



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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IC COMMISSIONER FUNA SEES POSITIVE GROWTH OF PRE-NEED INDUSTRY WITH ENTRY OF NEW PLAYERS

Insurance Commissioner Dennis B. Funa expressed optimism that the pre-need industry will register a positive growth this year despite the flat growth of the industry during the first quarter of this year, noting the expected entry of three (3) new players this year.

The pre-need industry experienced a flat growth during the first quarter of the year compared to the same period in 2016 based on the interim financial statements submitted by pre-need firms.

According to Commissioner Funa, while the total premium income of the pre-need industry for the first three quarters of this year stood at P4.10 billion, up by 6.10% from the P3.70 billion posted during the same period in 2016, the industry experienced a flat growth in terms of number of plans sold.

In the first quarter of the year, the pre-need industry sold a total of 183,837 pre-need plans, a growth of merely 0.06% from the 183,729 total plans sold during the same period in 2016.

Commissioner Funa noted that while there were 180,148 life plans sold, there was a significant decrease in the number of pension and educational plans sold.

St. Peter's Life Plan remains to be the leader out of the 8 pre-need firms authorized to sell life plans. Caritas Financial Plans, on the other hand, takes the top spot out of the 15 firms authorized to sell pension plans. In terms of educational plans, only Philplans First, Inc., registered a sale for the first three months of the year.

The pre-need industry posted a total of P120.60 billion in terms of assets, up by 1.32% from P119.70 billion during the same comparable period. However, a P104.80 billion was posted in terms of total liabilities, up by 4.49% from P100.30 billion during the same comparable period, resulting to a total net worth of P15.90 billion, down by 15.62% from 18.80 billion posted during the same period in 2016.

Commissioner Funa said, "We remain optimistic that the pre-need industry's performance will improve in the succeeding months. We are expecting that we will be able to issue licenses to operate to at least three new industry players within the year. In fact, the two firms already submitted applications for licenses

to sell pre-need plans. We are currently evaluating the applications of these two firms. Once we find everything in order, the necessary licenses will be issued in their favor.”

He added, “Therefore, the entry of new players is expected to raise investments in and competitiveness within the sector. This will also help drive innovation and further improvement in the services of pre-need firms as a way of attracting new customers.”

Under Republic Act No. 9829 or The Pre-Need Code of the Philippines, new pre-need companies are required to have a minimum paid-up capital in the amount of One Hundred Million Pesos (P100 million).



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