



PRESS RELEASE
21 May 2025

**INSURANCE PENETRATION, DENSITY
RISE IN Q1 2025 VIS-À-VIS Q1 2024**

The Insurance Commission recently reported that insurance penetration grew from 1.78% as of 31 March 2024 (“Q1 2024”) to 1.89% as of 31 March 2025 (“Q1 2025”). During the same period, insurance density rose by 13.40%, year-on-year, from ₱965.56 to ₱1,094.94 per capita.

Insurance penetration represents the ratio of insurance premiums to the country’s Gross Domestic Product (“GDP”). Insurance density, on the other hand, reflects the ratio of total premiums to the population.

“The increase in insurance penetration is due to the faster growth in premiums than the GDP expansion of 7.80%, at current prices, during this review period,” said Insurance Commissioner Reynaldo A. Regalado.

“The growth in insurance density was mainly driven by a rise in Total Premiums that exceeded the population growth rate of 0.87% during the same period,” he added.

The figures were obtained from the unaudited Enhanced Quarterly Reports on Selected Financial Statistics (“EQRSFS”) by 127 of the 129 insurers and mutual benefit associations (“MBAs”) as of Q1 2025.

Aggregate Performance

The Total Premiums of life and non-life insurers and MBAs grew by 14.41%, year-on-year, from ₱108.53 billion as of Q1 2024 to ₱124.17 billion as of Q1 2025. In contrast, Benefit Payments declined slightly by 1.00% from ₱39.25 billion to ₱38.86 billion. These figures resulted in a 7.09% increase in the sectors’ Total Net Income, which grew from ₱14.29 billion to ₱15.30 billion, which underscores the sectors’ solid financial health as of Q1 2025.

The Total Assets of insurers and MBAs also grew by 4.13%, from ₱2.38 trillion as of Q1 2024 to ₱2.48 trillion as of Q1 2025. Total Invested Assets maintained a steady upward trend increasing by 3.44% from ₱2.12 trillion to ₱2.19 trillion. Total Liabilities also rose, growing by 3.06% from ₱1.92 trillion to ₱1.98 trillion over the same review period. Moreover, the sectors’ Total Net Worth expanded by 8.60%, reaching ₱497.23 billion as of Q1 2025 from ₱457.85 billion as of Q1 2024.

The insurers’ and MBAs’ Paid-Up Capital and Guaranty Fund also increased by 1.82%, from ₱84.67 billion as of Q1 2024 to ₱86.21 billion as of Q1 2025.

Life Insurance Industry Performance

The life insurers' Total Assets grew 3.58% from ₱1.86 trillion as of Q1 2024 to ₱1.93 trillion as of Q1 2025.

"This is mainly attributable to a 4.69% increase in 'Traditional Invested Assets' and a 2.26% increase in 'Segregated Fund Assets'. These accounts comprise 39.37% and 55.52% of the total sector's assets, respectively," Commissioner Regalado explained.

The life insurers' Total Liabilities and Total Net Worth increased by 2.52% and 10.00%, respectively, as of Q1 2025.

"The 2.21% uptick in 'Segregated Fund Liabilities' and 3.65% increase in 'Aggregate Reserves', which constitute 65.10% and 21.45% of the sector's Total Liabilities, respectively, explains the 2.52% increase. Meanwhile, the life insurers' Total Net Worth also grew from ₱0.26 trillion as of Q1 2024 to ₱0.29 trillion as of Q1 2025, or by 10.00%. This is driven by the 17.99% increase in Retained Earnings that comprise 73.10% of the sector's Total Net Worth. Contributed Surplus also increased by 49.87%, rising from ₱5.50 billion as of Q1 2024 to ₱8.24 billion as of Q1 2025," Commissioner Regalado stated.

Meanwhile, the Total Paid-up Capital of the life insurance sector was observed to have slightly increased by 1.00%, from ₱34.90 billion as of Q1 2024 to ₱35.26 billion as of Q1 2025.

The Total Invested Assets of the life insurance sector posted a 3.17% growth year-on-year from ₱1.80 trillion as of Q1 2024 to ₱1.86 trillion as of Q1 2025. The increase can be mainly attributed to the increases in the values of Traditional Invested Assets and Segregated Fund Invested Assets by 1.89% and 5.08%.

"The Total Premium Income generated by the life insurance sector posted an increase of 13.96%, from ₱87.66 billion as of Q1 2024 to ₱99.90 billion as of Q1 2025. Variable Life Insurance Premiums grew by 22.78% while Traditional Life Premiums contracted by 0.93%. The increase can be attributed to the good performance shown by the Single Premiums of Variable Life Insurance which reported a significant increase of 53.68% as of Q1 2025. Of the total life premiums, 67.67% came from variable life insurance, while the remaining 32.33% came from traditional life insurance. Additionally, the New Business Annual Premium Equivalent (NBAPE) saw a rise of 12.92%, from ₱16.71 billion as of Q1 2024 to ₱18.86 billion as of Q1 2025," said Commissioner Regalado.

