



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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**INSURERS, HMOS, AND MBAS PAID ₱8.23B
IN COVID-19-RELATED CLAIMS IN THE FIRST
THREE (3) QUARTERS OF 2021, SURVEY SAYS**

Total COVID-19-related claim payouts made by life and non-life insurers, health maintenance organizations (HMOs), and mutual benefit associations (MBAs) reached ₱8.23 billion for the period January to September 2021, according to a survey recently conducted by the Insurance Commission.

“The results of the IC survey, which was designed to assess the continuing financial impact of COVID-19 on our regulated entities, reveal that payouts by the HMO industry constitute 45% of the total COVID-19 claim payouts from January to September 2021 amounting to ₱3.68 billion. Life insurers paid 48% of the total COVID-19-related claims for the same period, which amounts to ₱3.99 billion. Meanwhile, the non-life insurers paid 2% and MBAs paid 5%, amounting to ₱180.00 million and ₱377.10 million, respectively,” reported Insurance Commissioner Dennis Funa.

SURVEY PARTICIPANTS

28 out of 30 licensed life insurers, 49 out of 56 licensed non-life insurers, 27 out of 33 licensed MBAs, and 22 out of 28 licensed HMOs participated in the survey. This translates to a total of 126 out of 147, or 85.71% participation.

Out of said survey respondents, 28 out of 28 respondent life insurance companies indicated that they received claims relative to the COVID-19 pandemic for the period January to September 2021. Meanwhile, 18 out of the 49 respondent non-life insurers reported that they received such claims during the same period. For MBAs, 25 out of 27 reported having received COVID-19-related claims during January to September 2021; while for HMOs, the number is 21 out of 22.

CLAIMS PAID TREND IN FIRST 3 QUARTERS OF 2021

The survey conducted by the Insurance Commission also reflected the relationship between COVID-19-related claims paid by its regulated entities from January to September 2021 and the reported number of new COVID-19 related cases in the Philippines during the same period.

“The figures we obtained reflect that the claims paid increased drastically from February to April 2021, dipped slightly during the months of May, June and July, and then spiked in August to September of the same year.” Commissioner Funa noted.

Notably, the survey revealed that when the number of new COVID-19 cases passed the 500,000-mark for the month of September 2021, the amount of COVID-19-related claims paid by insurers, HMOs, and MBAs increased which approximated to more than ₱1.4 billion.

RANKING OF CLAIMS PER BENEFIT, 3rd QUARTER 2021

“During the months of July to September 2021, 48.27% of the total ₱3.88 billion paid by life and non-life insurers, HMOs, and MBAs pertained to Death Benefits, amounting to ₱1.87 billion. This is followed by In-Patient Benefits, amounting to ₱1.23 billion or 31.62% of the total amount. Meanwhile, said regulated entities paid ₱613.90 million in Out-Patient claims, accounting for 15.83% of the ₱3.88 billion total for the months of July to September 2021. These three (3) benefits make up 96% of the total amount of claims paid,” said Commissioner Funa.

In terms of the number of claims for the months of July to September 2021, however, claims for Out-Patient Benefits ranked first, with 217,675 claims out of a total of 260,053. This is followed in ranking by 13,105 claims for In-Patient Benefits and 12,196 claims for Other Benefits (e.g., Emergency Care, Financial Assistance benefits, etc.), respectively.

“In both 2020 and the first three (3) quarters of 2021, claims for Death Benefits has the highest amount of COVID-19-related claims paid by insurers, HMOs, and MBAs, followed by In-Patient Benefits and Out-Patient Benefits. Also worth mentioning is the fact that unlike in the survey for the first semester of 2021, there are no claims paid for Travel and Business Interruption benefits during the third quarter of 2021,” Commissioner Funa added.

CLAIMS PAID FROM 2020 TO 3RD QUARTER 2021

“Since the start of the pandemic until 30 September 2021, total COVID-19-related claims paid by the life and non-life insurance industries, HMOs, and MBAs reached ₱12.12 billion. Of this amount, ₱8.23 billion, or 68%, was paid in the first three (3) quarters of 2021, while ₱3.89 billion, or 32%, was paid in 2020. The claims paid during the first three (3) quarters of 2021 is already more than double of the total claims paid for the year 2020,” stated Commissioner Funa.

As for the aggregate amounts paid per industry from 2020 until the end of September 2021, HMOs lead the pack with ₱5.60 billion in COVID-19-related claims paid, constituting 46% of the ₱12.12 billion total. This is followed by the life insurance industry with ₱5.46 billion in payments, constituting 45% of the total. Meanwhile, MBAs and the non-life industry paid 6% and 3% of the total ₱12.12 billion, respectively, which amounts to ₱732 million for MBAs and ₱340.20 million for non-life insurers.

For the same period, Death Benefits remain to constitute the largest share in the ₱12.12 billion total, at ₱4.76 billion. This is followed by In-Patient Benefits at ₱3.87 billion and Out-Patient Benefits at ₱2.42 billion. These three benefits constitute 91%, or ₱11.05 billion, of the total COVID-19-related claims paid since the start of the pandemic until the end of September 2021.

COMPARISON OF CLAIMS PAID PER INDUSTRY

“In 2020, payouts by the life insurance industry accounted for 38% percent of the total of ₱3.89 billion COVID-19-related claims paid, or ₱1.46 billion. However, from January until the end of September 2021, the life insurance industry paid ₱3.99 billion out of the ₱8.23 billion total COVID-19-related claims, which amount constitutes 48% of the total claims paid during said period,” Commissioner Funa highlighted.

Payouts made by the HMO industry increased from ₱1.91 billion out of ₱3.89 billion aggregate claims paid in 2020 to ₱3.68 billion out of ₱8.23 billion for the first three (3) quarters of 2021.

As of the end of September 2021, the COVID-19-related claims paid by MBAs and the non-life insurance industry during the first three (3) quarters of 2021 have already exceeded the amount of payments the same industries made in 2020. MBAs paid ₱377.10 million in the first three (3) quarters of 2021, vis-à-vis the ₱354.90 million they paid in 2020. Meanwhile, the non-life insurance industry paid ₱180.00 million in the first three (3) quarters of 2021, vis-à-vis the ₱160.20 million they paid in 2020.

REGULATED ENTITIES REMAIN RESILIENT

“Despite the challenges and risks posed by the COVID-19 pandemic and the substantial increase in COVID-19-related claims, life and non-life insurers, HMOs, and MBAs remain financially resilient. Based on unaudited quarterly statistics, we noted that as of the second (2nd) quarter of 2021, the insurance industry’s assets grew by 10.43% compared to the same period in 2020. Even the industry’s total premium income grew by 37.5% year-on-year, bolstered by a 160% growth in single premium variable unit-linked (VUL) insurance products. Such performance proves our regulated industries’ capability not only to withstand, but even to expand, in the face of unprecedented crisis,” Commissioner Funa stressed.



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