



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



PRESS RELEASE
29 April 2022

FIRE AND ALLIED RISKS INSURANCE PREMIUMS EARNED AND BENEFIT PAYOUTS GROW DURING DUTERTE ADMIN

“Based on the audited Annual Statements submitted by non-life insurers to the Insurance Commission, we have learned that fire and allied risks insurance premiums and benefit payouts considerably grew during the administration of President Rodrigo Roa Duterte, specifically during the years of 2016 to 2019,” reported Insurance Commissioner Dennis Funa.

From the ₱4.29 billion premiums earned by the non-life insurance industry from basic fire insurance policies in 2016, the amount steadily grew year-on-year to ₱6.14 billion in 2019.

“Premiums earned from basic fire insurance grew 6.63% between 2016 and 2017, and by 2.64% between 2017 and 2018, and then by an impressive 30.82% between 2018 and 2019. This translated to a compounded annual growth of 12.71% from 2016 to 2019, with an average growth rate of 13.37%,” Commissioner Funa noted.

As the term is used under the reports submitted to the IC, premiums earned correspond to the portion of insurance premiums for which a non-life insurer has already provided insurance protection or coverage to an insured.

Basic fire insurance, which excludes insurance coverage for “allied perils”, sold by non-life insurers covering residential, warehouse, industrial, and general property categories captured an average of 68.65% of the total premiums earned for the fire insurance line of business in the country from 2016 to 2019.

Among the four categories of basic fire insurance, policies that cover the “general” classification of insured property (i.e., malls, markets, schools, movie houses, churches, etc. that do not fall under the “residential”, “warehouse”, and “industrial” categories) has always had the biggest percentage share of the total premiums earned for the entire basic fire insurance business, with an average of 31.84% for the years 2016 to 2019. Basic fire insurance covering the “general” classification of insured property likewise registered an average growth rate of 27.21% during said years, from ₱1.66 billion in 2016 to ₱3.35 billion in 2019.

Meanwhile, “allied perils” as endorsement or additional cover to fire insurance policies made up the remaining 31.35% of the total premiums earned from 2016 to 2019 for the entire fire insurance line of business. Said “allied perils” include “earthquake / fire / shock” risks that include damages arising from said risks incurred during an earthquake, “typhoon” risks that

include damages arising from typhoons as identified by the weather bureau, “flood” risks that include damages caused by entry of water to the insured premises caused by extraordinary high tides, typhoons, cyclones, bursting or overflowing of rivers, reservoirs and the like, and “extended coverage” risks that include damage to insured property due to explosion, aircraft and vehicle impact, and smoke, if said risks are not specified as exclusions to the policy.

“Most notable among the allied perils to fire insurance is typhoon coverage. Premiums earned for typhoon insurance coverage grew from ₱58.51 million in 2016 to a staggering ₱496.77 million in 2019, registering a compounded annual growth rate of 104% during said years. Between 2016 and 2017 alone, premiums earned for typhoon coverage grew from ₱58.51 million to ₱484.22 million, or by 727.53%,” highlighted Commissioner Funa.

In the same manner, insurance benefit payments by the non-life insurance sector likewise considerably grew from 2016 to 2019. From the ₱2.16 billion in insurance benefits by the non-life insurance industry from basic fire insurance policies in 2016, the amount also increased year-on-year to an impressive ₱5.60 billion in 2019.

“Benefit payouts by the non-life industry for basic fire insurance grew 4.84% between 2016 and 2017, and by 60.11% between 2017 and 2018, and then by 54.28% between 2018 and 2019. This translated to a compounded annual growth in benefit payouts of 37.33% from 2016 to 2019, with an average growth rate of 39.75%,” Commissioner Funa stated.

“Likewise, insurance payouts for basic fire insurance covering the ‘general’ classification of property had the biggest share in the total payouts, increasing from ₱1.07 billion in 2016 to ₱3.95 billion in 2019, with an annual compounded growth rate of 54.70%,” he added.

Premiums earned for the entire fire and allied risks business grew from ₱6.16 billion in 2016 to ₱8.48 billion in 2019, with a compounded annual growth rate of 11.24%. During the same period, benefit payments for the entire fire and allied risks business grew from ₱3.41 billion to ₱6.26 billion, with a compounded annual growth rate of 22.52%.

“The figures we obtained throughout the Duterte years of 2016 to 2019 are a testament to the realization of the Insurance Commission’s vision of the non-life insurance industry being a ‘strong pillar of the Philippine economy’. The figures speak not only of the industry’s growth but its responsiveness to the needs of the Filipino insuring public of protecting their hard-earned property against the risks of fire and other allied risks. It also speaks of the insuring public’s increasing awareness and appreciation of the value of insurance as a means of safeguarding their property against unexpected losses,” Commissioner Funa said.



ATTY. ALWYN FRANZ P. VILLARUEL

Media Relations Officer

afp.villaruel@insurance.gov.ph