from the previously required annual submission of scorecards, the IC held integrity pledging sessions with various industry sectors such as life and non-life insurance sectors, mutual benefit associations and pre-need sectors. Highlight of the sessions was the recitation of the Integrity Pledge by all company presidents or Chief Executive Officers.

The officers and staff of the Insurance Commission likewise recited their Integrity Pledge in appropriate ceremonies as a sign of commitment to integrity, good governance and moral values mandated them as public servants.

c. Microinsurance

In support of the microinsurance program launched by the government as a tool for poverty alleviation, IC issued Circular Letter No. 5-2011 prescribing a set of performance standards covering the areas of solvency and stability, efficiency, governance, understanding of the products by the client, risk based capital and outreach (SEGURO) on which entities offering microinsurance products and services shall be evaluated and monitored.

Likewise issued was Circular Letter No. 6-2011 which sets out the guidelines for the approval of training programs and licensing of individuals and entities interested in becoming microinsurance agents. Under the circular, microfinance institutions like rural banks and non-government organizations may also be allowed to become microinsurance agents subject to certain conditions. Some 22 microfinance institutions were granted authority to act as microinsurance agents or microinsurance broker.

Prototype microinsurance products for life and non-life insurance were approved with simplified and easy to understand policy provisions. These types of policies which may be adopted by microinsurance providers are envisioned to enhance the saleability of microinsurance to target groups.

In addition, a roadmap to financial literacy on microinsurance was formulated and rolled out in the 4th quarter of 2011.

d. Compulsory Insurance Coverage for Overseas Filipino Workers (OFWs)

The original tariff prescribed for this type of insurance was liberalized in 2011 thus leaving to the sound underwriting decisions of the insurance providers the rates to be used. This was done in response to the clamor of the recruitment agencies. However, the same amendment requires that reserves be computed on the basis of the tariff earlier prescribed to ensure that there will be sufficient provision to pay claims.

Participating in this program as accredited insurance providers were nine insurance companies (1 composite, 4 non-life and 4 life companies). Other companies have also indicated strong interest to participate in the program.

Since the implementation of this compulsory insurance in 2010, close to 400,000 agency-hired Overseas Filipino Workers (OFWs) have been covered and some ₱ 3.5 million in claims have already been settled.

Performance of the Industry in 2011

Pages

08-10	An Overview
11-19	The Life Insurance Industry
19-25	The Non-Life Insurance Industry
25-25	Mutual Benefit Associations (MBAs)
25-25	Trusts for Charitable Uses
26-26	Insurance and Reinsurance Brokers
26-27	Pre-Need Industry
27-27	Government Service Insurance System (GSIS)

Tables:

09-09	Table 3: Philippine Economic Indicators, 2007-2011
11-11	Table 4: New Business Generated, 2007-2011
12-12	Table 5: Ordinary New Business, 2007-2011
12-12	Table 6: Group Insurance New Business, 2010-2011
12-12	Table 7: Distribution of New Business by Type of Policy, 2007-2011
13-13	Table 8: Terminated Insurance Policies and Sum Insured (as of 31 December 2011)
14-14	Table 9: Life Insurance in Force/Premium Income, 2010-2011
15-15	Table 10: Summary of Operations of Life Insurance Industry, 2011 (P billions)
16-16	Table 11: Investments by Category, 2011 (P billions)
16-16	Table 12: Investments of Life Insurers in Bonds & Government Securities, 2011(P billions)
17-17	Table 13: Consolidated Balance Sheet of Life Insurers, 2011 (P billions)
18-18	Table 14: Gross Premiums Written of Private Non-Life Companies & Professional Reinsurer, 2010-2011(P billions)
19-19	Table 15: Net Premiums of Non-Life Companies & Professional Reinsurer, 2010-2011(P billions)
20-20	Table 16: Loss Ratios of Non-life Companies & Professional Reinsurer, 2010-2011
21-21	Table 17: Summary of Operations of Non-life Companies & Professional Reinsurer, 2011 (P billions)
22-22	Table 18: Investments by Category of Non-Life Companies & Professional Reinsurer, 2011(P billions)
22-22	Table 19: Investments in Bonds & Government Securities of Non-Life Companies & Professional Reinsurer, 2011 (P billions)
23-23	Table 20: Consolidated Balance Sheet of Non-Life Companies & Professional Reinsurer, 2011 (P billions)
25-25	Table 21: Brokers' Business Operations, 2011 (P-millions)
27-27	Table 22: Government Service Insurance System Key Insurance Statistics, 2010-2011 (P billions)

Charts:

09-09	Chart 1: Assets, Investments, Premium Income/Earned and Claims/ Benefit Payments of Insurance Industry 2007-2011
10-10	Chart 2: Premium Income of Life Insurers Traditional and Variable, 2007-2011
19-19	Chart 3: Net premiums Written of Non-Life Companies & Professional Reinsurer by Line of Business, 2007-2011

II. PERFORMANCE OF THE INSURANCE AND PRE-NEED INDUSTRIES

1. Overview

The industry's total premium income and net premiums written as of the year-end 2011 amounted to ₱112.26 billion, an increase of 19.40% more than the previous year's ₱ 94.02 billion. Data gathered from the submitted 2011 annual statements of insurance companies revealed that 45.06% of the total premium income was accounted for by variable life products and 50.07% of the total net premiums written was accounted for by the non-life sector's motor car business.

Aggregate assets increased to ₱ 643.77 billion, 9.97 % more than the ₱ 585.43 billion reported during the previous year. Of these assets, 67.47% were placed in such investments as bonds, stocks, real estate, short term investments and other investments allowed under the pertinent provisions of the Insurance Code.

The combined net profit of industry during the year under review amounted to ₱ 17.38 billion, 20.87% more than the ₱ 14.38 billion net income in 2010. Both life and non-life sectors posted increases in net profit by 16.81% and 41.59%, respectively.

Benefit payments/losses incurred during the year rose to ₱ 55.72 billion, 26.67% higher than the ₱ 43.99 billion in 2010. The life sector paid 81.69% of the total benefits to its policyholders during the year.

Total networkth as of the year-end amounted to ₱ 151.73 billion, up by 8.77% than the previous year's ₱ 139.50 billion. The life sector contributed ₱ 98.48 billion or 64.90% of the total networkth which was 8.49% more than that of 2010.

