



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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PRESS RELEASE
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**PRE-NEED INDUSTRY'S TOTAL PREMIUM INCOME
UP BY 9.45% DURING 1ST HALF OF 2023**

Total premium income collected by pre-need companies amounted to ₱11.21 billion as of the 1st half of 2023, which is a 9.45% increase from figures during the same period last year, data from the Insurance Commission indicated.

The increase in total premium income could be attributed to the increase in the number of pre-need plans sold during the said period, which totaled 419,044 pre-need plans sold during the 1st half of 2023, or a 27.66% increase from the number of pre-need plans sold during the same period last year.

Majority of the 419,044 pre-need plans sold during the 1st half are memorial plans, which accounted for 99.89% of all pre-need plans sold during the period. The rest of the pre-need plans sold are pension plans (429 pre-need plans sold), and education plans (10 pre-need plans sold).

The Insurance Commission's data also indicated that the pre-need industry's investments in trust funds are ₱6.83 billion higher than their contingent liabilities in servicing active pre-need plans sold to the public.

As of the first half of 2023, investments in trust funds of pre-need companies reached ₱125.37 billion, while contingent liabilities of pre-need companies in servicing active pre-need plans sold to the public amounted to ₱118.53 billion.

For easy reference, the following table indicates the ₱6.83 billion surplus in the pre-need industry's investments in trust funds, as against contingent liabilities of pre-need companies based on actuarial values:

Pre-Need Trust Funds vs. Reserves (In Million Pesos) as of 30 June 2023		
Investments in Trust Funds	Pre-Need Reserves (Contingent liabilities based on actuarial values plus benefits already payable but not yet claimed by planholders)	Surplus / (Deficit)
₱ 125,366.4	₱ 118,533.5	₱ 6,832.9

The Insurance Commission actively monitors the investments in trust funds of each pre-need company to ensure that said trust funds are enough to pay contingent liabilities of each pre-need company based on the pre-need plans that they sold to the public. Pursuant to Section 30 of the Pre-Need Code, pre-need companies are required to establish a trust fund per pre-need plan category (i.e. memorial, pension, or educational plan) that shall remain for the sole purpose of paying benefits to planholders.

Total assets, liabilities, and net worth of the pre-need industry also increased by 7.86%, 3.57%, and 40.09%, respectively, as shown in the following table:

	1H 2023 (Amount in Million Pesos)	1H 2022 (Amount in Million Pesos)	% Increase
Total Assets	₱ 148,802.0	₱ 137,962.5	7.86%
Total Liabilities	₱ 126,134.7	₱ 121,782.2	3.57%
Total Net Worth	₱ 22,667.4	₱ 16,180.3	40.09%

[END]