



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



**PRESS RELEASE**  
**25 August 2016**

## **INSURANCE INDUSTRY POSTS 76.52% GROWTH IN Q2**

Preliminary data based on the quarterly reports submitted by the life and non-life insurance sectors to the Insurance Commission (IC), the insurance industry in the Philippines recorded a total net income of P19.17 billion as of the end of second quarter of this year, a 76.52% growth from P10.86 billion in the same period in 2015.

Insurance Commissioner Emmanuel F. Dooc said, "In terms of net income, the life sector fared better than the non-life sector. The life sector posted a 68.73% increase in its net income during the first half of the year from P9.05 billion to 15.27 billion. This increase can be attributed to the significant increase in capital gains, as well as increase in the commissions earned and other miscellaneous income of some insurance companies. The same can also be attributed to the decline in underwriting expense of some companies."

The non-life sector, on the other hand, posted an increment of 18.23% year-on-year from P1.81 billion to P2.14 billion.

In terms of assets, Commissioner Dooc said that "The insurance industry's total assets grew by 20.56%. As of the end of the first half of this year, the asset base of the insurance industry reached P1.29 trillion from P1.07 trillion as of the end of the same period last year. A higher asset base means that the insurance industry has bigger resources and in a better position to meet its future obligations."

Total investments registered P1.13 trillion as of end-June, up by 21.51% from P0.93 trillion in the same period in 2015. According to Commissioner Dooc, the consistent increase in the total investments of the insurance industry proves that the industry is a major force in capital market development.

However, the total premium income in the second quarter of 2016 fell by 9.12% to P105.52 billion from P116.11 billion posted during the same period in 2015.

"Broken down, the life insurance sector's premium income dropped by 16.83% from P98.83 billion to P82.20 billion while the non-life insurance sector rose by 13.95% from P17.28 billion to P19.69 billion", said Commissioner Dooc.

Commissioner Dooc said, "Based on the submission of the industry players, the decline in the total premium was mainly due to the lower sales performance by the life

insurance sector. In particular, there was a significant drop in the premium production in variable life insurance products of the major players in the life insurance sector.”

“Despite the dip in the premium income of the industry, he is very optimistic that the premium income of the industry players will post a growth by the end of the year. Based on past experiences, the industry performs better in terms of premium production in the second half of the year”, he added.

The industry’s net worth stood at P262.51 billion as of end-June, which is 40.70% higher than P186.58 billion recorded in the same period in 2015.

Commissioner Dooc expects that the total net worth of the insurance industry will dramatically improve due to the mandatory increase in the minimum net worth requirement of existing insurance companies from the current P250 million requirement to P550 million. The Insurance Code, as amended by Republic Act No. 10607, requires all existing companies to increase their minimum net worth to P550 million by the end of 2016.



**ATTY. JOANNE FRANCES D.C. CASTRO**

*Media Relations Officer*

+6325238461 to 70 loc. 115

[jfdc.castro@insurance.gov.ph](mailto:jfdc.castro@insurance.gov.ph)