Insurance companies paid taxes to the government thru accredited banks. During the year, the Commission was able to monitor some banks to have received ₱ 11.72 billion contribution of the insurance industry to the national treasury in the form of tax payments (premium tax, value-added tax, documentary stamp tax, withholding tax and income tax), an increase of 17.08% from the prior year's ₱ 10.01 billion. The total amount covered ₱ 0.73 billion premium tax, ₱ 2.64 billion value-added tax, ₱ 3.81 billion documentary stamp tax, ₱ 4.34 billion withholding tax and ₱ 0.20 billion income and other taxes.

Chart 1: Assets, Investments, Premium Income/Earned and Claims/Benefit Payments of the Insurance Industry 2007-2011

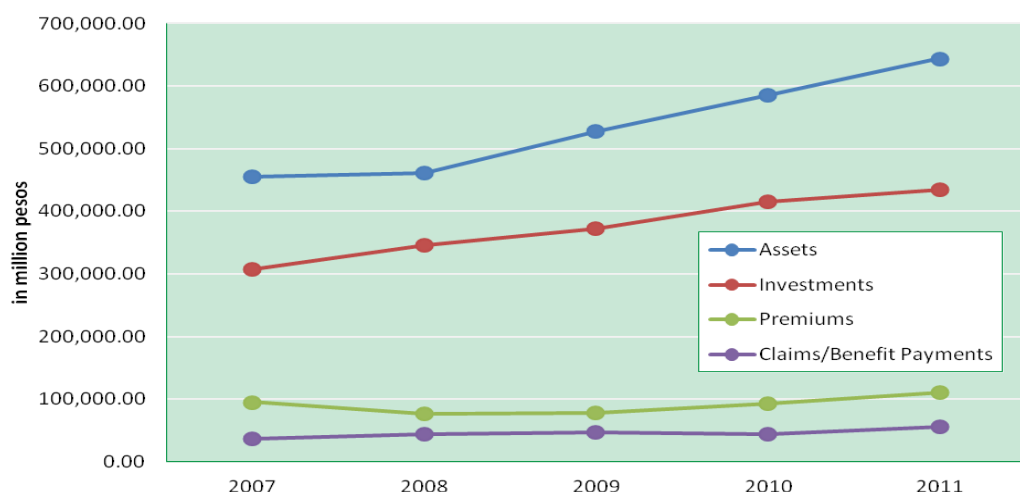


Table 3: Philippine Economic Indicators, 2007-2011

ECONOMIC AND INSURANCE DEVELOPMENT DATA	2007	2008	2009	2010	2011
GROSS NATIONAL INCOME					
At Current Prices (₱ M)	8,634,132	9,776,185	10,652,466	11,996,077	12,878,127
At Constant Prices (₱ M)	6,276,013	6,590,009	6,988,767	7,561,386	7,803,016
GROSS DOMESTIC PRODUCT					
At Current Prices (₱ M)	6,892,721	7,720,903	8,026,143	9,003,480	9,735,521
At Constant Prices (₱ M)	5,028,288	5,237,101	5,297,240	5,701,539	5,924,409
POPULATION (in millions)	88.7	90.5	91.0 r	92.6 r	94.2
PER CAPITA GROSS NATIONAL INCOME (₱)	97,340.8	108,024.1	117,060.1 r	129,547.3 r	136,710.5
LABOR FORCE (Average) (In million persons)	36..63	36.81	37.89	38.91	40.00
Employed	33.70	34.09	35.06	36.05	37.19
Unemployed	2.93	2.72	2.83	2.86	2.81
EXCHANGE RATE (per US\$)	41.40	47.49	46.36	43.88	43.93
INFLATION RATE	1.25%r	4.26%r	2.09%r	1.51%r	2.72%
Per capita expenditure (₱)	1,080.8	859.5	845.4	1,000.2	1,191.7
Life	859.2	628.6	620.8	752.4	916.6
Non-Life	221.6	230.9	224.6	247.8	275.1
Life sum insured as % of G D P	26.48%	25.99%	27.41%	25.56%	30.80%
G N I	21.14%	20.53%	20.65%	19.18%	23.28%
Premiums (Life & Non-Life)					
As % of G D P	1.44%	1.01%	1.02%	1.04%	1.15%
G N I	1.15%	0.80%	0.77%	0.78%	0.87%
Gross value added on insurance	78,908	83,241	86,983	99,169r	112,946
ESTIMATED LIFE INSURANCE COVERAGE	13.63%	14.01%	14.08%	16.33%	18.29%

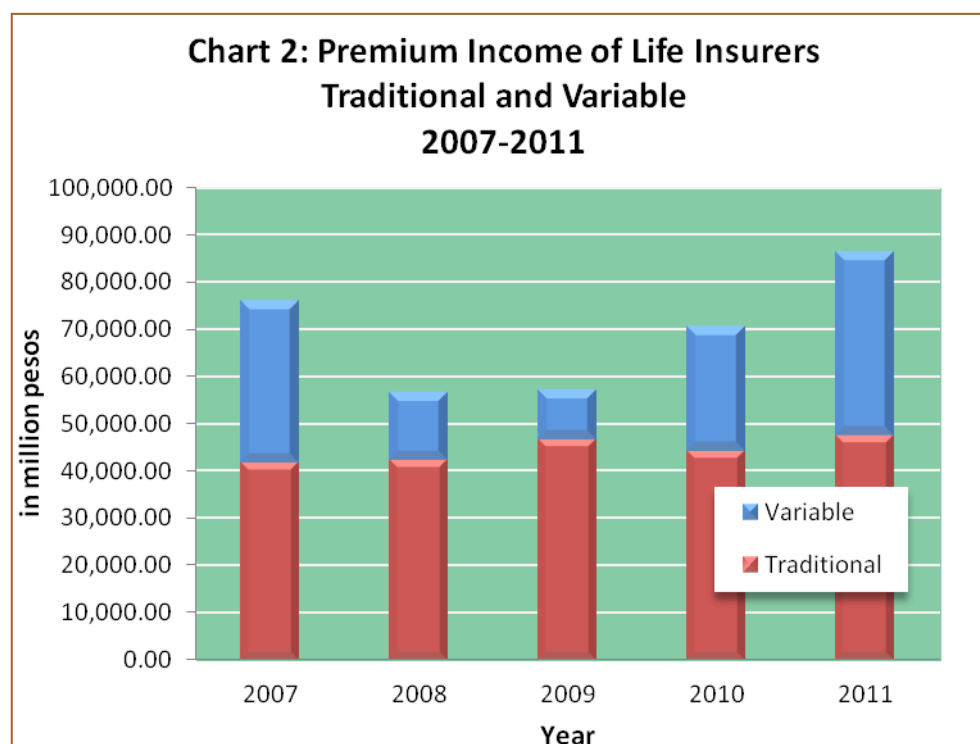
At the macro level, the life sum insured of ₱ 2,998.15 billion as a percentage of Gross Domestic Product was recorded at 30.80% while the combined premiums was computed at 1.15% of the same. Estimated life insurance coverage for 2011 was computed at 18.29% of the total population. It can be gleaned from Table 3 that there were increments in all data relative to insurance.

