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Department of Finance
INSURANCE COMMISSION
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INSURERS' AND MBAs' AGGREGATE ASSETS, NET WORTH, BENEFITS PAID INCREASE IN Q1 2022

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 31 March 2022 ("Q1 2022"), said sectors' Total Assets, Total Benefits Paid, and Total Net Worth grew year-on-year.

"Based on the Q1 2022 QRSFS, life and non-life insurers' and MBAs' Total Assets increased by 12.21% year-on-year, while their Total Net Worth and Total Benefits Paid likewise increased by 24.27% and 19.48%, respectively," said Insurance Commissioner Dennis Funa.

Said three (3) sectors' Total Assets grew from ₱1.89 trillion as of the quarter ending 31 March 2021 ("Q1 2021") to ₱2.12 trillion in Q1 2022. Total Net Worth likewise increased year-on-year during the same period from ₱315.86 billion to ₱392.51 billion. The (3) sectors' Total Benefits Paid also substantially increased from ₱27.88 billion in Q1 2021 to ₱33.32 billion in Q1 2022.

The insurers' and MBAs' investments also performed very well year-on-year. Total Invested Assets grew by 9.94% from ₱1.67 trillion in Q1 2021 to ₱1.84 trillion in Q1 2022. Meanwhile, said industries' Total Paid-Up Capital and Guaranty Fund also increased by 9.75% year-on-year from ₱69.15 billion in Q1 2021 to ₱75.90 billion in Q1 2022.

The Q1 2022 figures were obtained from submissions of one hundred twenty-nine (129) out of the one hundred thirty-five (135) licensed insurers and MBAs as of said quarter.

"Life and non-life insurers and MBAs are steadily recovering from the adverse economic effects of the pandemic, as evidenced by these numbers for Q1 2022. Moreover, the year-on-year increase in Total Benefits Paid during the same quarter highlighted the continuing commitment and responsiveness of our insurers and MBAs to the needs of the insuring public despite the challenges posed by the pandemic," Commissioner Funa stressed.

Life Insurance Sector

A quarter-on-quarter (“QOQ”) comparison reveals that the life insurance sector accumulated assets that reached ₱1.65 trillion as of Q1 2022, which is ₱163.2 billion or 10.94% higher than its previous year assets of ₱1,49 trillion. This was due to the increase in its Segregated Fund Assets by 22.37%, which comprised more than half or 55.05% of the sector’s Total Assets.

The Total Liabilities of the life insurance sector likewise rose by 7.77% in Q1 2022. Moreover, the Total Net Worth of the life insurance sector for the same period under review significantly grew by 37.26%. The increase can be attributed mainly to its Reserve Accounts increasing by 130.71% higher than that of Q1 2021.

The Total Paid-up Capital of the life insurance sector is continuously increasing every quarter, posting an increment of 2.74% from ₱25.8 billion in Q1 2021 to ₱26.6 billion this Q1 2022.

The Total Invested Assets of the life insurance sector likewise increased by 10.19% or ₱146.60 billion, from ₱1.44 trillion in Q1 2021 to ₱1.59 trillion this Q1 2022. The increase can be attributed to the investments in Financial Assets at Fair Value through Profit or Loss (“FVPL”) and Investment Property, which posted increments of 27.99% and 14.54%, respectively. Most of the investments were placed on FVPL with a 59.38% share and investments Available for Sale (“AFS”) having 31.58% share of the life insurers’ Total Investments.

The Total Premium Income generated by the life insurance sector amounted to ₱78.61 billion in Q1 2022, contracting by ₱ 4.58 billion or 5.51% compared to ₱ 83.20 billion in Q1 2021. The decrease was seen in Single Premiums of both variable and traditional life insurance products by 19.78% and 19.86%, respectively. Premiums from variable life insurance policies comprised 75.17% of the Total Premium Income in Q1 2022, with a reported decrease of 9.80% over the previous year’s sales. Premium from traditional life insurance policies, however, increased by 10.38%, from ₱17.68 billion in Q1 2021 to ₱19.52 billion in Q1 2022. New Business Annual Premium Equivalent (“NBAPE”) likewise decreased by 1.21%.

The Total Net Income of the life insurance sector also declined by 20.85% QOQ or ₱1.96 billion as of Q1 2022. This was primarily due to the 5.51% decrease in Total Premium Income and 27.18% increase in Benefit Payments.

