



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



PRESS RELEASE
5 January 2021

**COVID-19-RELATED CLAIMS PAID AS OF
30 SEPTEMBER 2020 REACH ₱2 BILLION**

The Insurance Commission conducted a second or follow-up survey from May 2020 until 30 September 2020 across four (4) industries that are under its regulatory and supervisory jurisdiction, particularly the life insurance industry, the non-life insurance industry, mutual benefit associations (“MBAs”), and health maintenance organizations (“HMOs”).

Like the previous survey, the follow-up survey was designed to assess the financial impact of the 2019 Coronavirus Disease (“COVID-19”) on said regulated entities and determine how these entities have responded to COVID-19-related claims.

Out of one hundred forty-seven (147) regulated entities, one hundred eleven (111) participated in the second survey, which translated to a decrease of 21.83% in the number of respondents vis-à-vis the first survey. Twenty-four (24) life insurance companies, forty-four (44) non-life insurance companies, twenty-three (23) MBAs, and twenty (20) HMOs participated in the second survey. Markedly, the second survey revealed that sixty-eight of the respondent companies received claims related to COVID-19, which translates to a 54.55% increase from the previous survey’s forty-four (44) companies with COVID-19-related claims.

I. INDUSTRY AGGREGATES

According to the second survey, the four (4) industries paid COVID-19-related claims in an aggregate amount of ₱1.98 billion as of 30 September 2020, which constitutes a huge leap from the previous survey’s ₱326.95 million. This translates to a 505.09% increase from the first survey. Further, said four (4) industries reported to have paid ₱1.81 billion in contractual obligations and ₱284.43 million in *ex gratia* payments.

On a per sector basis, the HMO industry paid the largest chunk of COVID-19-related claims, paying ₱1.09 billion or 52% of the total claims paid. It is followed by the life insurance industry, which paid ₱739.83 million constituting 35% of the total claims paid. The same is followed by MBAs, with pay-outs amounting to ₱219.63 million (11%) and the non-life insurance sector, with ₱41.71 million (2%).

II. CLAIMS PAID PER BENEFIT

On a per benefit basis, the biggest portion of the claims paid were hospitalization benefits, with *In-Patient* and *Out-Patient* benefits registering 62% of the total COVID-19-related claims paid as of 30 September 2020.

Out-Patient Benefit claims paid were the highest at ₱637.92 million, accounting for 32.29% of the total claims paid. Compared to the first survey, *Out-Patient Benefit* claims paid increased by a staggering 751.81%, from ₱74.89 million.

In-Patient Benefit claims came second (2nd), with an aggregate amount of ₱588 million paid. Compared to the first survey, *In-Patient Benefit* claims paid increased also by a staggering 434.62%, from ₱109.98 million.

Death Benefits claims came third (3rd), with an aggregate amount of ₱553.31 million paid, comprising 28.01% of the total COVID-19-related claims paid as of 30 September 2020. Compared to the first survey, *Death Benefit* claims paid jumped by 799.06%, from ₱61.54 million.

The following benefits were also paid in the following amounts and percentages, to wit:

- *Other Benefits*, amounting to ₱148.40 million (7.51% of total claims paid);
- *Personal Accident Benefits*, amounting to ₱20.64 million (1.04% of total claims paid);
- *Medical Reimbursement Benefits*, amounting to ₱9.49 million (0.48% of total claims paid). Notably, pay-outs for said benefit increased by 7199.79% from the ₱130,000.00 recorded during the first survey;
- *Hospital Income Benefits*, amounting to ₱7.04 million (0.36% of total claims paid);
- *Travel Benefits*, amounting to ₱6.03 million (0.31% of total claims paid);
- *Critical Illness Benefits*, amounting to ₱4.13 million (0.21 of total claims paid). Notably, pay-outs for said benefit decreased by 94.37% from the ₱73.29 million recorded during the first survey; and
- *Hospitalization Allowance Benefits*, amounting to ₱372,550.00 (0.02% of total claims paid).

III. SECTORAL REPORTS

A. Life Insurance Industry

Twenty-four (24) out of thirty (30) life insurance companies regulated by this Commission, or 80.00%, responded to the follow-up survey.

The life industry recorded a total of 19,337 COVID-19-related claims reported amounting to ₱1.05 billion. Out of said number, 16,164 claims were reportedly paid, with ₱708.51 million paid out of contractual obligation and ₱31.32 million paid *ex gratia*.

