



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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Manila



**PRESS RELEASE**  
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**26 MILLION FILIPINOS COVERED BY MICROINSURANCE AS OF END OF 3<sup>RD</sup> QUARTER 2016**

Twenty-six million Filipinos, or roughly a quarter of the country's total population of 103.5 million, are protected by a microinsurance product.

According to Insurance Commissioner Dennis B. Funa said microinsurance penetration rate reached 25.4%, posting a 3.2% growth rate in the third quarter of 2016 compared to the second, in terms of number of individuals covered by some form of microinsurance.

"As expected, 59% of the total number of individuals covered by microinsurance, or 15.6 million, were generated by the Microinsurance-Mutual Benefit Associations (Mi-MBAs)," Funa said.

"We are optimistic that the microinsurance penetration rate will increase up to 48.7% by 2022," he added.

The life insurance sector meanwhile covered some 7.5 million lives or 29% of the total microinsured end September, while the non-life insurance sector accounted for 3.1 million or roughly 12%.

Meanwhile, premiums generated from the sale of micro-protection products ballooned by a whopping 63%, or from P2.44 billion at the end of the second quarter of 2016 to P3.97 billion end September 2016.

MBAs, as opposed to commercial insurers, remain to be the dominant players in the microinsurance based on the sector's performance report as of 3rd quarter of 2016. MBAs accounted for 56% of the total premium income of the microinsurance sector in the amount of P2.20 billion followed by the life sector with 34% market share in the amount of P1.35 billion and the and the non-life sector with 10% market share in the amount of P409 million.

Commissioner Funa stressed that the importance of microinsurance is not the amount of premiums generated.

"Wider financial inclusion and maximum social protection is critical in a developing and vulnerable country such as the Philippines," Funa said, adding that it is also the second most vulnerable Asian nation versus natural and man-made disasters.

And the greater participation of private insurers in extending micro-protection allows the government to focus more in development and investments in social projects.

With the implementation of frameworks that would facilitate and promote the development of broader range of microinsurance products and the increase in the participation of the private sector, the Insurance Commission (IC) is optimistic that the microinsurance penetration rate will increase up to 48.7% by 2022.

The IC recently issued the new framework on distribution channels for microinsurance products and services, the enhanced performance indicators and standards for microinsurance providers and the regulations of the provisions of microhealth products and services.

"Microinsurance can help combat poverty by providing low-income sector of the society with access to risk protection products thereby protecting their lives, properties and livelihood. The continuous increase in microinsurance penetration rate is helpful to the attainment of the "Ambisyon Natin 2040" of the Duterte administration with the goal to wipe out poverty by 2040 or sooner and its strategy of improved financial inclusion and income diversification," said Commissioner Funa.

By virtue of Proclamation No. 1212, series of 2007, the month of January was declared as the National Microinsurance Month.



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