



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



**PRESS RELEASE**  
**20 April 2021**

**LIFE INSURANCE INDUSTRY ASSETS, INVESTMENTS  
AND PREMIUMS EARNED FOR YEAR END 2020  
EXHIBIT UPWARD TREND**

According to data submitted by thirty-one (31) life insurance companies, the life insurance industry's assets, investments, and premiums earned for the year 2020 exhibited upward trends vis-à-vis figures for the year end 2019.

**ASSETS**

The life insurance sector's aggregate assets for the year 2020 amounted to ₱1.53 trillion, a 7.78% increase from the previous year's ₱1.42 trillion. This may be attributed to the growth in the industry's total investments, both in traditional and segregated fund, by 6.72% year-on-year, from ₱1.39 trillion for the year 2019 to ₱1.48 trillion for the year 2020.

**PREMIUMS EARNED**

Changes to the life insurance industry's premium income for the year 2020 likewise was a positive 5.90%, from ₱233.92 billion as of end-2019 to ₱247.72 billion.

"Of this increase, changes to variable life insurance premiums accounted for a 7.70% year-on-year growth, from ₱170.13 billion as of end-2019 to ₱183.24 billion as of end-2020, with single premiums and renewal premiums both growing by 19.72% and 13.58%," explained Insurance Commissioner Dennis Funa.

"On the other hand, premiums earned by traditional life policies likewise grew by 1.09% from ₱63.78 billion as of end-2019 to ₱64.48 billion as of end-2020, with renewal premiums increasing year-on-year by 13.72%," he added. "It has been observed by the financial sector leaders that generally the savings of the middle-class sector grew due to restraints in consumer spending because of the pandemic," Commissioner Funa added.

In the meantime, the industry's aggregate paid-up capital likewise exhibited an upward trend as of end-2020, increasing by 7.66% from the previous year's ₱23.48 billion to ₱25.28 billion.

## **BENEFITS PAID**

“Notwithstanding these positive figures, however, the negative financial impact of the COVID-19 pandemic on the life insurance industry cannot be helped. For one, the aggregate benefits paid by the industry as of year-end 2020 contracted by 10.06% from ₱77.11 billion as of year-end 2019 to ₱69.36 billion. It is highly likely that this contraction is due to the various difficulties encountered in the processing, filing, and pay-out of claims as an effect of certain community quarantine restrictions imposed by the National Government to curb the spread of COVID-19,” Commissioner Funa said.

“The reports also show that the life industry’s total New Business Annual Premium Equivalent (NBAPE) decreased by 19.80% as of year-end 2020, from ₱57.56 billion as of year-end 2019 to ₱46.16 billion. It is also highly likely that this decrease may be attributable to the restrictions on face-to-face selling of insurance products due to said community quarantine measures,” Commissioner Funa added. “The industry grappled with the on-and-off quarantine and lock-down measures, and the fact that we were unable to continuously offer insurance agents’ examinations greatly hampered the production of insurance companies,” he explained.

A life insurer’s NBAPE is computed by obtaining the sum of the value of first year premiums from products newly sold in a specific year (or the initial annualized premium) and ten percent (10%) of single premiums written. It is an international standard that the Insurance Commission has adopted to more accurately measure the life insurance industry’s sales performance.

“The Insurance Commission is hopeful that the negative indicators will improve by the year 2021, especially with the roll-out of the vaccines towards the third and fourth quarters of the year. It will be interesting to see the impact of the shift from face-to-face selling to remote selling via videoconferencing technologies in the sale of insurance products, which was already institutionalized in the Circular Letters issued by the Insurance Commission. Also, we also hope to see the impact of the increased awareness of the importance of having life insurance as a way to provide security and peace of mind amid the threats of the COVID-19 pandemic to the lives and health of the Filipino people,” said Commissioner Funa.



**ATTY. ALWYN FRANZ P. VILLARUEL**

Media Relations Officer

[afp.villaruel@insurance.gov.ph](mailto:afp.villaruel@insurance.gov.ph)