



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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**PRESS RELEASE**  
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**INSURERS' AND MBAs' PREMIUMS EARNED,  
NET INCOME, AND BENEFITS PAID CONTINUE  
TO EXHIBIT UPWARD TREND IN Q3 2021**

Based on data gathered from unaudited Quarterly Reports on Selected Financial Statistics ("QRSFS") submitted by life and non-life insurance companies and mutual benefit associations ("MBAs") as of the quarter ending 30 September 2021 ("Q3 2021"), said industries' premiums earned, net income, and benefits paid continue to exhibit significant growth year-on-year.

"Based on the Q3 2021 QRSFS, life and non-life insurers' and MBAs' total Premiums Earned increased by 28.71% year-on-year, while their total Net Income and Benefits Paid likewise increased by 31.04% and 45.13%, respectively," said Insurance Commissioner Dennis Funa.

Said three (3) industries' aggregate Premiums Earned grew from ₱216.51 billion in Q2 2020 to ₱278.66 billion in Q2 2021. Aggregate Net Income likewise increased year-on-year during the same period from ₱28.62 billion to ₱37.50 billion. The three (3) industries' Benefits Paid substantially increased from ₱69.75 billion in Q3 2020 to ₱101.22 billion in Q3 2021.

The insurers' and MBAs' Investments, too, continue to perform very well. Aggregate Investments grew by 14.02% from ₱1.56 trillion in Q3 2020 to ₱1.78 trillion in Q3 2021. Meanwhile, Total Assets also increased by 12.50% year-on-year from ₱1.79 trillion in Q3 2020 to ₱2.01 trillion in Q3 2021.

The Q3 2021 figures were obtained from submissions from 128 out of the 135 licensed insurers and MBAs in Q3 2021.

"The growth of the life and non-life insurers' and MBAs' aggregate premiums and contributions earned and their aggregate net income in Q3 2021 are indicative of economic recovery amid the COVID-19 pandemic. Moreover, the year-on-year increase in benefits paid during the same quarter highlighted the commitment and responsiveness of our insurers and MBAs to the needs of the insuring public despite the challenges posed by the COVID-19 pandemic," Commissioner Funa stressed.

**Life Insurance Sector**

The aggregate assets of the life insurance sector grew 13.57% from ₱1.41 trillion in Q3 2020 to ₱1.60 trillion in Q3 2021.

“This is mainly attributable to a 32.62% increase in ‘Total Segregated Fund Assets’ that constituted 52.82% of the industry’s total assets,” Commissioner Funa explained.

“The total liabilities of the life sector likewise increased by 16.27% this quarter under review. This was brought about by the increase in ‘Segregated Fund Liabilities’ and ‘Policy & Contract Claims’ by 32.74% and 25.19%, respectively. The increase in total liabilities resulted to the decrease in Net Worth of the sector by 1.43%, from ₱214.44 billion in Q3 2020 to ₱211.36 billion in Q3 2021”, he added.

Meanwhile, the aggregate paid-up capital of the life insurance sector grew slightly by 3.62% from ₱25.14 billion in Q3 2020 to ₱26.05 billion in Q3 2021.

The total investments of the life insurance sector posted a 14.37% growth year-on-year from ₱1.34 trillion in Q3 2020 to ₱1.54 trillion in Q3 2021. The increase can be attributed to the investments in “Financial Assets at Fair Value through Profit or Loss” and “Investments in Subsidiaries, Associates, and Joint Ventures”, which reported increments 36.06% and 10.68%, respectively.

Also, the life insurance sector generated a remarkable ₱230.61 billion total premium income in Q3 2021 compared to ₱173.69 billion in Q3 2020, which translated to a 32.78% increase.

“The Total Premium Income generated by the life insurance sector posted a remarkable increase of 32.78% for the quarter under review year-on-year. Both Variable and Traditional life premiums grew by 40.41% and 11.87%, respectively. The increase can be attributed to the good performance showed by the single premiums of variable life insurance that reported a significant increase of 126.83%. Of the total life premiums, 77.46% came from variable life insurance,” said Commissioner Funa.

The life insurance sector’s total Net Income rose by 39.39% year-on-year, from ₱21.44 billion in Q3 2020 to ₱29.88 billion in Q3 2021. This is due to a 28.65% increase in total underwriting income, which, in turn, was attributable to the increase in Premium Income. The increase can also be attributed to capital gains that posted a staggering 498.53% growth in Q3 2021 over the previous year.

Notably, also, Total Policies and Insured Lives of the life insurance sector increased by 11.82% and 5.95% this Q3 2021, respectively, compared to the same quarter last year.