2. The Life Insurance Industry

a. Premium Income

For the year 2011, the life insurance sector generated total premium income of ₱ 86.35 billion, 22.08% more than the prior year's generated premiums of ₱ 70.73 billion. Data from the 2011 annual statements of insurance companies show that premium income from variable life insurance increased by 46.79% to ₱ 38.91 billion which accounted for 45.06% of the total premiums as of year-end. Ordinary and group insurance contributed 41.36% and 13.49% of the total premiums respectively.

Premium income from the sale of microinsurance products was recorded at ₱ 76.9 million as of the year-end.



b. New Business

During the year under review, there were 317,241 new policies issued, slightly 0.73% more than the 314,954 policies issued in 2010. Of these policies, 71.44% were ordinary life insurance policies, 26.86% were variable policies while the remaining 2.70% were accounted for by group and microinsurance policies.

Despite the slight decline in the number of group life policies issued during the year, the corresponding certificates increased by 110.10% to 5,319,581 from previous years 2,531,903 as reflected in Table 6.

Table 4: New Business Generated, 2007-2011						
A. Traditional Insurance Products						
Year	Policies		Annual Premium		Sum Assured	
	Number	% Change	₱ billion	% Change	₱ billion	% Change
2011	231,896	1.18	13.71	8.90	621.89	103.99
2010	229,195	6.13	12.59	(12.69)	304.86	(25.76)
2009	215,962	13.78	14.42	50.21	410.65	54.28
2008	189,803	(5.64)	9.60	0.84	266.18	(1.14)
2007	201,148	(46.79)	9.52	6.13	269.26	21.94
B. Variable Life Products						
2011	85,222	(0.63)	33.46	54.26	42.77	(15.21)
2010	85,759	65.31	21.69	206.36	50.44	61.25
2009	51,878	(34.80)	7.08	(42.01)	31.28	(27.19)
2008	79,572	(30.92)	12.21	(62.93)	42.96	(2.05)
2007	115,190	184.50	32.94	139.04	43.86	194.96
B. Microinsurance Products						
2011	123	-	0.05	-	44.77	-
	(747,012)					

Table 4 shows that the number of new policies issued for the traditional insurance products increased by a small percentage during the year under review and that for the variable products slightly decreased. However, the reported premium income for the products rose by 8.90% and 54.26% to ₱ 13.71 billion and ₱ 33.46 billion respectively.

During the year, there were 3 companies which ventured in selling microinsurance to low-income Filipinos which led to 123 microinsurance policies sold in 2011 for which 747,012 certificates were issued.

A total of 226,648 new policies were issued for traditional products in 2011 which was 1.36% more than the 223,608 policies issued in 2010. Despite the increase in the number of policies, the corresponding sum assured decreased which can be gleaned in Table 5.

Table 5: Ordinary New Business, 2007-2011						
A. Traditional Insurance Products						
	Policies		Annual Premium		Sum Assured	
Year	Number	% Change	₱ Billion	% Change	₱ Billion	% Change
2011	226,648	1.36	8.81	(1.56)	79.81	(2.03)
2010	223,608	4.99	8.95	(25.10)	81.46	21.13
2009	212,977	14.37	11.95	63.25	67.25	(6.31)
2008	186,210	(5.86)	7.32	(5.30)	71.78	0.63
2007	197,808	(47.14)	7.73	2.11	71.33	(14.91)

Table 6: Group Insurance New Business, 2007-2011						
Year	Policies		Annual Premium		Sum Assured	
	Number (Certificates)	% Change	₱ billion	% Change	₱ billion	% Change
2011	5,248 (5,319,581)	(6.07) 110.10	4.90	34.25	542.08	142.66
2010	5,587 (2,531,903)	87.17 24.93	3.65	47.18	223.39	(34.95)
2009	2,985 (2,026,619)	(16.92) (12.63)	2.48	8.77	343.40	76.65
2008	3,593 (2,319,711)	7.57 (5.06)	2.28	27.37	194.40	(1.78)
2007	3,340 (2,443,325)	(11.87) 30.99	1.79	27.86	197.93	44.48
** Data in parentheses stand for number of certificates						

Table 6 reflects that group policies issued in 2011 slightly decreased as compared to the issuances in 2010. However, the annual premiums of ₱ 4.90 billion was 34.25% higher than the previously reported ₱ 3.65 billion. Corresponding number of certificates issued and sum assured both increased by 110.10% and 142.66% respectively.

Table 7: Distribution of New Business by Type of Policy, 2007-2011								
A. Traditional Insurance Products								
Year	Whole Life		Term		Endowment		TOTAL	
	Policies	Amount (₱ B)	Policies (Certs.)	Amount (₱ B)	Policies (Certs.)	Amount (₱ B)	Policies (Certs.)	Amount (₱ B)
2011	116,487	28.36	35,945 (5,300,594)	570.83	79,464 (18,987)	22.70	231,896 (5,319,581)	621.89
2010	118,043	35.09	35,573 (2,519,535)	251.75	75,579 (12,368)	18.02	229,195 (2,531,903)	304.86
2009	114,397	32.59	25,981 (2,019,990)	361.35	75,584 (6,629)	16.71	215,962 (2,026,619)	410.65
2008	98,008	36.38	30,948 (2,314,687)	214.22	60,847 (5,024)	15.58	189,803 (2,319,711)	266.18
2007	106,104	43.09	23,961 (2,442,108)	209.54	71,083 (1,217)	16.63	201,148 (2,443,325)	269.26

As of the end of the year, a total of 231,896 traditional new policies were issued, 1.18% higher than those issued in 2010. These new policies are comprised of 50.23% whole life, 15.50% term and 34.27% endowment policies.

c. Terminations

While there were new policies issued during the year, there were also terminations in the form of deaths of the policyholders, maturities, surrenders, lapsations, expiries of the policies and others. The highest percentage of termination was noted at 48.43% for lapsation followed by expiry at 33.46% and the smallest percentages were death and maturity at both 0.98% of the total terminations.

