



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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INSURANCE INDUSTRY MARKS 2017 AS BANNER YEAR

Insurance Commissioner Dennis B. Funa announced that the insurance industry posted new record highs in terms of assets, investments, net worth, net income and premium as of end of 2017, marking a new banner year for the industry.

Based on the unaudited quarterly statistical report as of end 31 December 2017 submitted by all industry players, the industry's assets reached an all-time high of ₱1.56 trillion as of end of 2017 representing a 18.95% growth from the ₱1.31 trillion recorded as of end of 2016.

According to Commissioner Funa, the life insurance sector holds ₱1.26 trillion or 81% of the total assets of the industry, while the non-life insurance sector and MBA sector holds ₱221.74 billion and ₱77.47 billion, respectively.

Commissioner Funa added that, "The increase in the total assets of the life insurance sector is attributed to the 78.16% increase in reinsurance accounts receivables or those amounts collectible arising from reinsurance transactions to ₱4.65 billion as of end of 2017 from ₱2.61 billion as of end of 2016, and the 25.40% increase in the segregated fund assets during the same comparable period.

On the other hand, the growth in total assets of the non-life sector is due to the increase in receivables from reinsurance transactions. As of year-end 2017, the receivables from reinsurance transactions of the non-life sector was ₱64.12 billion compared to ₱38.79 billion as of year-end 2016 representing an increase of 65.31%. During the same comparable period, the premiums receivable of the non-life insurance sector likewise increased by 28.88% to ₱25.26 billion from ₱19.60 billion.

Commissioner Funa said, "Of the ₱1.56 trillion total assets of the industry, approximately 85% or ₱1.33 trillion are placed in different classes of investments."

"Again, as of year-end 2017, the industry recorded the highest invested funds in the total amount of ₱1.33 trillion compared to those reported in recent years," he said.

The industry's invested assets are mainly composed of investments in government and corporate bonds, which is approximately 47%, and in the stock market which is approximately 29% of the total invested assets.

In terms of networth, the industry likewise posted a record-high of P320.3 billion for the last six years.

The life insurance sector recorded an increase of 19.48% in its networth primarily due to the increase in investment fluctuation reserves which represents the unrealized appreciation in market value of stock and bond investments, as at a given report date.

The life insurance sector posted a total paid-up capital of P20.6 billion in 2017, an increment of 26.13% from the P16.3 billion in 2016. This is likewise a factor in the growth in the life sector's network.

During the same comparable period, the non-life insurance's network increased by 13.89% which is attributed to the 25.43% increase in the total unassigned surplus/retained earnings and 20.56% increase in investment fluctuation reserves.

MBA sector posted a 21.76% increase in the network primarily due to the 34.05% increase in the total unassigned surplus/retained earnings of all licensed MBAs.

"After experiencing a slight decline on revenue in 2016, the industry posted a 50.44% increase in net income as of year-end 2017," Commissioner Funa said.

While the non-life insurance sector posted a minimal 5.70% increase in its net income, the life insurance sector posted a significant 55.94% increase in revenue due to the increase in underwriting income.

The MBA sector, on the other hand, likewise posted a significant increase in total net income due to the substantial increase in investment income. The MBA sector's income from investment increased by 47.33% from P4.88 billion in 2016 to P7.19 billion in 2017.

For the recent years, the industry posted the highest amount of premiums collected as of year-end 2017 amounting to P259.8 billion.

Commissioner Funa said, "In 2017, the life insurance sector accounted for 77.94% of the industry total premiums or P202.50 billion, while the non-life insurance sector and MBA sector account for 18.70% and 3.37%, respectively."

The life insurance sector reported an increase of 10.78% in premiums collected from P182.79 billion as of end 2016 to P202.50 billion as of end 2017.

"From total premiums generated by the life insurance sector, 74% were generated from the sale of variable life insurance products. In fact, premiums collected from variable life insurance products increased by 12.29% while premiums collected from traditional life insurance products increased by 6.83%," said Commissioner Funa.

He added, "The non-life insurance sector reported a year-on-year increase of 16.74% in net premiums written which can be attributed to the increase of 17.11% in premiums collected from its motor car line and 16.59% in premiums collected from its fire line. The combined premiums for the said lines comprise more than half of the premiums collected by the non-life insurance sector."


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