



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



PRESS RELEASE
23 June 2023

LIFE INSURERS' AGGREGATE ASSETS, NET WORTH, PAID-UP CAPITAL GROW IN Q1 2023

Based on unaudited Quarterly Reports on Selected Financial Statistics (“QRSFS”) submitted by thirty-three (33) out of thirty-five (35) life insurance companies, the life insurers’ Total Assets, Net Worth, and Paid-Up Capital grew by 3.30%, 28.68%, and 18.25% year-on-year, respectively. Comparisons were obtained from latest figures as of the quarter ending on 31 March 2023 (“Q1 2023”) vis-à-vis figures as of the quarter ending on 31 March 2022 (“Q1 2022”).

The life insurance industry’s Total Assets amounted to ₱1.71 trillion as of Q1 2023 compared with Q1 2022’s ₱1.65 trillion, which translated to a growth of 3.30% or an increment of ₱54.61 billion, year-on-year. The growth was primarily driven by a 1.87%, or ₱17 billion upswing in the industry’s Total Segregated Fund Assets and a 4.65% or ₱30.14 billion growth in Traditional Invested Assets. The two (2) accounts comprise 54.29% and 39.68% of the industry’s Total Assets, respectively.

The life insurers’ Total Net Worth significantly increased by 28.68% or by ₱63.20 billion, from ₱220.35 billion in Q1 2022 to ₱283.55 billion in Q1 2023. This increase can be attributed to the 8.96% or ₱14.66 billion growth in the life insurers’ Retained Earnings and a notable 486.95% or ₱40.15 billion growth in its Reserve Accounts, year-on-year.

Due to two (2) new entrants in the industry, the life insurers’ Total Paid-Up Capital increased by 18.25%, from 26.55 billion in Q1 2022 to ₱31.40 billion in Q1 2023.

The industry’s Total Invested Assets’ performance improved by 3.21%, from ₱1.59 trillion in Q1 2022 to ₱1.64 trillion in Q1 2023. The 4.65% and 2.22% upswing in Traditional and Segregated Fund Invested Assets, respectively, contributed to this. Most of the industry’s investments were placed in Financial Assets at Fair Value Through Profit or Loss (“FVPL”) and Available for Sale (“AFS”), accounting for 58.25% and 31.47% of the industry’s investments. These two (2) investments likewise recorded increases by 1.25% of ₱11.76 billion and 2.83% or ₱14.18 billion, respectively. In addition, the increase in the life insurers’ investments can also be attributed to growths in its Investments in Subsidiaries, which reported a 78.26% or ₱13.47 billion increase, and its Time Deposits, which rose by 42.28% or ₱12.01 billion.

Meanwhile, the Total Liabilities of the industry contracted by 0.60%, or by ₱8.59 billion, between Q1 2022 and Q1 2023. This was mainly due to the contraction in the life insurers’ Aggregate Reserves by 14.12% or by ₱49.06 billion.

The life insurers' Total Net Income also contracted by 12.87% year-on-year, from ₱7.46 billion in Q1 2022 to ₱6.50 billion in Q1 2023. This was due to a 29.20% increase in Other Expenses and a 20.75% increase in General Administrative Expenses.

The life insurance sector's Total Premium Income also slightly contracted by 0.47% or by ₱0.37 billion, from ₱78.61 billion in Q1 2022 to ₱78.24 billion in Q1 2023. This contraction was attributed to a 32.77% decline in the collection of Single Premiums of Variable Life Insurance products amounting to ₱8.31 billion. Total premiums collected for Variable Life Insurance products (i.e., inclusive of First Year, Renewal, and Single Premiums), which constitute 65.89% of the industry's Total Premium Income, registered a 12.76% contraction between Q1 2022 and Q1 2023. Conversely, total premium collections for Traditional Life Insurance products, comprising the 34.11% remainder, grew by 36.74%, or by ₱7.17 billion, from Q1 2022 to Q1 2023. This increase was driven by a staggering 951.52% growth in Single Premium collections for Traditional Life Insurance products. Moreover, the industry's New Business Annual Premium Equivalent ("NBAPE"), which is computed by adding the value of First Year premiums from products newly sold in a certain year and ten percent (10%) of Single Premiums written, registered an 18.16% growth from Q1 2022 to Q1 2023. **[END]**