



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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PRESS RELEASE

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BROKER-MEDIATED INSURANCE PREMIUM ACCOUNTS FOR 45% OF THE TOTAL PREMIUM INCOME OF THE INSURANCE INDUSTRY

Premium income generated from brokerage activities, reported by sixty-two (62) insurance brokerage companies, totaled Php52.07 billion which represents 44.49% of the total Php117.29 billion premium generated by the insurance industry in 2016.

Commissioner Dennis B. Funa said that “Insurance brokerage industry has reached a total amount of mediated premium of Php52.07 billion as of end of 2016, up by 2.46% from Php50.82 in 2015.”

The top five insurance brokers which produced more than half of the total premium produced by the insurance brokerage industry are BDO Insurance Brokers, Inc., AON Insurance and Reinsurance Brokers Philippines, Inc., Marsh Philippines, Inc., HSBC Insurance Brokers (Phils.), Inc. and Jardine Lloyd Thompson Insurance Brokers, Inc.

In the said period, the mediated premium in life insurance amounted to Php7.88 billion which represents 15.14% of the overall mediated premium by the insurance brokerage industry. In this segment, the first five companies are HSBC Insurance Brokers (Phils.), Inc., BDO Insurance Brokers, Inc., Lockton Philippines Insurance and Reinsurance Brokers, Inc., Citicorp Financial Services and Insurance Brokerage Philippines, Inc., and LBP Insurance Brokerage Inc., that generated about 82.53% of the life insurance market.

The non-life insurance business represents 84.86% or Php44.19 billion of the total amount of mediated premium. In this segment, the first five companies which represent 59.01% of the premiums generated from the non-life insurance business are: BDO Insurance Brokers, Inc., AON Insurance and Reinsurance Brokers Philippines, Inc., Marsh Philippines, Inc., Jardine Lloyd Thompson Insurance Brokers, Inc., and Anchor Insurance Brokers Corporation.

As to brokerage revenue or commissions earned, the insurance brokerage industry posted a total of Php6.53 billion in 2016, a slight decrease by 2.25% from Php6.68 billion in 2015.

"The reason for this slight decrease can be attributed to the 36.61% decrease in the commissions earned by brokers from the life insurance business from Php1.83 billion in 2015 to Php1.16 billion in 2016," said Commissioner Funa.

While there was slight decrease in commissions earned from the life insurance business, the insurance brokerage industry posted a 10.72% increase in commissions earned from the non-life insurance business from Php4.85 billion in 2015 to Php5.37 billion in 2016.

According to Commissioner Funa, "As of end of 2016, commissions of insurance brokers were mainly from the non-life insurance business in the amount of Php5.37 billion which represent 82.24% of the total commissions earned."

Insofar as the reinsurance brokerage in the country, the nineteen (19) companies comprising of the reinsurance brokerage industry reported a total income produced of Php1.35 billion and total commissions earned in the amount of Php 168.75 million.

Commissioner Funa said "The insurance brokerage industry is confronted with the several challenges including the use of online platforms by insurance companies in selling their product and the continued growth in the sales force of insurance companies. However, insurance brokers should take this as an opportunity to upgrade and improve their services for the benefit of their clients—the insuring public."

Commissioner Funa added that IC is currently reviewing the rules and regulations of the Commission in order to further strengthen the regulatory framework governing insurance brokerage companies.



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