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

PRESS RELEASE
4 February 2022

MICROINSURERS RANKED PER PERFORMANCE INDICATORS UNDER CL NO. 2020-03

The performance of forty-five (45) microinsurers, particularly twenty-three (23) mutual benefit associations (MBAs), eleven (11) life insurance companies, and eleven (11) non-life insurance companies, were ranked in accordance with Circular Letter (CL) No. 2020-03 dated 7 February 2020 on the "Guidelines for the Monitoring of the Performance of Microinsurance Providers in Accordance with Circular Letter No. 2016-63".

The rankings were based on the Annual Statements (AS) of said microinsurance providers for the year 2019.

According to the report, the top (5) performers per sector were as follows:

A. Life Sector

1. 1 Cooperative Insurance System of the Philippines (77 points);
2. Pioneer Life, Inc. (75 points);
3. Beneficial Life Insurance Co., Inc. (70 points);
4. Philippine American Life & General Insurance Corp. (69 points); and
5. Country Bankers Life Insurance Corp. (66 points).

B. Non-Life Sector

1. CARD Pioneer Microinsurance (78 points);
2. BPI/MS Insurance Corporation (75 points);
3. The Mercantile Insurance Co., Inc. (73 points);
4. Pioneer Insurance Corporation (71 points); and
5. People's General Insurance Corporation (69 points).

C. MBAs

1. CARD Mutual Benefit Association, Inc. (88 points);
2. Simbag sa Emerhensya Asin Dagdag Paseguro MBA, Inc. (87 points);
3. Kasagana-Ka MBA, Inc. (85.5 points);
4. KCCDFI Mutual Benefit Association, Inc. (78.5 points); and
5. Alalay sa Kaunalaran (ASKI) MBA, Inc. (77 points).

In accordance with Section 4 of Circular Letter No. 2020-03, the following are the presumptive implications based on the total points obtained by the various microinsurance providers:

Numerical Rating	Total Points	Presumptive Implication
4 (Excellent)	91-100	The financial condition and operating performance are stable and the insurer is most capable to withstand volatile business conditions. Financial strength (i.e., solvency and liquidity) is more than adequate indicating its ability to pay obligations now and in the future. Resources are efficiently handled. The insurer has adequately met the needs of the insured and clients understand the product fully well. Board and management exhibit strong performance and risk management practices relative to the insurer's size, design of its products and risk profile. Any lapses or weaknesses in operations are minor and can be addressed by management in the ordinary course of business.
3 (Good)	81-90	The financial condition and operating performance of the insurer are appropriate and can withstand business conditions. Resources are sufficient for its operations and can pay obligations now and in the near term. The insurer currently meets the needs of the insured and most of its clients presumptively understand the product. Board and management exhibit suitable performance and risk management practices are acceptable relative to the insurer's size, design of its products and risk profile. Moderate weaknesses in operations are noted by management in the ordinary course of business.
2 (Satisfactory)	71-80	The financial condition and operating performance of the insurer are in a fragile position, making it more vulnerable to business fluctuations. The insurer's overall solvency and stability ratios are within the required minimum thresholds and results of operations may not presumptively be adequate for its size, design of its products and profile. The insurer barely meets the needs of the insured and clients are less likely to renew given the unstable product performance. Board and management may lack the ability and willingness to effectively address the weaknesses within appropriate timelines and risk management practices are generally inappropriate relative to the insurer's size, products and risk profile. Close supervisory attention is required and enforcement action may be necessary to address the problems.

1 (Poor)	1-70	Serious financial or managerial deficiencies that result in unsatisfactory or deficient performance. The insurer's overall solvency and stability ratios are below the required minimum thresholds and results of operations are deficient for its size, design of its products and profile. The insurer does not meet the needs of the insured and product performance is below the normal standard. Risk management practices are deficient relative to the insurer's size, products and risk profile. Weakness and problems may be beyond the board and management's ability and willingness to control and correct. There is also a presumptive need for an immediate outside financial assistance for the insurer to be viable. Continuing close supervisory attention is necessary as the insurer poses significant risk to the funds of the clients and its failure is highly probable.

"The performance indicators and corresponding results are useful to our regulated microinsurance providers as the same apprises them of an objective assessment on their solvency and stability, corporate governance, understanding of their products by the insured, rate of growth, and outreach. Accordingly, microinsurance providers should be able to address the areas where they are weak and continue their best practices in areas where they are strong. Not only do these benefit the microinsurance providers, but ultimately this also benefits the microinsuring public," noted Insurance Commissioner Dennis Funa.

ATTY. ALWYN FRANZ P. VILLARUEL
Media Relations Officer
afp.villaruel@insurance.gov.ph