Table 8: Terminated Insurance Policies and Sum Insured (as of 31 December 2011)							
Types of Policies	Number of Policies						TOTAL
	Death	Maturity	Surrender	Lapse	Expiry	Others	
Ordinary	8,029	35,203	48,378	118,110	26,691	28,135	264,546
Group	3,526	-	71	1,753	1,381	3	6,734
Certificates	(23,286)	(4)	(7,412)	(1,755,403)	(2,387,580)	(398,655)	(4,572,340)
Industrial	-	-	-	-	15	-	15
Variable	204	-	23,439	15,526	709	-	39,878
Microinsurance	- (2,217)	-	-	-	1 (162,027)	-	1 (164,244)
TOTAL	11,759 (25,503)	35,203 (4)	71,888 (7,412)	135,389 (1,755,403)	28,797 (2,549,607)	28,138 (398,655)	311,174 (4,736,584)
* Data in parentheses stand for number of certificates							
Terminated Sum Assured (in billion pesos)							
Types of Insurance	Death	Maturity	Surrender	Lapse	Expiry	Others	TOTAL
Ordinary	2.07	4.68	17.64	45.17	6.66	9.88	86.10
Group	2.43	0.01	0.46	175.35	143.63	41.44	363.32
Industrial	-	-	-	-	0.00	-	0.00
Variable	0.10	-	7.10	10.47	0.04	0.48	18.19
Microinsurance	0.09	-	-	-	9.28	-	9.37
TOTAL	4.69	4.69	25.20	230.99	159.61	51.80	476.98

d. Insurance in Force

There were 3,505,704 policies in force at the end of the year, 3.54% more than the 3,385,934 in force policies in 2010. Of this, 75.01% or 2,629,646 were ordinary policies, 13.44% or 471,271 were group policies, 11.53% or 404,077 were variable life policies and the remaining 0.02% were industrial and microinsurance policies.

Corresponding total premium income amounted to ₱ 86.35 billion, 22.08% higher than the premium generated in 2010 amounting to ₱70.73 billion. The biggest portion of the amount or 45.06% was derived from the variable life insurance amounting to ₱ 38.91 billion, followed by ordinary insurance with 41.36% or ₱ 35.72 billion, and 13.49% group insurance or ₱ 11.64 billion.

During the year, 3 insurance companies reported a ₱ 0.08 billion premium income from 136 microinsurance policies with 612,497 certificates issued to low income policyholders. These companies include Country Bankers Life Insurance Corporation, Philippine Prudential Life Insurance Company, Inc. and Pioneer Life Incorporated.

Table 9: Life Insurance in Force/Premium Income , 2010-2011

A. Traditional Insurance Products									
Types of Policies	Number of			Insurance-in-Force			Premium Income		
	Policies			(In billion pesos)			(In billion pesos)		
	2011	2010	% Change	2011	2010	% Change	2011	2010	% Change
Ordinary	2,629,646	2,596,626	1.27	899.06	870.52	3.28	35.72	34.30	4.14
Group	471,271	473,290	(0.43)	1,861.96	1,281.82	45.26	11.64	9.92	17.34
Certificates	(13,580,719)	(12,209,013)	11.24						
Industrial	574	589	(2.55)	0.00	0.00	-	-	-	-
TOTAL	3,101,491 (13,580,719)	3,070,505 (12,209,013)	1.01 11.24	2,761.02	2,152.34	28.28	47.36	44.22	7.10
B. Variable Life Products									
VUL	404,077	315,424	28.11		148.51	34.34	38.91	26.51	46.77
C. Microinsurance Products									
	136 (612,497)	-	-	37.62	-	-	.08	-	-

e. Summary of Operations

For the year under review, the life sector posted ₱ 14.04 billion net income including capital gains, up by 15.65% from the ₱ 12.14 billion of the previous year. This was mainly due to the increases of 43.44%

and 6.21% in underwriting income and investment income respectively. Underwriting expenses and general expenses likewise increased by 30.24% and 15.24 % respectively during the year. However, this was covered up by the 22.08% and 76.79% increments in generated premium income and other underwriting income recorded during the year.

Table 10: Summary of Operations of Life Insurance Industry, 2011 (₱ billion)			
PARTICULARS	LIFE		
	Domestic	Foreign	Total
Underwriting Income	<u>33.52</u>	<u>37.80</u>	<u>71.32</u>
Premium Income	40.01	46.34	86.35
Less: Inc./ (Dec) in Reserves	13.05	13.90	26.95
Commissions Earned	0.01	0.03	0.04
Other Underwriting Income	6.55	5.33	11.88
Less: Underwriting Expenses	<u>33.29</u>	<u>40.92</u>	<u>74.21</u>
Benefit Payments	19.38	26.14	45.52
Commissions Expenses	2.46	4.84	7.30
Premium Tax Incurred	0.34	0.43	0.77
Other Underwriting Expenses	11.11	9.51	20.62
Underwriting Gain/Loss	<u>0.23</u>	<u>(3.12)</u>	<u>(2.89)</u>
Add: Gross Investment Income	10.96	21.89	32.85
Other Income/Expenses	3.16	(1.34)	1.82
SUB – TOTAL	14.35	17.43	31.78
Less: Taxes other than Premium and Income Tax	1.05	3.30	4.35
Other General Expenses	6.33	6.90	13.23
Income Tax	0.12	0.04	0.16
Net Income / Loss for the year Including Capital Gains	6.85	7.19	14.04

f. Investments

Total investments by the life sector in 2011 amounted to ₱ 382.78 billion, 5.15% higher than the total invested assets in 2010. During the year, investments in bonds in the amount of ₱ 245.35 billion remained the biggest contributor accounting for 64.10% of the total investments, followed by guaranteed loans amounting to ₱ 40.61 billion or 10.61%, policy loans of ₱ 31.74 billion or 8.29%, stocks of ₱ 27.37 billion or 7.15%, fixed deposits of ₱ 14.74 billion or 3.85% and other invested assets of ₱ 22.97 billion or 6.00%.

It can be gleaned from Table 11 that the foreign companies accounted for 64.95% of the total investments at cost of the ₱ 382.78 billion in 2011.

The total investments in bonds and government securities placed by the life sector amounted to ₱ 241.36 billion, 7.56% higher than the placements in 2010. Of this amount, ₱ 226.98 billion was

placed in government securities, 10.72% more than the previous placements of ₱ 205.00 billion in 2010. As shown in Table 12, the most popular of these government bonds were treasury notes and ROP bonds. The other ₱ 14.38 billion was placed in private and foreign bonds.