### **Non-Life Insurance Sector**

The non-life insurance sector’s Total Assets grew by 7.21% year-on-year, from ₱274.50 billion in Q3 2020 to ₱294.28 billion in Q3 2021. Its Total Liabilities also increased by 6.38%, as the total amount rose from ₱172.27 billion to ₱183.25 billion year-on-year.

Meanwhile, the non-life industry’s aggregate Net Worth slightly increased by 8.61% year-on-year, from ₱102.23 billion in Q3 2020 to ₱111.03 billion in Q3 2021.

The non-life insurers' Total Invested Assets likewise increased by 10.22% year-on-year from ₱118.81 billion in Q3 2020 to ₱130.95 billion in Q2 2021.

“The bulk of the increases in Total Investment Assets came from Debt Securities (Bonds), in Government, Time Deposits, Equity Securities, and in Other Investments, which comprised 76.29% of the total investments,” noted Commissioner Funa.

Net Premiums Written (NPW) grew 7.57% from ₱35.46 billion in Q3 2020 to ₱38.15 billion in Q3 2021.

“The Motor Car line of business, which is the major contributor to total NPW per line of business with a 44.42% share, experienced a decline in its NPW during this reporting period, from ₱17.22 billion in Q3 2020 to ₱16.94 billion in Q3 2021. Similar with the second quarter of 2021, Aviation is down by 118.24%, from last year's ₱168 million to negative ₱30.79 million in Q3 2021. The cessions or retrocessions in this line of business were greater than the direct plus assumed business, resulting to a negative net premiums written. Nevertheless, except for the Motor Car and Aviation lines, all other lines of business did well during Q3 2021,” explained Commissioner Funa.

Conversely, the non-life insurance industry's Net Income contracted by 10.40%, from ₱4.84 billion in Q3 2020 to ₱4.34 billion in Q3 2021.

“The decline has been attributed to a 5.51% decrease in net underwriting, which means that the total underwriting expenses are greater than the total underwriting income. Also, capital gains were down by 57.57%, from last year's ₱168.7 million to this year's ₱71.6 million. There were 52 companies that reported increases in their Net Income. However, net losses for this period are 35.90% higher compared to the same period last year, with a total of ₱374.8 million in Q3 2020 net losses (ranging from ₱572 thousand to ₱164.4 million) to Q3 2021's net losses amounting to ₱509.4 million (ranging from ₱1 million to ₱142 million),” Commissioner Funa stated.

### **Mutual Benefit Associations**

“Based on the unaudited QRSFS, almost all performance indicators for MBAs increased year-on-year between Q3 2020 and Q3 2021, except for the industry's total Guaranty Fund, which contracted by a mere 0.01%. The industry's Total Assets, Total Liabilities, Total Fund Balance, Total Investments, Total Contributions / Premiums, Total Benefits Payment / Expenses, and Total Net Surplus grew across the board by 12.10%, 11.94%, 12.34%, 13.80%, 34.51%, 41.99%, and 40.21%, respectively,” Commissioner Funa highlighted.

MBAs' aggregate assets grew 12.10% from ₱109.17 billion to ₱122.38 billion between Q3 2020 and Q3 2021.

“The MBA industry's Total Investments amounting to ₱108.90 billion in Q3 2021, which grew 13.80% year-on-year from ₱95.69 billion in Q3 2020, comprised 88.99% of the industry's Total Assets. As in the previous year of the same quarter, most of the investments were placed in 'Long Term Investments' which stood at ₱47.40 billion and

in Loans amounting to ₱33.62 billion, increasing year-on-year by 26.59% and 6.66%, respectively,” said Commissioner Funa.

Said sector’s liabilities are higher by 11.94 % in Q3 2021 at ₱72.88 billion from ₱65.11 billion in Q3 2020 due to increases in ‘Amount Due to Reinsurers’, ‘Liability on Individual Equity Value’, ‘Optional Benefit Reserve’, ‘Claims Payable on Optional Benefit’, and ‘Other Liabilities’ by 18.96%, 12.48%, 12.07%, 11.95%, and 13.45%, respectively.

The MBA sector’s corresponding Total Fund Balance increased from ₱44.06 billion in Q3 2020 to ₱49.50 billion in Q3 2021. Meanwhile, Premium / Contribution Income amounted to ₱9.90 billion in Q3 2021, from ₱7.36 billion in Q3 2020.

“The sector’s aggregated Net Surplus significantly increased by 40.21% year-on-year, from ₱2.34 billion in Q3 2020 to ₱3.28 billion in Q3 2021. This can be explained by the increases in ‘Premium Income’ and ‘Gross Investment Income’ by 34.51% and 29.98%, respectively, despite the increase in ‘Benefit Expense’ and ‘Operating Expenses’ by 41.99% and 14.43%, respectively,” added Commissioner Funa.



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