



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



PRESS RELEASE

11 August 2023

Insurance industry's efforts to advance financial literacy and improved access to financial services cited at Cebu convention

CEBU CITY—Insurance Commissioner Reynaldo A. Regalado on Thursday cited life insurance agents and underwriters for their support for financial literacy programs as a means towards achieving true financial inclusion in the country.

In his keynote speech at the first Life Insurance Convention Philippines organized in this city by the Life Underwriters Association of the Philippines (LUAP), Commissioner Regalado said among the strategies to achieve financial inclusion in the country is the advancement of financial literacy. Regalado said that a high financial literacy among the population will translate to more Filipino families being covered by insurance to guard against financial emergencies arising from death, injury and damage to livelihood.

“Financial inclusion is not only about increasing the percentage of the population who have access to financial products and services. It is more about reducing the demographic disparities between that portion of the population who are unable to participate in the formal financial sector and those who are unable,” Regalado said.

“As among the government’s links to the insuring public, life insurance agents and underwriters can help in advocating financial literacy and prudence among our people, for the ultimate goal of financial inclusion for all. May I thus call upon your organizations to continue supporting financial literacy programs that provide awareness of the benefits of financial products and services, particularly insurance policies that guard against risks that can result in financial ruin,” he added.

In the Philippine insurance industry, while total assets, net worth, total invested assets and total premiums have all increased based on figures collated by the Insurance Commission as of the first quarter of 2023, the insurance density and insurance penetration remains low.

As of the first quarter of 2023, insurance density is at ₱872.56 per Filipino, while insurance penetration is at 1.75%. Insurance density refers to the average spending of each individual on insurance, while insurance penetration refers to the contribution of the insurance sector to the gross domestic product (GDP).

Still, Regalado expressed optimism that through financial literacy programs and digitalization, more Filipinos would be encouraged to be insured so that the protection gap in the economy can be reduced.

“I am optimistic that our efforts are bearing fruit, especially as total premiums collected by life insurance companies from their new business has increased to ₱15.47 billion, or by 18.16%, year-on-year,” he said.

As of the end of the first quarter of this year, life insurance companies collected a total of ₱15.47 billion in premiums considered as new business, which is an 18.16% increase from premium collection from new business during the same period last year, which stood at ₱13.10 billion.

To further promote financial inclusion, the Insurance Commission has also introduced digitalization programs such as the online submission and approval of new insurance products, and is set to release the regulatory guidelines on Islamic insurance within the year. **[END]**