



PRESS RELEASE
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**INSURANCE INDUSTRY'S NET INCOME, PREMIUMS,
AND BENEFIT PAYMENTS INCREASE AT THE CLOSE OF 2024**

Based on data gathered from unaudited Enhanced Quarterly Reports on Selected Financial Statistics ("EQRSFS") submitted by life and non-life insurers and mutual benefit associations ("MBAs"), said industries' net income, premiums earned, and benefits paid increased year-on-year as of the quarter ending 31 December 2024 ("Q4 2024").

"The Q4 EQRSFS shows that the life and non-life insurers' and MBAs' total Premiums increased by 12.81% year-on-year, while their total Net Income and Benefits Paid also increased by 15.88% and 18.97%, respectively," said Insurance Commissioner Reynaldo A. Regalado.

Said three (3) sectors' aggregate Premiums grew from ₱390.39 billion as of Q4 2023 to ₱440.39 billion as of Q4 2024. Aggregate Net Income likewise increased year-on-year during the same period from ₱48.58 billion to ₱56.29 billion. The Insurance Industry's Benefits Paid substantially increased from ₱134.76 billion as of Q4 2023 to ₱160.33 billion as of Q4 2024.

The insurers' and MBAs' investments also performed very well year-on-year. Aggregate Invested Assets grew by 7.23% from ₱2.05 trillion as of Q4 2023 to ₱2.20 trillion as of Q4 2024. Meanwhile, Total Assets also increased by 6.43% year-on-year from ₱2.31 trillion as of Q4 2023 to ₱2.46 trillion as of Q4 2024.

The Q4 2024 figures were obtained from submissions of 128 out of 137 licensed insurers and MBAs.

Meanwhile, insurance penetration, which is the ratio of insurance premiums to the country's GDP, also increased by 0.06 percentage points year-on-year, from 1.61% as of Q4 2023 to 1.67% as of Q4 2024.

"This is explained by the faster growth of the insurance premiums vis-à-vis the 8.84% growth in the GDP (in current prices), which underscores stronger expansion within the insurance and MBA sectors as of Q4 2024," Commissioner Regalado added.

Insurance density, on the other hand, which represents the amount of premium per capita or average spending of each individual on insurance, also increased from ₱3,457.84 in Q3 2023 to ₱3,892.77 as of Q4 2024, or by 12.58%, as Insurance premiums in Q4 2024 outpaced the 0.20% year-on-year population growth.

Life Insurance Sector Performance

The aggregate assets of the life insurance sector grew 7.30% from ₱1.79 trillion as of Q4 2023 to ₱1.92 trillion as of Q4 2024.

“This is mainly attributable to a 4.93% increase in ‘Traditional Fund Assets’ and a 9.10% increase in ‘Segregated Fund Assets’. These accounts comprise 39.07% and 56.19% of the total sector’s assets, respectively,” Commissioner Regalado explained.

“The total liabilities of the life insurance sector likewise increased year-on-year by 8.20% this quarter under review. This was due to the modest 9.14% rise in Segregated Fund Liabilities and a 7.03% uptick in Aggregate Reserves as of Q4 2024. The life insurance sector’s total net worth likewise slightly rose year-on-year by 2.33%, as Retained Earnings surged by 11.40% and Contingency Surplus also rose by 16.86% as of Q4 2024,” he added.

Meanwhile, the aggregate paid-up capital of the life insurance sector was observed to have slightly contracted by 0.93%, from ₱32.78 billion as of Q4 2023 to ₱32.47 billion as of Q4 2024, which was mainly due to the decrease in the number of companies with EQRFSFS submissions.

The total invested assets of the life insurance sector posted a 7.09% growth year-on-year from ₱1.74 trillion as of Q4 2023 to ₱1.86 trillion as of Q4 2024. The increase can be mainly attributed to the increases in the values of Investments in Traditional and Segregated Fund Assets by 4.93% and 8.60%. Investments in “Financial Assets at Fair Value through Profit or Loss” (FVPL) and “Available for Sale” (AFS) investments, which comprise 60.37% and 31.14% of the sector’s total investments, also reported marginal increases of 9.42% and 7.93%, respectively.

“The Total Premium Income generated by the life insurance sector posted a remarkable increase of 13.56%, from ₱309.99 billion as of Q4 2023 to ₱352.02 billion as of Q4 2024. Both Variable and Traditional Life premiums grew by 12.21% and 16.17%, respectively. The increase can be attributed to the good performance shown by the Single Premiums of variable life insurance which reported a significant increase of 40.33% as of Q4 2024. Of the total life premiums, 65.28% came from variable life insurance, while the remaining 34.72% came from traditional life insurance. Additionally, the New Business Annual Premium Equivalent (NBAPE) saw a modest rise of 9.57%, from ₱61.59 billion as of Q4 2023 to ₱67.49 billion as of Q4 2024,” reported Commissioner Regalado.