According to the second survey, the life insurance industry reportedly received 819 *In-Patient Benefit* claims amounting to ₱217.07 million. Out of said number, 762 *In-Patient Benefit* claims were paid, with ₱75.41 million paid out of contractual obligation and ₱777,086.76 paid *ex gratia*.

Notably, 16,771 claims reported were for *Out-Patient Benefits*, amounting to ₱149.81 million. Out of said number, 14,037 *Out-Patient Benefit* claims were paid, with ₱144.29 million paid out of contractual obligation and no *ex gratia* amount paid.

During the survey period, the life insurance industry received 1,084 death claims amounting to ₱661.47 million. Out of said number, 791 claims were paid, with ₱469.14 million paid out of contractual obligation and ₱30.28 million paid *ex gratia*.

Other claims reported were as follows, to wit:

- 224 *Medical Reimbursement* claims were received amounting to ₱2.70 million. Out of said number, 220 claims were paid, with ₱2.67 million paid out of contractual obligation and ₱1.00 paid *ex gratia*;
- 1 *Hospitalization Allowance* claim was received amounting to ₱60,000.00, which was paid;
- 363 *Hospital Income* claims were received amounting to ₱6.61 million. Out of said number, 280 claims were paid, with ₱6.67 million paid out of contractual obligation and ₱87,500.00 paid *ex gratia*;
- 17 *Critical Illness* claims were received amounting to ₱5.23 million. Out of said number, 15 claims were paid, with ₱3.05 million paid out of contractual obligation and ₱180,000.00 paid *ex gratia*; and
- 75 claims for *Other Benefits* were received amounting to ₱7.60 million, which were all paid.

B. Non-Life Insurance Industry

Forty-four (44) out of fifty-six (56), or 78.57%, of non-life insurance companies responded to the survey. Out of the respondents, nineteen (19) answered that they received COVID-19-related claims, and twenty-five (25) answered in the negative.

The non-life industry recorded a total of 1,731 COVID-19-related claims reported amounting to ₱331.26 million. Out of said number, 521 claims were reportedly paid, with ₱28.05 million paid out of contractual obligation and ₱13.66 million paid *ex gratia*.

According to the second survey, the non-life insurance industry reportedly received 44 *In-Patient Benefit* claims amounting to ₱24.87 million. Out of said number, 19 *In-Patient Benefit* claims were paid *ex gratia* amounting to ₱7.21 million.

37 claims reported were for *Out-Patient Benefits*, amounting to ₱1.72 million. Out of said number, 24 *Out-Patient Benefit* claims were paid, with ₱430,092.90 paid out of contractual obligation and ₱208,700.04 amount paid *ex gratia*.

During the survey period, the non-life insurance industry received 178 *Personal Accident* claims amounting to ₱22.82 million. Out of said number, 74 claims were paid, with ₱20.64 million paid out of contractual obligation and none paid *ex gratia*.

Other claims reported were as follows, to wit:

- 94 *Medical Reimbursement* claims were received amounting to ₱3.35 million. Out of said number, 16 claims were paid, with ₱678,807.45 paid out of contractual obligation and ₱960,591.16 paid *ex gratia*;
- 16 *Hospitalization Allowance* claims were received amounting to ₱291,550.00. Out of said number, 12 claims were paid, with ₱290,550.00 paid out of contractual obligation and none paid *ex gratia*;
- 68 *Hospital Income* claims were received amounting to ₱291,800.00. Out of said number, 66 claims were paid, with ₱271,800.00 million paid out of contractual obligation and none paid *ex gratia*;
- 48 death claims were received amounting to ₱20.94 million. Out of said number, 19 death claims were paid, with ₱4.65 million paid out of contractual obligation and none paid *ex gratia*;
- 1,040 claims for *Travel Benefits* were received amounting to ₱26.61 million. Out of said number, 252 *Travel Benefit* claims were paid, with ₱904,926.54 paid out of contractual obligation and ₱5.13 million paid *ex gratia*;
- 60 claims for *Business Interruption* were received amounting to ₱128.65 million, none of which were paid; and
- 143 claims for *Other Benefits* were received amounting to ₱109.88 million. Out of said number, 34 claims were paid, with ₱16,750.00 paid out of contractual obligation and ₱160,000.00 paid *ex gratia*.

