



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



PRESS RELEASE
7 MARCH 2017

PRE-NEED INDUSTRY PROFIT UP BY 26.53% AS OF END OF 2016

The pre-need industry posted a net income of P2.07 billion as of the end of December 2016, up by 26.53% from P1.64 billion during the same period in 2015.

Insurance Commissioner Dennis B. Funa said “Based on the unaudited financial statements submitted by pre-need companies as of the quarter ending 30 December 2016, six (6) companies reported significant increases in its net income ranging from 51.86% to 895.69% compared to the same period in 2015.”

The industry’s total premium, on the other hand, declined by less than 1% to P16.29 billion as of the end of fourth quarter of 2016 from P16.36 billion in 2015.

As of end of December 2016, the pre-need industry sold 697,869 plans with an equivalent of total contract price sold in the amount of P28.19 billion. This is an increase of less than 1% from the 694,163 plans sold in the same period in 2015 which is equivalent to a total contract price sold in the amount of P27.79 billion.

While the sales of life plans rose 1.35% year-on-year to 680,649 plans in 2016 from 671,564 plans in 2015, the number of pension and educational plans sold as of end of 2016 declined by 24.70% from 21,684 to 16,328 and 2.51% from 915 to 892, respectively.

The sector’s total assets rose by 2.62% year-on-year to P120.10 billion from P117.01 billion.

According to Commissioner Funa, this increase can be attributed to the 23.11% increment in assets of one company while six (6) other companies registered increases ranging from 0.27% to 11.23% in 2016

Investment in trust funds grew 1.17% to P101.26, while pre-need reserves rose by 3.82% to P96.34 billion.

Insurance Commissioner Funa said that the public has regained trust in pre-need products citing that the significant increase in the sale of pre-need plans.

“In 2010, when the IC assumed regulation and supervision over pre-need industry by virtue of the Pre-Need Code of the Philippines, the pre-need industry reported a total of 162,520 plans sold. As of end of 2016, this number increased by 329.40% or to 697,869 plans sold. Based on this tremendous increase, it is safe to conclude that the

public has regained trust and confidence in pre-need products and services,”
Commissioner Funa.

Commissioner Funa added, “This increase can be attributed to the significant increase in the number of life plans sold by seven (7) pre-need companies actively engaged in selling life plans which take up 97.53% of the total number of plans sold by the industry.”

From 140,709 life plans in 2010, the same increased to 680, 649 life plans as of end of 2016, an increase of 383.73%.

The top three pre-need companies in terms of number of life plans sold are: St. Peter Life Plan, Inc.—a company which started operations in 1970 under the helm of Mr. Franciso M. Bautista, followed by Eternal Plans, Inc.— 36-year old company founded by Ambassador Antonio L. Cabangon Chua, and PhilPlans First, Inc.—an affiliate of the Maestro Holdings, Inc.

The top three (3) companies in terms of pension plans sold out of the 9 companies actively engaged in selling pension plan are: Caritas Financial Plans, Inc., PhilPlans First, Inc. and Eternal Plans, Inc.

In terms of educational plans sold, the lone company actively engaged in selling education plans in 2016 was PhilPlans First, Inc.

Commissioner Funa said, “Without a doubt, pre-need products are vital instruments in promoting financial inclusivity. Thus, the Insurance Commissioner is pushing for the continuous growth and success of the pre-need industry.”

During the recent celebration of the Pre-Need Week last February, Commissioner Funa encouraged pre-need companies to capitalize on technological advancements of the digital age to further improve their products and services.


ATTY. JOANNE FRANCES D.C. CASTRO
Media Relations Officer
jfdc.castro@insurance.gov.ph