



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



**PRESS RELEASE**  
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## **PRE-NEED INDUSTRY'S TOTAL PREMIUM INCOME UP BY 8.28% DURING 3<sup>RD</sup> QUARTER OF 2023**

Total premium income collected by pre-need companies amounted to ₱16.70 billion as of the 3<sup>rd</sup> quarter of 2023, which is an 8.28% increase from the ₱15.43 billion premium collection during the same period last year.

The Insurance Commission attributed the increase in total premium income to the increase in the number of pre-need plans sold during the first three quarters of the year.

Data from the Insurance Commission indicated that pre-need companies sold close to 600,000 pre-need plans as of the 3<sup>rd</sup> quarter of this year, which is a 12.83% increase from the number of pre-need plans sold during the same nine-month period in 2022. Most of the pre-need plans sold are memorial plans.

Data as of the 3<sup>rd</sup> quarter also saw the pre-need industry go back to profitability with total net income of ₱1.79 billion, after suffering a net loss of ₱7.11 billion during the same period last year. The net loss suffered by the pre-need industry as of the 3<sup>rd</sup> quarter of last year was due to high net losses as a result of benefit payments for pre-need policies.

In terms of ability to service benefit claims under all the pre-need plans that they sold, pre-need companies also increased their surplus in trust funds.

As of the 3<sup>rd</sup> quarter, the investment in trust funds of pre-need companies amounted to ₱124,232.20 billion. On the other hand, pre-need reserves, or the amount reserved for benefit payments for all pre-need plans sold plus benefits already payable, only stood at ₱119,136.30 billion.

This amounts to a surplus in trust funds in the amount of ₱5.09 billion, which is 380% higher than the surplus in trust funds as of the 3<sup>rd</sup> quarter of 2022.

For easy reference, the following table shows the investments in trust funds, as against contingent liabilities of pre-need companies based on actuarial values:

<b>Pre-Need Trust Funds vs. Reserves (In Million Pesos) as of 30 September 2023</b>		
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)
₱ 124,232.2	₱ 119,136.3	₱ 5,095.9

In terms of financial stability of pre-need companies, total net worth of the pre-need industry amounted to ₱21.65 billion, or an increase of 42.53% from total net worth as of the 3<sup>rd</sup> quarter last year.

Twelve pre-need companies reported increases in their net worth, with one pre-need company increasing its net worth by as much as 2,000%.

The increase in total net worth of the pre-need industry could be attributed to the 9.76% increase in total assets. As of the 3<sup>rd</sup> quarter of 2023, total assets grew to ₱147.86 billion, with four pre-need companies increasing their total assets by at least 10%.

For easy reference, the increase in total assets, liabilities, and net worth of the pre-need industry are shown in the table below:

	<b>Q3 2023 (Amount in Million Pesos)</b>	<b>Q3 2022 (Amount in Million Pesos)</b>	<b>% Increase / (Decrease)</b>
<b>Total Assets</b>	₱ 147,859.8	₱ 134,713.8	9.76%
<b>Total Liabilities</b>	₱ 126,208.1	₱ 119,523.1	5.59%
<b>Total Net Worth</b>	₱ 21,651.7	₱ 15,190.7	42.53%

The Insurance Commission's figures on the pre-need industry for the 3<sup>rd</sup> quarter of 2023 were collated from the financial submissions of all of the eighteen (18) pre-need companies with either existing licenses or have pending applications for renewal of license, except for Caritas Financial Plans, Inc., which was already placed under conservatorship last July 2023.

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