

Asian Reinsurance Corporation

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INSURANCE FORUM

The Asian Reinsurance Corporation (“Asian Re”) is an inter-governmental organization established in May 1979. Its primary objective is to be a leading professional reinsurer in the Asia-Pacific region. The concept of a regional reinsurer was developed gradually starting in 1972 when the third session of UNCTAD passed Resolution No. 42 (iii) recognizing that a reinsurance market is an essential element of economic growth. In 1974, eight members of the United Nations-Economic and Social Commission for Asia and the Pacific (ESCAP) agreed in principle to establish a regional reinsurance institution. In 1976, a draft intergovernmental agreement was written and in 1977 it was signed by seven countries. The Philippines signed the agreement creating Asian Re on September 30, 1977. In 1979, the inaugural meeting of the Council of Members was held. Today, Asian Reinsurance Corporation is headquartered in Bangkok, Thailand. The Council of Members is composed of representatives from each of the ten regular member states.

Upon the signing of the intergovernmental agreement in 1977, Presidential Decree No. 1270 was issued on December 22, 1977, establishing the National Reinsurance Corporation of the Philippines (“PhilNaRe”) and designated it as the national institution authorized to subscribe to the portion of the capital stock of Asian Reinsurance allotted for the Philippines. Under Section 3 of P.D. No. 1270, the Insurance Commissioner was designated as Philippine representative to the Council of Members of Asian Re. As of 2016, the Vice Chairman of the Asian Re Management Board is the Philippine Insurance Commissioner.

Asian Re started its operations on January 1, 1980, with an authorized capital of US\$15 million and a paid-up capital of US\$4.5 million contributed by nine countries. This was later increased to US\$ 5 million in 1993. In July 2005, the authorized capital was increased to US\$100 million. In 2012, its authorized capital increased to US\$ 200 million.

In December 2006, its paid-up capital was increased to US\$ 19.3 million. This increased to US\$ 28.4 million by December 2007; to US\$ 30.8 million by January 2009; to US\$ 78.27 million by 2014. By 2015, its paid-up capital has increased to US\$ 98.82 million.

In 2006 it had a networth of US\$ 33.8 million; US\$ 51.6 million by December 2007; and US\$ 56.0 million by January 2009.

In November 2000, its membership was opened to developed countries and the ceiling on the capital contribution of members was removed.

Its membership is open to all state members or associate members of the UN-ESCAP. On July 9, 2005, associate membership became open to non-ESCAP member states, private organizations, private corporations, non-government organizations and multi-lateral institutions. A year later, on December 2006, it admitted six associate members; this increased to seven a year later on December 2007. In January 2009, it admitted its eighth associate member; and its tenth in 2011. By 2014, its associate membership has increased to nineteen.

At present (2016), there are ten ESCAP member states as regular members, they are: Afghanistan, Bangladesh, Bhutan, China, India, Iran, South Korea, Sri Lanka, Thailand, and the Philippines.

There are nineteen insurance and reinsurance companies from Asia as associate members. They include such companies as: Bimeh Markazi Iran of Iran; General Insurance Corporation of India of India; Mitsui Sumitomo Insurance Company Limited of Japan, The Viriyah Insurance Company Limited of Thailand; Oman Insurance Company PSC of the United Arab Emirates; Sadharan Bima Corporation of Bangladesh; Bangkok Insurance Public Company Limited of Thailand, among others.

In terms of financial strength rating, in March 2008, A.M. Best gave it a “B++” (Good) and “bbb” for Issuer Credit Ratings with “stable” outlook. In 2016, it was given “B+” (Good) with stable outlook rating from the previous rating of “B” (fair).

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