



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



**PRESS RELEASE**  
**For Immediate Release**

**8 INSURERS EYE MERGER, ANOTHER 4 TO CEASE OPERATIONS**

Three (3) non-life insurance companies and one (1) life insurance firm are calling it quits, while another eight non-life insurers are merging.

According to Insurance Commissioner Dennis B. Funa, there are three (3) non-life insurers and one (1) life insurer formally expressed their intention to voluntary cease operations.

He clarified that four (4) pairs of non-life insurers have taken the merger route, while another two (2) non-life players formally manifested their intention of bringing in new investors who will acquire control over their company.

“We are now reviewing their formal proposals. However, we can only reveal their identities upon approval of their application for voluntary cessation or plan for merger/consolidation,” Funa added.

Commissioner Funa added that there are several companies who are looking into bringing in new investors in order to comply with the mandatory increase in capitalization requirements. In fact, there are some companies who are now in the process of conducting due diligence.

At the end of 2016, there were 4 companies licensed (referred to as composite license) to engage in life and non-life insurance business, 66 non-life insurers and 27 life insurers.

According to Commissioner Funa, the results of the audit conducted by the IC on the 2015 financial statements of insurance companies, all companies with composite license, 24 life insurance companies and 13 non-life insurance companies were found compliant with the P550 million-requirement. Less than (10) non-life insurance companies only need a negligible amount to comply with the existing capitalization requirement.

Despite the expected decrease in the number of industry players, the IC remains optimistic of its robust growth backed-up by the mandatory increase in capitalization requirement, among others.

As of end of the third quarter of 2016, the total assets of insurance industry amounted to P1.32 trillion, a 21.27-percent increase from P1.08 trillion posted in the same period in 2015.

Funa said that the imposition of higher capitalization requirement would be beneficial to the insuring public and enable our country's insurance industry to compete with ASEAN counterparts as well.

"In light of the increased financial stability in the insurance industry, better protection for and strengthened confidence from the insuring public is expected. Furthermore, with the increase in the required minimum capitalization requirement, the continued phenomenal growth of our country's insurance industry is likewise expected," he said.

The compliance of all insurance companies to the statutory capitalization requirement will be verified and determined based on the 2016 financial statements to be submitted to the IC.

Effective end December 2016, all insurance companies must maintain at least P550 million in terms of networth, more than double the previous P250-million required.

As early as November 2015, the IC has reminded all insurance companies of the implementation to the increase in the minimum capitalization requirement and required insurance companies to submit their respective capital-build up programs or plans.

Under the Amended Insurance Code, the capital requirement of insurance companies will increase every three (3) years until 2022.

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