Table 11: Investments by Category, 2011 (₱ billions)			
PARTICULARS	LIFE		
	Domestic	Foreign	Total
Bonds	65.04	180.31	245.35
Stocks	15.52	11.85	27.37
Real Estate	10.22	2.55	12.77
Purchase Money Mortgages	-	-	-
Mortgage Loans	1.77	0.23	2.00
Collateral Loans	1.61	-	1.61
Guaranteed Loans	14.10	26.51	40.61
Policy Loans	10.05	21.69	31.74
Other Loans	3.60	0.20	3.80
Short –Term Investments	0.05	-	0.05
Other Investments	2.60	0.14	2.74
Fixed Deposits	9.62	5.12	14.74
TOTAL	134.18	248.60	382.78

Table 12: Investments of Life Insurers in Bonds & Government Securities, 2011 (₱ billions)	
TYPES OF BONDS/SECURITIES	
Long–Term Government Bonds	<u>226.93</u>
<i>Treasury Notes</i>	197.30
<i>Land Bank Bonds</i>	0.03
<i>Pag-ibig Bonds</i>	0.06
<i>ROP Bonds</i>	25.64
<i>Retail Bonds</i>	1.53
<i>Other Government Bonds</i>	2.37
Short-Term Government Securities	<u>0.05</u>
<i>Treasury Bills</i>	0.05
Total Government Securities	<u>226.98</u>
<i>Private Bonds</i>	10.59
<i>Foreign Bonds</i>	3.79
GRAND TOTAL	<u>241.36</u>

g. Balance Sheet

The total reported assets of the life sector as of the year-end amounted to ₱ 531.59 billion, 11.57% more than the reported assets during the previous year. The growth in the recorded assets was attributed to the noted increases in bonds of 10.03%, cash of 27.61% and investments in variable life contracts of 34.88%.

**Table 13: Consolidated Balance Sheet
of Life Insurers, 2011
(₹ billions)**

PARTICULARS	LIFE		
	Domestic	Foreign	Total
ASSETS			
Bonds	64.30	178.72	243.02
Stocks	33.36	19.53	52.89
Real Estate Owned	13.80	1.02	14.82
Purchase Money Mortgages	-	-	-
Mortgage Loans	1.77	0.22	1.99
Collateral Loans	1.61	-	1.61
Guaranteed Loans	14.10	26.51	40.61
Policy Loans	10.05	21.69	31.74
Other Loans	3.38	0.19	3.57
Short - Term Investments	0.05	-	0.05
Security Fund	0.00	0.01	0.01
Other Investments	3.07	0.96	4.03
Cash on Hand & in Banks	12.40	14.50	26.90
Net Premiums Due & Uncollected	0.91	1.25	2.16
Due From Ceding Companies	0.18	0.14	0.32
Funds Held by Reinsurers	0.22	0.08	0.30
Accrued Interest & Other Investment	1.80	5.07	6.87
EDP Equipment	0.31	0.32	0.63
Investments for Variable Life Contracts	43.25	54.63	97.88
Other Assets	1.89	0.30	2.19
TOTAL ASSETS	206.45	325.14	531.59
LIABILITIES			
Legal Policy Reserves	93.77	183.22	276.99
Policy & Contract Claims	3.48	1.45	4.93
Policyholders Dividends	8.85	34.81	43.66
Dividends Payable to Stockholders	0.67	-	0.67
Liability for Premium Deposit Funds	4.85	3.39	8.24
Premiums Due to Reinsurers	0.64	0.49	1.13
Prem./Loss Reserves Withheld For Reinsurers	0.02	0.02	0.04
Taxes/Licenses Payable	1.00	0.34	1.34
Commission & Other Charges Payable	1.10	1.38	2.48
Accounts/Notes Payable	1.86	6.18	8.04
Unearned Investment Income	0.33	0.03	0.36
Variable Life Contracts Liabilities	41.21	39.2	80.41
Other Liabilities	2.02	2.80	4.82
TOTAL LIABILITIES	159.80	273.31	433.11
NETWORTH			
Paid-Up Capital/Statutory Deposits	6.11	6.70	12.81
Paid-In Capital	1.20	0.75	1.95
Deposit on Stock Subscription	0.32	0.15	0.47
Investment Fluctuation Reserves	22.97	8.74	31.71
Contributed Surplus	1.00	1.18	2.18
Contingency Surplus	2.03	0.52	2.55
Other Assigned Surplus	0.20	0.43	0.63
Unassigned Surplus	12.82	33.36	46.18
TOTAL NETWORTH	46.65	51.83	98.48
TOTAL LIABILITIES & NETWORTH	206.45	325.14	531.59

Total networth likewise grew by 8.48% to ₦ 98.48 billion from ₦90.78 billion brought about by the increases in paid-up capital/statutory deposits, paid-in capital, investment fluctuation reserves and other assigned surplus.

3. The Non-Life Insurance Industry

a. Gross Premiums

In 2011, the non-life insurance sector had a total of ₦ 42.61% billion gross premium production, a 15.51% increment over the ₦ 36.89 billion production in 2010. All lines contributed to the increase in premium production with fire accounting for 18.85%, followed by casualty with 15.85%, motor car with 14.56%, suretyship with 12.74% and marine with 9.85%.

While motor car and fire lines of business shared the bigger portions of the total gross premiums in 2011, life for professional reinsurer remained the same as reflected in the following table.

Table 14 : Gross Premiums Written of Private Non-Life Companies & Professional Reinsurer, 2010-2011 (₦ billions)				
LINE OF BUSINESS	2011		2010	
	Amount (₦ B)	% to Total	Amount (₦ B)	% to Total
Fire	12.86	30.18	10.82	29.33
Marine	4.46	10.47	4.06	11.01
Motor Car	13.53	31.75	11.81	32.01
Casualty	9.94	23.33	8.58	23.26
Suretyship	1.77	4.15	1.57	4.26
Life for PR	0.05	0.12	0.05	0.13
TOTAL	42.61	100.00	36.89	100.00

