



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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PRESS RELEASE

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INSURANCE INDUSTRY'S NET INCOME GROWS BY 20.38% YEAR-ON-YEAR IN Q4 FY 2019

Insurance Commissioner Dennis Funa reported that the insurance industry's total net income for the fourth quarter (Q4) of FY 2019 increased by 20.38% year-on-year to P45.12 billion pesos from P37.48 billion pesos in Q4 FY 2018.

"These figures are based on the data that we have gathered from the unaudited Quarterly Reports on Selected Financial Statistics ("QRSFS") submitted by companies per our Circular Letter No. 2019-05," Commissioner Funa said.

"We learned from said reports that the significant growth of the life insurance industry's net income, which was due to increases in premium income, commissions earned, and underwriting income, drove the overall increase of the net income of the entire insurance industry," he added.

The life insurance industry's net income in Q4 FY 2019 amounted to P36.13 billion pesos, which is 25.76% more than the recorded net income in Q4 FY 2018 amounting to P28.73 billion pesos.

"Based on said unaudited QRSFS, all sectors of the insurance industry—the life insurance, non-life insurance, and mutual benefit associations ("MBAs")—also recorded growth in the fourth quarter of 2019 in terms of assets, net worth, investments, and total premiums collected," remarked Commissioner Funa.

The industry's total investments increased by 19.89% year-on-year from P1.33 trillion pesos in Q4 FY 2018 to P1.59 trillion pesos in Q4 FY 2019. During the same period, total assets grew by 13.03% from P1.58 trillion pesos to P1.78 trillion pesos; the industry's aggregate net worth also increased by 13.04% from P337.55 billion pesos to P381.59 billion pesos; and total premiums collected also grew by 4.99% from P290.15 billion pesos to P304.64 billion pesos.

In addition to the reported increase in net income, the life insurance industry's investments increased by 19.43% during the same period from P1.16 trillion pesos to P1.39 trillion pesos. Moreover, said industry's assets, net worth, premiums collected, and paid-up capital likewise grew.

As regards the non-life insurance industry, its total investments grew by 30.88% from P89.77 billion pesos in Q4 FY 2018 to P117.50 billion pesos in Q4 FY 2019.

“This notable increase in the total investments of the non-life insurance industry can be attributed to the 63% increase in equity securities investments, 16% increase in investments in government debt securities, and 33% increase in investments in debt securities from private sector, year-on-year,” Commissioner Funa explained.

The non-life insurance industry’s aggregate net worth also reportedly increased by 19.20% during the same period, from P82.33 billion pesos to P98.14 billion pesos. Further, the non-life insurance industry’s total assets, paid-up capital, and net premiums written also recorded positive growth.

The unaudited QRSFS also showed that the MBA industry’s total assets also increased by 15.02% from P87.86 billion pesos to P101.06 billion pesos; and its total fund balance likewise grew by 17.39% from P35.31 billion pesos to P41.45 billion pesos year-on-year from Q4 FY 2018 to Q4 FY 2019. The MBA industry’s other performance indicators displayed an upward trend year-on-year, particularly its total guaranty fund, investments, contributions/premiums collected, and net surplus.

During the same period, insurance density, which is the amount of premium per capita or average spending of each individual on insurance, rose by 3.35% from P2.72 billion pesos to P2.81 billion pesos.

“These figures were obtained prior to the onset of the community quarantine due to the 2019 Coronavirus Disease (“COVID-19”) pandemic. Nevertheless, we hope that the economic and financial impact of the pandemic in the succeeding reporting quarter will be softened by the measures adopted by the Commission through the various COVID-19-related Circular Letters that we have issued,” Commissioner Funa said.



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