



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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INSURANCE INDUSTRY NET INCOME ROSE BY 65.80% IN Q3

The insurance industry in the Philippines, composed of the life and non-life insurance sectors, continued to report good financial performance and remained in sound financial condition.

The insurance industry posted an impressive growth of 65.80% year-on-year in terms of net income during the third quarter of this year, mainly due to the increase in underwriting and investment income.

Based on the preliminary data on the quarterly reports submitted by both the life and non-life insurance companies, Insurance Commission (IC) Commissioner Emmanuel F. Dooc said that the country's insurance industry's net income jumped by 65.80% to P20.41 billion as of end of September 2015 from P12.31 billion reported during the same period last year.

Much of the credit to the continued growth of the insurance industry is attributable to increase in the two major sources income of the industry: underwriting income and investment income.

The combined premium production of life and non-life insurance sectors as of end of third quarter this year climbed 29.75% to P172.40 billion from P132.87 billion posted during the same period last year, while the insurance industry's total investments registered P952.13 billion, up by 19.10% from P799.44 billion last year.

The industry's total assets or resources remained steady at P1.09 trillion, up by 10.10% year on year from P0.99 trillion. In terms of net worth, on the other hand, the industry posted a 6.05% increase to P195.39 billion from P184.25 billion.

LIFE SECTOR

The life insurance sector showed a strong performance in the penultimate quarter of this year, with a total net income of P16.79 billion up by 57.21% compared to the same period last year.

Its total premium expanded by 33.16% from P109.25 billion to P145.48 billion. Based on the reports from the IC, the total premiums from variable life insurance products rose by 46.56% from P71.60 billion to P104.93 billion, while premiums from

traditional life insurance products posted a 7.73% increase from P37.64 billion to P40.55 billion.

Out of the industry's P952.13 billion total investments, the life sector contributed P886.64 billion, up by 20.04% from P738.60 billion last year. The assets of the life sector posted a 11.46% increase at P921.19 billion as of end of the third quarter this year from P826.44 billion. Its total net worth, on the other hand, stood at P123.56 billion.

NON-LIFE SECTOR

The non-life sector, meanwhile, posted a 122.09% increase in its total net income for the third quarter of 2015 from P1.63 billion to P3.62 billion.

A 13.97% increase in its total net premiums written for the third quarter was registered at P26.92 billion from P23.62 billion recorded during the same period last year. Its total investments, on the other hand, posted a 7.66% increase from P60.83 billion to P65.49 billion.


In terms of assets, the non-life sector posted an increase of 2.26% from P164.23 billion to P167.94 billion. Its net worth also increased by 13.33% to P71.83 billion from P63.38 billion.

2015 TO BE A RECORD YEAR FOR THE INSURANCE INDUSTRY

IC Commissioner Dooc said that "This year, the insurance industry shall surpass its highest premium production of P198.1 billion total premium recorded in 2013. The year 2015 promises to be the best year ever for the insurance industry in the Philippines."

Earlier this year, IC Commissioner Dooc projected a combined premium income of P240 billion despite a slight decrease in last year's performance compared to 2013.

"Taking into account the industry's consistent performance during the first three quarters, our target is still achievable if both the life and non-life sectors will have a strong finish during the fourth quarter but it will be a tall order.", said IC Commissioner Dooc.


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