C. Mutual Benefit Associations

Twenty-three (23) MBAs out of thirty-three (33), or 69.70%, responded to the second survey. Out of the respondents, twelve (12) answered that they received COVID-19-related claims, and eleven (11) answered in the negative.

The MBA sector recorded a total of 5,248 COVID-19-related claims reported amounting to ₱109.54 million. Out of said number, 5,244 claims were reportedly

paid, with ₱51.18 million paid out of contractual obligation and ₱52.48 million paid *ex gratia*.

According to the second survey, the MBA sector reportedly received 1 *In-Patient Benefit* claim amounting to ₱5,000.00, which was paid out of contractual obligation.

Notably, 550 claims reported were for *Out-Patient Benefits*, amounting to ₱2.75 million, which were all paid out of contractual obligation.

During the survey period, the MBA sector received 1,543 death claims amounting to ₱53.63 million. Out of said number, 1,541 claims were paid, with ₱48.31 million paid out of contractual obligation and ₱697,665 paid *ex gratia*.

Other claims reported were as follows, to wit:

- 100 *Medical Reimbursement* claims were received amounting to ₱1.39 million. Out of said number, 98 claims were paid, with ₱83,700.00 paid out of contractual obligation and none paid *ex gratia*;
- 6 *Hospitalization Allowance* claims were received amounting to ₱22,200.00, which were all paid out of contractual obligation;
- 2 *Hospital Income* claims were received amounting to ₱9,400.00, which were both paid out of contractual obligation;
- 3,046 claims for *Other Benefits* were received amounting to ₱51.78 million, which were all paid *ex gratia*.

D. Health Maintenance Organizations

Twenty (20) HMOs out of twenty-eight (28), or 71.43%, responded to the second survey. Out of the respondents, fourteen (14) answered that they received COVID-19-related claims, and six (6) answered in the negative.

The HMO sector recorded a total of 89,536 COVID-19-related claims reported amounting to ₱867.25 million. Out of said number, 87,813 claims were reportedly paid, with ₱1.02 billion paid out of contractual obligation and ₱70.99 million paid *ex gratia*.

According to the second survey, the HMO sector reportedly received 5,515 *In-Patient Benefit* claims amounting to ₱840.36 million. Out of said number, 5,065 *In-Patient Benefit* claims were paid, with ₱466.53 million paid out of contractual obligation and ₱38.08 million paid *ex gratia*.

Notably, 74,405 claims reported were for *Out-Patient Benefits*, amounting to ₱493.86 million. Out of said number, 73,456 *Out-Patient Benefit* claims were paid, with ₱457.95 million paid out of contractual obligation and ₱32.28 million paid *ex gratia*.

During the survey period, the life insurance industry received 620 claims for *Medical Reimbursement* amounting to ₱10.40 million. Out of said number, 614 claims were paid, with ₱4.72 million paid out of contractual obligation and ₱382,175.80 paid *ex gratia*.

Other claims reported were as follows, to wit:

- 11 *Critical Illness* claims were received amounting to ₱949,066.92. Out of said number, 10 claims were paid, with ₱802,656.92 paid out of contractual obligation and ₱96,410.00 paid *ex gratia*;
- 8 death claims were received amounting to ₱245,000.00, which were all paid. ₱195,000.00 was paid out of contractual obligation and ₱50,000.00 was paid *ex gratia*; and
- 8,947 claims for *Other Benefits* were received amounting to ₱88.84 million. Out of said number, 8,730 claims were paid, with ₱88.84 million paid out of contractual obligation and none paid *ex gratia*.

IV. CONCLUSION

Insurance Commissioner Dennis Funa said, “The reported payment of approximately ₱2 billion in COVID-19-related claims by the four (4) regulated entities of this Commission, i.e., the life and non-life insurance companies, MBAs, and HMOs, is a clear testament of such regulated entities’ financial resiliency notwithstanding the challenges posed by the pandemic. Such financial resiliency is amplified by the fact that some regulated entities have even gone above and beyond their contractual obligations by paying *ex gratia* settlements to our fellow Filipinos.”

“This Commission is confident that the staggering five-fold increase in payment of COVID-19-related claims will serve to inspire consumer confidence in the four (4) respondent industries and educate our fellow Filipinos of the benefits of availing the insurance and HMO products sold by said regulated industries,” he added.



ATTY. ALWYN FRANZ P. VILLARUEL
Media Relations Officer
afp.villaruel@insurance.gov.ph