



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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Manila



## **PRESS RELEASE**

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### **MICROINSURANCE SECTOR HIT BY EFFECTS OF COVID-19 PANDEMIC AS OF 3<sup>RD</sup> QUARTER 2020**

Based on unaudited reports, the microinsurance sector's total contributions or premium production contracted by 33.23% year-on-year as of the 3<sup>rd</sup> quarter of 2020 ("3Q 2020"). The estimated number of lives insured by microinsurance likewise contracted by 0.71% year-on-year for 3Q 2020.

"The microinsurance sector's total contributions or premium production decreased from ₱6.58 billion as of the 3<sup>rd</sup> quarter of 2019 ('3Q 2019') vis-à-vis ₱4.39 billion in 3Q 2020, which translates to a decrease of 33.23% year-on-year," noted Insurance Commissioner Dennis Funa.

"This decrease is attributable to the implementation of community quarantine protocols due to the COVID-19 outbreak. The mutual benefit association ('MBA') sector was suffered the largest hit due to the continuing implementation of said protocols during 3Q 2020, with the sector's premium production reduced by 42.61% year-on-year, from ₱3.91 billion in 3Q 2019 to ₱2.24 billion in 3Q 2020," he added.

Meanwhile, the non-life insurance sector followed, exhibiting a 25.53% decrease year-on-year in terms of premium production, from ₱719.97 million in 3Q 2019 to ₱536.13 million in 3Q 2020. The life insurance sector posted a 17.32% decrease year-on-year, from ₱1.95 billion in 3Q 2019 to ₱1.61 billion in 3Q 2020.

"Nevertheless, we are hopeful that these adverse effects are only temporary; and that the situation will improve in the succeeding months. This is because as compared with the figures of the 2<sup>nd</sup> quarter of 2020 ('2Q 2020'), this Commission noted that: (1) the total contributions of the MBA sector exhibited a minimal increase of approximately ₱150 million in 3Q 2020 vis-à-vis the 2Q 2020 figures; (2) the non-life insurance sector's premium production increased by more than ₱100 million from 2Q 2020 to 3Q 2020; and (3) the life insurance sector's premium production increased by more than ₱500 million from 2Q 2020 to 3Q 2020," explained Commissioner Funa.

In terms of microinsurance premium production of the MBA sector as of 3Q 2020, CARD Mutual Benefit Association, Inc. ranked the highest. It is followed by the following MBAs, successively: Pag-Asa ng Pinoy MBA, Inc.; Tulay sa Pag-unlad Mutual Benefit Association, Inc.; Simbag sa Emerhensiya Asin Dagdag Pasegurohan MBI; and Alalay sa Kaunlaran (ASKI) Benefit Association, Inc.

For the life insurance sector, companies belonging to said sector were ranked in terms of microinsurance premium production as of 3Q 2020 as follows, to wit: CLIMBS Life and General Insurance Cooperative (1<sup>st</sup>); Pioneer Life, Inc. (2<sup>nd</sup>); United Coconut Planters Life

Assurance Corporation (3<sup>rd</sup>); Country Bankers Life Insurance Corporation (4<sup>th</sup>); and 1 Cooperative Insurance System of the Philippines (5<sup>th</sup>).

As to the total contributions made by the non-life insurance sector as of 3Q 2020, companies belonging to said sector were ranked as follows, to wit: CARD Pioneer Microinsurance, Inc. (1<sup>st</sup>); The Mercantile Insurance Company, Inc. (2<sup>nd</sup>); Pioneer Insurance & Surety Corporation (3<sup>rd</sup>); Visayan Surety & Insurance Corporation (4<sup>th</sup>); and UCPB General Insurance Company, Inc. (5<sup>th</sup>).

In the meantime, the total number of insured lives as of 3Q 2020 slightly contracted by 0.71% year-on-year, from 39.89 million as of 3Q 2019 to 39.61 million as of 3Q 2020.

“The 11.91% increase in the estimated lives insured by the MBA sector as of 3Q 2020 and the 1.26% increase in the estimated lives insured by the life insurance sector as of 3Q 2020 were offset by the 46.33% decrease in the estimated number of lives insured by the non-life insurance sector. Again, this may be attributed to the impact of the imposition of community quarantine protocols brought about by the COVID-19 pandemic,” Commissioner Funa said.

The MBA sector’s estimated number of lives insured by microinsurance as of 3Q 2019 was at 24.64 million, which increased to 27.58 million by 3Q 2020. As regards the life sector, the estimated number of lives insured also increased from 8.08 million as of 3Q 2019 to 8.18 million as of 3Q 2020. As stated, the number of lives insured by the non-life insurance sector contracted from 7.17 million as of 3Q 2019 to 3.85 million as of 3Q 2020. Overall, the estimated number of lives insured by microinsurance across the three (3) sectors decreased from 39.89 million as of 3Q 2019 to 39.61 million as of 3Q 2020.

On a per sector basis, the MBA with the most number of estimated lives insured by microinsurance as of 3Q 2020 is CARD Mutual Benefit Association, Inc. It is followed by the following MBAs, to wit: Pag-Asa ng Pinoy MBA, Inc. (2<sup>nd</sup>); Tulay sa Pag-unlad Mutual Benefit Association, Inc. (3<sup>rd</sup>); Alalay sa Kaunlaran (ASKI) Benefit Association, Inc. (4<sup>th</sup>); and CCT MBI (5<sup>th</sup>).

Life insurance companies were also ranked in terms of the number of estimated lives insured by microinsurance as of 3Q 2020 as follows, viz: Pioneer Life, Inc. (1<sup>st</sup>); CLIMBS Life and General Insurance Corporation (2<sup>nd</sup>); United Coconut Planters Life Assurance Corporation (3<sup>rd</sup>); 1 Cooperative Insurance System of the Philippines (4<sup>th</sup>); and Paramount Life and General Insurance Corporation (5<sup>th</sup>).

Meanwhile, non-life insurance companies were likewise ranked in terms of the number of estimated lives insured by microinsurance as of 3Q 2020 as follows, to wit: Pioneer Insurance & Surety Corporation (1<sup>st</sup>); Visayan Surety & Insurance Corporation (2<sup>nd</sup>); CARD Pioneer Microinsurance, Inc. (3<sup>rd</sup>); UCPB General Insurance Company, Inc. (4<sup>th</sup>); and The Mercantile Insurance Company, Inc. (5<sup>th</sup>).



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