The life insurance sector’s total net income rose by 19.63% year-on-year, from ₱33.63 billion as of Q4 2023 to ₱40.23 billion as of Q4 2024 despite the 22.06% increase in total benefit payments incurred by the industry. The increase can also be attributed to a substantial 77.58% rise in Miscellaneous Income and a staggering 94.0% increase in Gain on Sale of Investments.

Non-Life Insurance Sector Performance

The non-life insurance sector's total assets slightly grew by 0.73% year-on-year, from ₱371.78 billion as of Q4 2023 to ₱374.49 billion as of Q4 2024. On the other hand, its total liabilities slightly contracted by 0.68%, from ₱241.83 billion to ₱240.20 billion year-on-year.

Meanwhile, the non-life industry's aggregate net worth slightly increased by 3.35% year-on-year, from ₱129.95 billion as of Q4 2023 to ₱134.30 billion as of Q4 2024.

The non-life insurers' total invested assets, which notably comprises 49.40% of the sector's total assets, likewise increased by 4.48% year-on-year from ₱177.06 billion as of Q4 2023 to ₱185.00 billion as of Q4 2024.

"The main driver for the increase in the value of invested assets was the 10.34% rise in Available-For-Sale (AFS) Financial Assets, which amounted to a ₱5.46 billion increment," noted Commissioner Regalado.

Net Premiums Written (NPW) also grew by 10.49% from ₱65.01 billion as of Q4 2023 to ₱71.84 billion as of Q4 2024.

"The Motor Car line of business, which is the major contributor to total NPW per line of business with a 40.17% share, rose modestly by 6.28% during this reporting period, from ₱27.15 billion as of Q4 2023 to ₱28.86 billion as of Q4 2024. All non-life insurance business lines saw growth as of the end of Q4 2024, with the Motor Car line leading, followed by the Fire insurance line, which contributed 16.64% of the NPW and saw a 12.44% increase from Q4 2023," explained Commissioner Regalado.

Meanwhile, the non-life insurance industry's Net Income slightly contracted by 2.63%, from ₱9.13 billion as of Q4 2023 to ₱8.89 billion as of Q4 2024. This decline was largely due to a 3.68% contraction in Underwriting Gain, as the rise in total Underwriting Expenses outpaced the growth in Underwriting Income. Additionally, a 7.47% increase in General and Administrative Expenses and a 34.12% jump in Provision for Income Taxes contributed to the contraction of the sector's Net Income.

"Despite this, the Commission still views that the non-life sector exhibited strength and continued financial growth, with a solid performance in key areas like motor car insurance and high investment returns. Overall, the non-life market remains stable and improving, indicating positive long-term prospects," Commissioner Regalado remarked.

Performance by Mutual Benefit Associations

"Based on the unaudited EQRSFS, all performance indicators for MBAs increased year-on-year between Q4 2023 and Q4 2024. The MBAs' Total Assets, Total Liabilities, Total Fund Balance, Total Guaranty Fund, Total Invested Assets, Total Contributions / Premiums, Total Benefits Payment / Expenses, and Total Net Surplus grew across the board by 10.10%, 9.37%, 11.16%, 4.61%, 12.62%, 7.49%, 7.80%, and a remarkable 23.24%, respectively," Commissioner Regalado highlighted.

MBA's Total Assets grew 10.10% from ₱148.57 billion to ₱163.58 billion between Q4 2023 and Q4 2024.

The sector's Total Invested Assets amounted to ₱152.54 billion as of Q4 2024, grew by 12.62% year-on-year from ₱135.44 billion as of Q4 2023.

"The majority of investments were allocated to Long Term Investments (Bonds), which amounted to ₱75.72 billion, and in Loans amounting to ₱47.82 billion. These two investment portfolios comprised 49.64% and 31.35% of the total associations invested assets and posted an increment of 9.68% and 10.24%, respectively," said Commissioner Regalado.

"The sector's aggregated Net Surplus significantly increased by 23.24% year-on-year, from ₱5.81 billion as of Q4 2023 to ₱7.16 billion as of Q4 2024. This can be attributed to the staggering 306.61% increase in 'Other Income' and the 7.49% rise in Total Premiums / Contributions collected," he added.

Meanwhile, said sector's Total Liabilities are higher by 9.37% as of Q4 2024 at ₱96.30 billion from ₱88.05 billion as of Q4 2023.

The MBA sector's corresponding Total Fund Balance increased by 11.16%, from ₱60.52 billion as of Q4 2023 to ₱67.27 billion as of Q4 2024. Meanwhile, Total Premiums / Contributions collected amounted to ₱16.54 billion as of Q4 2024, from ₱15.39 billion as of Q4 2023, rising by 7.49%.

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