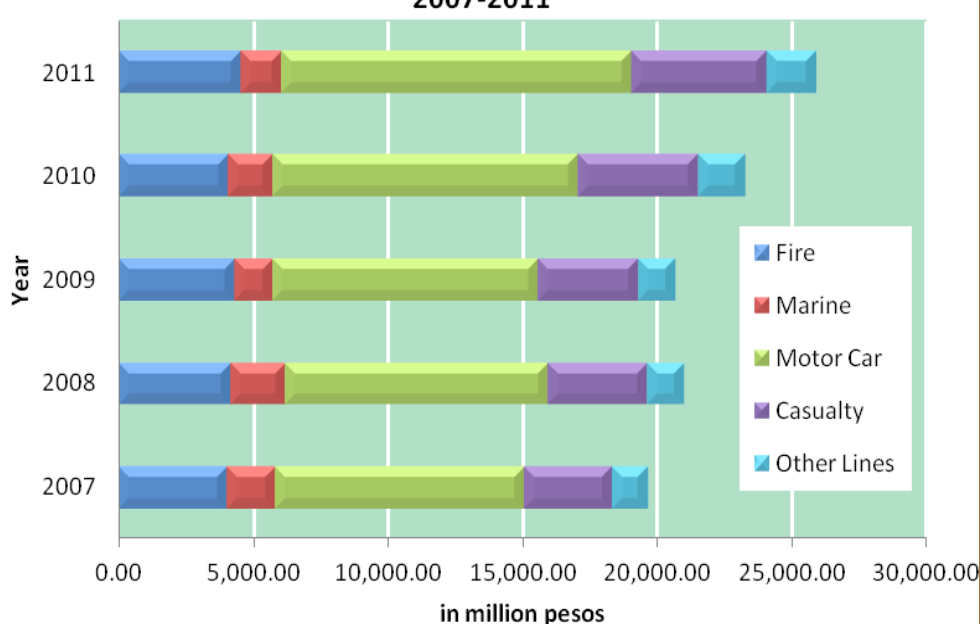
b. Net Premiums Written

For 2011, the total net premiums written by non-life insurance companies rose by 11.25% to ₦ 25.91 billion from the ₦ 23.29 billion of 2010. As in the past years, net premiums written for motor car increased and dominated the industry as it shared 50.06% of the total net premiums written in 2011. Other lines likewise increased, however, a lower net retention ratio of 60.81% was recorded in 2011 from the 63.13% of the previous year.

**Table 15: Net Premiums of Non-Life Companies
& Professional Reinsurer, 2010-2011
(₱ billions)**

LINE OF BUSINESS	2011	2010	% Increase/(Decrease)
Fire	4.51	4.05	11.36
Marine	1.55	1.66	(6.63)
Motor Car	12.97	11.35	14.27
Casualty	5.01	4.46	12.33
Suretyship	1.60	1.43	11.89
Life for PR	0.27	0.34	(20.59)
TOTAL	25.91	23.29	11.25

**Chart 3: Net Premiums of Non-Life Insurers including
Professional Reinsurer by Line of Business
2007-2011**



c. Premiums Earned

Premiums earned during the year increased to ₱ 24.52 billion, 10.85% higher than the ₱ 22.12 billion of 2010. A closer look at Table 16 reveals that premiums earned in all lines of business increased, however, there were minute decreases in some sublines namely Life for Professional Reinsurers, Marine Cargo and Aviation.

Table 16. Loss Ratios of Non-Life Companies & Professional Reinsurer 2010-2011						
LINE OF BUSINESS	2011			2010		
	Losses Incurred (P B)	Premiums Earned (P B)	Loss Ratio (%)*	Losses Incurred (P B)	Premiums Earned (P B)	Loss Ratio (%)*
1. Fire and Allied Perils	2.37	4.13	57.21	2.02	4.03	50.09
a. Fire	1.85	3.19	57.81	1.40	3.19	43.95
b. Earthquake /Fire/shock	0.01	0.52	2.41	0.02	0.49	3.51
c. Typhoon	0.27	0.17	155.1	0.39	0.16	242.66
d. Flood	0.26	0.11	225.28	0.15	0.11	132.98
e. Extended Coverage	(0.02)	0.14	(11.82)	0.06	0.08	77.92
2. Marine	0.78	1.61	48.55	1.14	1.56	73.19
a. Marine Cargo	0.31	1.16	26.50	0.48	1.17	41.32
b. Aviation	0.03	0.15	23.64	0.03	0.16	19.77
c. Marine Hull	0.44	0.30	147.52	0.63	0.23	268.38
3. Motor Car	5.29	12.29	43.06	4.82	10.73	44.91
a. CMVL-LTO	0.07	0.52	13.71	0.05	0.42	13.08
b. CMVL-Non-LTO	0.68	1.98	34.53	0.53	1.54	34.31
c. Other Than CMVL-LTO	0.03	0.17	19.75	0.04	0.12	31.03
d. Other Than CMVL-Non-	4.51	9.62	46.80	4.20	8.65	48.54
4. Casualty	1.61	4.95	32.60	1.83	4.49	38.65
a. Health	0.30	0.69	44.15	0.15	0.50	30.24
a. Personal Accident	0.80	2.30	35.26	1.04	2.18	47.55
b. Engineering	0.13	0.75	17.44	0.17	0.63	27.37
c. Miscellaneous	0.30	0.91	32.64	0.32	0.85	38.08
d. Life, for Prof. Reinsurer	0.08	0.30	28.69	0.15	0.33	45.79
5. Suretyship	0.15	1.54	9.84	0.03	1.31	2.29
TOTAL	<u>10.20</u>	<u>24.52</u>	<u>41.61</u>	<u>9.84</u>	<u>22.12</u>	<u>44.49</u>

*Loss ratios based on exact figures

d. Losses Incurred

During the year, the total losses incurred by the non-life sector amounted to ₱ 10.20 billion, 3.53% more than the previous year's ₱9.84 billion. While there were improvements in the loss ratios of Marine, Motor Car, and Casualty lines, higher loss ratios were however computed for Fire and Allied Risks and Suretyship as reflected in Table 16.

The computed total loss ratio at the end of 2011 improved by 6.47% as compared to that in 2010. This was mainly due to lower loss ratios of Marine, Motor Car and Casualty lines of business.

e. Summary of Operations

As of year-end, the non-life sector posted a net income of ₦ 3.34 billion, a remarkable 41.53% increase from the previous year's ₦ 2.36 billion. This is due to the higher total underwriting income of the sector during the year which is 18.88% more than that of 2010. Premiums and commissions earned grew by 10.85% and 3.36% during the year to ₦ 24.51 billion and ₦ 3.08 billion respectively.