The life insurance sector's Total Net Income rose by 12.22% year-on-year, from ₱9.65 billion as of Q1 2024 to ₱10.83 billion as of Q1 2025, as the Total Benefit Payments made contracted by 7.24% from ₱31.21 billion to ₱28.94 billion. The contraction in Investment Income by 45.97% was mitigated by an increase in Total Underwriting Income of 15.18% and the relatively unchanged Total Underwriting Expenses at ₱89.48 billion during the reporting period.

Non-Life Insurance Industry Performance

The non-life insurance sector's Total Assets grew by 4.88% year-on-year, from ₱363.89 billion as of Q1 2024 to ₱381.66 billion as of Q1 2025. On the other hand, its Total Liabilities also grew by 4.08%, from ₱232.31 billion to ₱241.79 billion.

Meanwhile, the non-life industry's Total Net Worth increased by 6.30%, from ₱131.58 billion as of Q1 2024 to ₱139.87 billion as of Q1 2025.

The non-life insurers' Total Invested Assets, which notably comprises 49.07% of the sector's total assets, likewise increased by 4.95% year-on-year from ₱178.46 billion as of Q1 2024 to ₱187.29 billion as of Q1 2025.

"The main driver for the increase in the value of invested assets was the 18.88% rise in Held-to-Maturity Investments, amounting to ₱6.96 billion. Notably, 71.36% of the Total Invested Assets were allocated to Time Deposits (19.33% share), Held-to-Maturity Investments (23.39%) share, and Available-for-Sale Financial Assets (28.64% share)," Commissioner Regalado said.

Net Premiums Written (NPW) also grew by 19.35% from ₱16.99 billion as of Q1 2024 to ₱20.27 billion as of Q1 2025.

"The Motor Car line of business, which is the major contributor to total NPW per line of business with a 39.31% share, grew by 11.10% during this reporting period, from ₱7.17 billion to ₱7.97 billion. The Fire Insurance line also showed a strong performance, growing by 21.91% to ₱3.81 billion from ₱3.12 billion in the previous year. We are glad that all business lines reported growth during this period," explained Commissioner Regalado.

The non-life insurance industry's Total Net Income increased from ₱2.52 billion as of Q1 2024 to ₱2.89 billion as of Q1 2025, or by 14.63%. This growth in profitability is attributable to a strong underwriting performance. Further, the year-on-year increase of ₱3.03 billion in Premiums Earned surpassed the ₱1.69 billion increase in Losses Incurred.

"Overall, the non-life insurance sector performed well as of the first quarter of 2025, marking a recovery from the downturn experienced in 2024. The rise in the key financial indicators, such as Total Assets, Total Net Worth, Total Premiums, and Total Net Income, reflected growth and stability. The Commission expects that this momentum will be carried throughout the remainder of the year," Commissioner Regalado remarked.

MBA Sector Performance

"Our review shows that all performance indicators, except for Total Net Surplus, increased as of Q1 2025 vis-à-vis as of Q1 2024. The MBAs' Total Assets, Total Liabilities, Total Guaranty Fund, Total Fund Balance, Total Invested Assets, and Total Contributions / Premiums grew across the board by 9.04%, 10.08%, 4.02%, 7.54%, 5.07%, and 2.89%, respectively. On the other hand, Total Net Surplus contracted by 25.21% during the review period," Commissioner Regalado highlighted.

MBAs' Total Assets grew 9.04% from ₱152.58 billion to ₱166.38 billion between Q1 2024 and Q1 2025. The sector's Total Invested Assets, which comprises 87.95% of the sector's Total Assets amounted to ₱146.33 billion as of Q1 2025, growing by 5.07% year-on-year from ₱139.27 billion as of Q1 2024.

Investment Through Bonds, which constitutes 53.76% of Total Invested Assets, grew from ₱69.95 billion to ₱78.67 billion. This was followed by Investment Through Loans at ₱38.35 billion as of Q1 2025, which comprises 26.21% of the Total Invested Assets of MBAs.

The MBAs' Total Net Surplus declined by 25.21% from ₱2.12 billion as of Q1 2024 to ₱1.59 billion as of Q1 2025. The drop is attributable to the increase in Liability on Individual Equity Value by 545.52% and a 48.65% growth in Operating Expenses. Gross Investment Income also contracted by 3.58% during the period under review from ₱2.20 billion to ₱2.13 billion, contributing to the contraction in Total Net Surplus.

The MBA sector's Total Fund Balance increased by 7.54%, from ₱62.60 billion as of Q1 2024 to ₱67.32 billion as of Q1 2025. Meanwhile, Total Premiums / Contributions collected, amounted to ₱3.99 billion as of Q1 2025, from ₱3.88 billion as of Q1 2024, rising by 2.89%, which is driven by a 5.67% increase in Net Premiums collected.

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