



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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**PRESS RELEASE**  
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## **DUTERTE YEARS MARK UNPRECEDENTED GROWTH FOR INSURANCE INDUSTRY**

“The Insurance Commission has gathered from unaudited submissions by insurance companies that under the Duterte administration, the insurance industry grew at unprecedented rates, particularly in terms of total premiums, net income, total assets, and benefit payments,” reported Insurance Commissioner Dennis Funa.

The insurance industry’s total premiums earned grew an impressive 61.03% from ₱232.67 billion at the end of 2016 to ₱374.67 billion at the end of 2021, with a compounded annual growth rate of 10.00%. It will be noted that total premiums earned breached the ₱300-billion mark in 2019, but slightly decreased to ₱299.67 billion at the end of 2020 because of the adverse effects of the pandemic.

“In 2021, the annual growth rate in premiums earned was at its highest since 2016 at 25.03% based on unaudited industry submissions, indicating that the public may have considered the pandemic as an impetus to purchase insurance,” said Commissioner Funa.

Meanwhile, the net income of the insurance industry more than doubled from 2016 to 2021, from ₱23.79 billion to ₱48.29 billion, or a growth rate of 102.97% with a compound annual growth rate of 15.21%.

“As with other indicators, there were contractions in 2018 and 2020. The decrease in net income in 2018 is attributable to the decrease in net income of the life insurance industry, particularly the poor performance of various investments leading to the decrease in such net income. The 16.77% decrease in net income in 2020 as compared with 2019 is because of decreases in net incomes of life insurers, the sole professional reinsurer, and MBAs as a result of the adverse economic effects of the COVID-19 pandemic. It may be noted that the decrease in the net income of the insurance industry in 2020 is primarily due to decrease in investment incomes,” Commissioner Funa explained.

The aggregate assets of the insurance industry breached ₱2 trillion pesos by the end of 2021 at ₱2.09 trillion, from ₱1.31 trillion in 2016. In 2021, close to 80% of the industry’s total assets are from the life insurance industry. The insurance industry’s total assets grew by 59.96% from 2016 to 2021, with a compound annual growth rate of 9.85% for the said period.

Notably, almost 90% of the total assets of the insurance industry pertain to invested assets. Similarly, the industry’s invested assets grew by 56.57% from ₱1.17 trillion in 2016 to ₱1.84 trillion in 2021, with a compound annual growth rate of 9.38%.

“The low growth of total assets at 0.17% in 2018 is attributable to the decline in total invested assets. The IC noted that because of the pandemic, the growth rates for both the industry’s aggregate assets and total invested assets in 2020 were tempered to 5.75% and 6.49%, respectively. Based on the companies’ submissions, however, the insurance industry showed signs of recovery in 2021, posting higher growth rates for aggregate assets and total invested assets at 11.12% and 9.21%, respectively,” stated Commissioner Funa.

In terms of benefits payment or losses incurred by the insurance industry, the industry posted a staggering rate of 80.27% increase from ₱77.54 billion in 2016 to ₱139.78 billion in 2021, with a compound annual growth rate of 12.51%, indicative of the insurance industry’s commitment in paying for the losses suffered by its policyholders and beneficiaries.

“Notably, benefits payment by the insurance industry decreased by 14.19% between the years 2019 to 2020 most likely due to the restrictions on mobility imposed at the onset of the COVID-19 period along with the insurance industry’s adjustment to the new normal (e.g., shift to virtual transactions and work-from-home arrangements), from ₱120.27 billion in 2019 to ₱103.20 billion in 2020. However, the industry was able to bounce back and even grow by 35.44% in terms of benefits payment year-on-year, from ₱103.20 billion in 2020 to ₱139.78 billion in 2021, presumably because the industry has already adjusted their work processes to the new normal and the increase in claims processed and paid attributable to the increased COVID-19-related hospitalizations and deaths,” Commissioner Funa said.

Also during the Duterte administration, insurance penetration, which refers to insurance premium volume as a share of the country’s Gross Domestic Product (GDP) or contribution of the insurance sector to the national economy, was at its highest at 1.93% at the fourth (4<sup>th</sup>) quarter of 2021. This is because of significant increase in premiums earned amid modest GDP figures, as the GDP for 2021 was still slightly lower than pre-pandemic GDP in 2019.

Insurance density, which pertains to the amount of premium per capita or average spending per individual on insurance, was likewise at its highest during the last five (5) years at ₱3,399.89 as of the end of the fourth quarter (4Q) of 2021. This milestone is due to the higher increase in premiums earned vis-à-vis population growth.

“Throughout the Duterte administration, it can be said from the companies’ submissions that the insurance industry remained to be a ‘strong pillar of the Philippine economy’ as the Insurance Commission has envisioned, despite the various challenges, the most notable of which is the COVID-19 pandemic. Notwithstanding these challenges, the industry has exhibited resilience, and even growth, as it responded and continues to respond to the needs of the insuring public and its stakeholders,” highlighted Commissioner Funa.



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