Table 17: Summary of Operations of Non-Life Companies & Professional Reinsurer , 2011 (₦ billions)			
PARTICULARS	NON-LIFE		
	Domestic	Foreign	Total
<i>Underwriting Income</i>	<u>24.29</u>	<u>3.53</u>	<u>27.82</u>
Premium Income/ Earned	21.65	2.86	24.51
Commissions Earned	2.42	0.66	3.08
Other Underwriting Income	0.22	0.01	0.23
<i>Less: Underwriting Expenses</i>	<u>17.74</u>	<u>2.37</u>	<u>20.11</u>
Losses Incurred	9.25	0.95	10.20
Loss Adjustment Expenses	0.23	0.06	0.29
Commission Expenses	6.93	1.17	8.10
Premium Tax Incurred	0.0	-	0.0
Other Underwriting Expenses	1.33	0.19	1.52
<i>Underwriting Gain/Loss</i>	<u>6.55</u>	<u>1.16</u>	<u>7.71</u>
Add: Gross Investment Income	2.40	0.44	2.84
Other Income/Expenses	0.80	0.43	1.23
SUB - TOTAL	<u>9.75</u>	<u>2.03</u>	<u>11.78</u>
Less: Taxes other than Premium	0.38	0.09	0.47
Other General Expenses	6.32	1.32	7.64
Income Tax	0.31	0.02	0.33
Net Income / Loss for the year	<u>2.74</u>	<u>0.60</u>	<u>3.34</u>

f. Investments

Investments of the non-life insurers amounted to ₦ 51.70 billion as of the end of the year, slightly higher by 0.66% than the previous year' ₦ 51.36 billion. Investments in bonds increased by 9.70% and proved to be the most preferred, sharing 49.65% of the total invested assets. Fixed deposits placed second sharing 21.12% of the total invested assets. Table 18 shows that the domestic non-life insurance companies had 83.11% of the total investments.

The total investments in bonds including short term government securities totalled ₦ 27.31 billion, up by 7.06% from the previous year's ₦ 25.51 billion. Of these, long term government bonds consisting of treasury notes, retail bonds and others amounted to ₦ 19.57 billion or 92.27% of the total.

Table 18: Investments by Category of Non-Life Companies & Professional Reinsurer, 2011 (₱ Billions)			
PARTICULARS	NON-LIFE		
	Domestic	Foreign	Total
Bonds	19.00	6.67	25.67
Stocks	6.16	0.81	6.97
Real Estate	4.59	0.18	4.77
Mortgage Loans	0.16	0.02	0.18
Collateral Loans	0.02	-	0.02
Purchase Money Mortgage	0.03	-	0.03
Other Loans	0.30	0.04	0.34
Short -Term Investments	1.64	-	1.64
Other Investments	1.13	0.03	1.16
Fixed Deposits	9.94	0.98	10.92
TOTAL	<u>42.97</u>	<u>8.73</u>	<u>51.70</u>

Placements in private and foreign bonds climbed to ₱ 4.35 billion and ₱ 1.75 billion in 2011 from the ₱ 0.17 billion and ₱0.90 billion respectively in 2010.

Table 19: Investments in Bonds & Government Securities of Non-Life Companies & Professional Reinsurer , 2011 (₱ billions)	
TYPES OF BONDS/SECURITIES	(₱ Billions)
Long-Term Government Bonds	<u>19.57</u>
<i>Treasury Notes</i>	13.73
<i>Land Bank Bonds</i>	0.03
<i>Pag-ibig Bonds</i>	0.06
<i>Euro Bonds</i>	1.64
<i>Retail Bonds</i>	3.84
<i>Others</i>	0.27
Short-Term Government Securities	<u>1.64</u>
<i>Treasury Bills</i>	1.64
Total Government Securities	<u>21.21</u>
<i>Private Bonds</i>	4.35
<i>Foreign Bonds</i>	1.75
GRAND TOTAL	<u>27.31</u>

g. Balance Sheet

The total assets of the non-life sector grew by 3.19% from ₱ 108.70 billion in 2010 to ₱ 112.17 billion in 2011, with the domestic companies contributing 87.92% of these assets.

**Table 20: Consolidated Balance Sheet of Non-life Companies
& Professional Reinsurer, 2011
(₹ billions)**

PARTICULARS	Domestic	Foreign	Total
ASSETS			
Bonds	19.20	5.52	24.72
Stocks	14.75	0.72	15.47
Real Estate Owned	6.00	0.13	6.13
Mortgage Loans	0.19	0.02	0.21
Collateral Loans	0.02	-	0.02
Guaranteed Loans	0.00	-	0.00
Other Loans	0.26	0.04	0.30
Short-Term Investments	1.61	-	1.61
Security Fund	0.01	-	0.01
Other Investments	1.38	0.03	1.41
Cash on Hand & in Banks	15.29	1.98	17.27
Premiums Receivable	9.93	0.54	10.47
Due From Ceding Companies	4.41	0.31	4.72
Prem./Loss Reserve Withheld By Ceding	0.46	0.01	0.47
Reins. Recoverable on Losses	21.02	3.68	24.70
Other Reins. Accts. Receivable	0.18	0.02	0.20
Commissions/Accounts Receivable	1.08	0.08	1.16
Salvage Recoverable	0.26	-	0.26
Accrued Interest & Other Investment	0.34	0.12	0.46
EDP Equipment	0.44	0.03	0.47
Other Assets	1.79	0.32	2.11
TOTAL ASSETS	98.62	13.55	112.17
LIABILITIES			
Reserve for Unearned Premiums	9.38	1.34	10.72
Losses & Claims Payable	24.25	3.82	28.07
Loss Adjustment Expenses	0.16	0.03	0.19
Catastrophe Loss Reserves	0.32	0.06	0.38
Premiums Due to Reinsurers	6.87	0.91	7.78
Prem./Loss Reserves Withheld For	1.66	0.56	2.22
Other Reins. Accounts Payable	0.26	0.03	0.29
Taxes/Licenses Payable	3.00	0.15	3.15
Accrued Expenses Payable	0.58	0.13	0.71
Commission & Other Charges Payable	1.11	0.05	1.16
Accounts/Notes Payable	2.39	0.12	2.51
Other Liabilities	1.56	0.18	1.74
TOTAL LIABILITIES	51.54	7.38	58.92
NETWORTH			
Paid-Up Capital/Statutory Deposits	16.35	3.73	20.08
Treasury Shares	(0.30)	-	(0.30)
Paid-In Capital	4.04	0.26	4.30
Contributed Surplus	1.50	0.63	2.13
Deposit on Stock Subscription	0.66	0.30	0.96
Investment Fluctuation Reserves	11.90	(0.15)	11.75
Contingency Surplus	1.40	0.20	1.60
Other Assigned Surplus	0.28	-	0.28
Unassigned Surplus/H.O. Accounts	11.25	1.20	12.45
TOTAL NETWORTH	47.08	6.17	53.25
TOTAL LIABILITIES & NETWORTH/TRUSTED SURPLUS	98.62	13.55	112.17

Total liabilities amounted to ₱ 58.92 billion in 2011 with 87.47% shared by domestic insurers. During the year under review, losses and claims payable slightly improved by 4.07% to ₱ 28.05 billion from the previous amount of ₱ 29.26 billion.

