



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Manila



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MORE INSURERS ON TRACK WITH ₱1.3B NET WORTH BUILD-UP PROGRAM

“With 31 December 2022 fast approaching, latest data show that more insurance companies are now geared towards compliance with the ₱1.3 billion net worth requirement under the Insurance Code,” said Insurance Commissioner Dennis Funa.

Based on the quarterly Financial Reporting Framework (FRF) reports of licensed non-life insurance companies as of 30 September 2021, twenty-three (23) out of fifty-two (52) companies are already compliant with the ₱1.3 billion requirement. Out of the remaining twenty-nine (29) non-life insurers, seventeen (17) companies have net worth exceeding ₱1 billion; and three (3) companies have net worth exceeding ₱950 million.

Meanwhile, the quarterly FRF reports of licensed life insurance companies as of 30 September 2021 also reveal that nineteen (19) out of thirty-one (31) companies are already compliant with the ₱1.3 billion requirement. Out of the remaining twelve (12) life insurers, seven (7) companies have net worth exceeding ₱1 billion, and two (2) companies have net worth exceeding ₱950 million.

Under Section 194 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, Circular Letter (“CL”) No. 2015-02-A dated 13 January 2015, and CL No. 2019-67 dated 22 November 2019, existing insurance companies are required to add ₱400 million to the prevailing ₱900 million net worth requirement by 31 December 2022.

Per CL No. 2018-62, insurance companies are likewise required to submit to this Commission their capital build-up plans containing financial projections, which are duly approved by their respective board of directors and certified and attested by their respective actuaries.

“The statutory net worth requirements ensures that by 2023, insurance companies shall be in a favorable solvency position to address the needs of the insuring public. The ₱1.3 billion requirement also aims to realize the IC’s vision that insurance companies shall be strong and sustainable and dependable pillars of the Philippine economy in service of the Filipino people,” Commissioner Funa stated.

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