Notably, also, Total Number of Policies and Estimated Insured Lives by the life insurance sector increased by 7.60% and 11.08% this Q1 2022, respectively, year-on-year.

Non-Life Insurance Sector

Total Assets of the non-life insurance sector climbed by 21.31% as of Q1 2022, from ₱283.12 billion to ₱343.46 billion, QOQ, with 56.42% of the Total Assets belonging to the top ten (10) non-life insurance companies only. In addition, the Total Liabilities increased year-on-year by 26.83% to ₱222.37 billion from Q1 2021's ₱175.34 billion. The overall Net Worth in Q1 2022 was ₱121.09 billion, increasing by 12.35% from ₱107.78 billion in Q1 2021.

The non-life insurance sector's Total Invested Assets increased in Q1 2022 by 9.16%, from ₱127.23 billion in Q1 2021 to ₱138.89 billion in Q1 2022. This is mainly attributable to the growth in values of the sector's time deposits, debt securities (bonds) in government, equity securities, investments in property, UITF, and other investments, which accounted for 84.72% of the Total Invested Assets.

Meanwhile, Net Premiums Written (NPW) exhibited an increase by 15.45% with ₱15.59 billion as of Q1 2022 compared to ₱13.51 billion in Q1 2021. The Fire Insurance line of business saw a huge gain in Q1 2022, rising from ₱2.45 billion in Q1 2021 to ₱3.63 billion in Q1 2022, or by 48.03%. The Motor Car line of business, which contributes the most to the Total NPW per line of business with 41.32% share increased the sector's NPW to ₱6.44 billion in Q1 2022 from ₱6.14 billion in Q1 2021. The Aviation line of business is now gradually recovering from a negative (-)₱74.10 million in Q1 2021 to ₱7.70 million in Q1 2022, rising by 110.38%. Except for the Health and Passenger Personal Accident Insurance ("PPAI") lines of business, almost all other business lines experienced growth in Q1 2022. The Health insurance line saw a significant dip from Q1 2021's ₱1.10 billion to Q1 2022's ₱0.61 billion, which can be attributed to one (1) company that indicated a 56.59% decline.

Non-life insurers' Total Net Income decreased by 9.88% to ₱1.07 billion in Q1 2022 when compared with ₱1.19 billion in Q1 2021. Sixteen (16) non-life insurance companies reported net losses in Q1 2022 amounting to ₱0.42 billion, which contributed to the drop in the sector's Total Net Income.

Mutual Benefit Associations

MBAs' Total Assets was reported to be at ₱125.66 billion in Q1 2022, increasing by 6.33% from ₱118.18 billion in Q1 2021. Notably, four (4) MBAs make up 80% of the MBA industry's Total Assets.

The Total Invested Assets of the MBA sector amounted to ₱111.85 billion in Q1 2022, higher by 7.42% compared with Q1 2021 figures, and comprised 89% of the MBAs' Total Assets. As in Q1 2021, most of the MBAs' investments were placed in Long Term Investments, which stood at ₱49.27 billion and in loans at ₱34.08 billion, increasing by 12.05% and 2.80% year-on-year, respectively.

The Total Liabilities of MBAs increased by 5.58% year-on-year, from ₱70.63 billion in Q1 2021 to ₱74.58 billion in Q1 2022. This can be attributed to the year-on-year increase in their Optional Benefit Reserve from ₱22.15 billion to ₱24.38 billion, which comprises 32.69% of the sector's Total Liabilities.

MBAs' Total Fund Balance also increased year-on-year by 7.43% over the reported equity of ₱47.54 billion in Q1 2021 to ₱51.08 billion in Q1 2022.

Meanwhile, MBAs' Total Premium Income or contributions by their members amounted to ₱ 3.28 billion in Q1 2022. The top two (2) MBAs contributed 74% of the Total Premium Income of the whole MBA industry.

The sector's Aggregated Net Surplus rose by 13% year-on-year, from ₱1.23 billion in Q1 2021 to ₱1.39 billion in Q1 2022. This can be attributed to an 18.53% increase in Members' Contributions Collected, an increase in Net Returns from Investment by 4.57%, and the decrease in Benefit Expense by 20.70%, year-on-year.



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