Total networth as of the year-end reached ₱ 53.25 billion, an increment of 9.30% over ₱ 48.72 billion in 2010 which can be attributed to the increases in paid-up capital, contributed surplus and investment fluctuation reserves.

4. Mutual Benefit Associations (MBAs)

The total assets of the 26 MBAs as of year-end 2011 reached ₱ 32.61 billion, an increase of 18.32% over the recorded assets in 2010. As in previous years, AFP Mutual Benefit Association had the biggest assets, followed by Public Safety Mutual Benefit Fund, Manila Teachers' Mutual Aid System, Inc. and Knights of Columbus Fraternal Association of the Philippines. Assets reported by these MBAs amounting to ₱ 26.69 billion comprised 81.85% of the total assets.

Total members' equity for the year stood at ₱ 15.64 billion, an increment of 20.22% from the previous year's ₱ 13.01 billion. Increases were likewise noted in guaranty fund, members' contributions, net income and retained earnings.

Investments at cost of the MBAs recorded in 2011 amounted to ₱ 29.05 billion, 28.61% higher than that in 2010. AFP Mutual Benefit Associations had the biggest investments during the year under review with ₱ 8.46 billion or 29.12% of the total. Investment in other loans was recorded at ₱ 10.86 billion or 37.40% of the total invested assets of the MBAs. The next highest investment placed by the MBAs was on bonds amounting to ₱ 6.55 billion or 22.55% of the total.

The total net income reported by the MBAs for 2011 amounted to ₱ 2.2 billion, 10.15% more than that reported in 2010. These MBAs collected ₱ 3.14 billion premium and earned ₱ 3.55 billion investment income in 2011, higher by 36.52% and 18.73% respectively than those recorded in 2010.

5. Trusts for Charitable Uses

For license year 2011-2012, only two Trusts for Charitable Uses namely Ramona Arguelles Memorial, Inc. and Teodoro R. Yangco

Memorial Foundation renewed their Certificates of Authority. Total reported assets amounted to ₦ 0.05 billion as of the year-end.

6. Insurance and Reinsurance Brokers

During the year under review, insurance and reinsurance brokers had ₦ 38.51 billion contribution to the insurance industry, 25.48% more than the ₦ 30.69 billion contributed in 2010. The amount comprised 34.30% of the total industry generated premiums of ₦ 112.26 billion.

Premiums from life business which amounted to ₦ 6.86 billion were 57.34% higher than that of the previous year. While premiums contributed by most non-life business increased, those of ocean marine, marine hull and engineering posted minimal decreases from the previous year's production.

Total commissions paid by insurance companies in 2011 totaled ₦ 3.86 billion, a 12.53% increase over that of ₦ 3.43 billion commissions in 2010.

Table 21: Brokers' Business Operations, 2011 (₦ millions)				
Line of Business	Insurance Brokers		Reinsurance Brokers	
	Premiums	Commissions	Premiums	Commissions
Life	6,862.10	626.45	-	-
Fire	7,751.39	645.29	835.97	58.91
Ocean Marine	546.18	111.76	177.68	9.74
Inland Marine	330.90	50.75	77.94	11.06
Marine Hull	553.30	46.15	210.55	26.60
Aviation	797.80	28.12	23.70	1.10
Fidelity & Surety	857.71	204.24	5.71	0.28
Motor Vehicle	3,076.97	686.82	33.10	2.25
Health	4,986.92	458.51	-	-
Accident	3,932.88	304.47	74.13	4.90
Engineering	4,192.34	254.15	274.42	6.72
Miscellaneous	2,526.92	296.02	378.14	31.07
TOTAL	36,415.41	3,712.73	2,091.34	152.63

7. Pre-Need Industry

There were twenty-one (21) pre-need companies which submitted their annual statements as of the year-end 2011. Total premiums generated by these companies amounted to ₱ 9.21 billion, a 20.08% growth from the previous year's ₱ 7.67 billion.

Total assets reported climbed to ₱ 94.51 billion, a 17.80% rise over the ₱80.23 billion in 2010. Most companies had their assets grown from their last year's report which include investments in trust fund, investments in insurance premium fund as well as cash.

Networth as of the year-end reached ₱ 14.30 billion, 52.94% higher than the total networth of ₱ 9.35 billion of the previous year. Net income earned for the year amounted to ₱ 1.06 billion or 32.50% more than the total net income of ₱ 0.77 billion in 2010.

Statistics on pre-need is given on pages 608-613.

III. GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)

The total reported assets of both life and non-life units of the GSIS, the social security agency of the government, amounted to ₱ 647.82 billion, an increment of 11.99% from the previous year's ₱ 578.44 billion. Aggregate networth slightly increased by 0.22% to ₱ 32.54 billion as of the year-end from ₱32.47 billion recorded in the previous year.

The total premiums generated by both units increased by 11.03% to ₱ 67.82 billion in 2011 from ₱ 61.08 billion in 2010. The total investments placed as of the year-end likewise grew by 5.90% to ₱ 539.13 billion from prior year's ₱ 509.08 billion .

Table 22: Government Service Insurance System Key Insurance Statistics , 2010-2011 (₱ billions)			
PARTICULARS	2011	2010	% Increase(Decrease)
Assets	<u>647.82</u>	<u>578.44</u>	<u>11.99</u>
Life	625.53	558.45	12.01
Non-Life	22.29	19.99	11.51
Networth	<u>32.54</u>	<u>32.47</u>	<u>0.22</u>
Life	16.43	16.70	(1.62)
Non-Life	16.11	15.77	2.16
Investments	<u>539.13</u>	<u>509.08</u>	<u>5.90</u>
Life	522.20	492.23	6.09
Non-Life	16.93	16.85	0.47
Premiums	<u>67.82</u>	<u>61.08</u>	<u>11.03</u>
Life	66.12	58.99	12.09
Non-Life	1.70	2.09	(0.19)