



PRESS RELEASE
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IC LAUDS NON-LIFE COMPANY FOR EARLY COMPLIANCE WITH NET WORTH REQUIREMENT

Insurance Commissioner Dennis B. Funa commends the SGI Philippines General Insurance Company, Inc. (SGI Philippines), a non-life insurance company, for its early compliance with the P1.3 billion capital requirement which is not due until end of 2022.

According to Commissioner Funa, “Last 16 December 2019, Shriram General Insurance Company Limited, an Indian insurance company and the majority shareholder of SGI Philippines, has infused fresh capital amounting to P624 million.”

As a result of the capital infusion, SGI Philippines’ net worth surged from P710 million to P1.35 billion, thereby making it compliant not only with the net worth requirement for the year 2019 but also up to the year 2022.

Commissioner Funa said, “The move on the part of SGI Philippines to comply with the last tranche of capital increase under the Amended Insurance Code is commendable as such action gives us the confidence that SGI Philippines has a solid source of capital to deliver its promises to the insuring public.”

In fact, as early as October last year, SGI Philippines already expressed its ability to comply with the minimum net worth requirement of P900 million by the end of 2019.

Under Republic Act No. 10607 or the Amended Insurance Code, existing insurance companies are required to have a net worth of at least P550 million by December 2016, P900 million by December 2019 and at least P1.3 billion by December 2022.

Commissioner Funa noted that the Insurance Commission previously required insurance companies to submit their respective capital build-up plan and five (5)-year financial projection in relation to the increase in the minimum net worth from P550 million to P900 million.

“We required the companies to submit their respective capital build-up plan for us to see an overview of their respective course of action in order to comply with the law-mandated net worth increase and for us to evaluate their capability to comply with the net worth requirement,” said Commissioner Funa.

He added, "The early submission of this plan would also give them time to consider other ways to comply with the requirement, other than cash infusion, such as through entering into merger, consolidation, or acquisition."

SGI Philippines is a joint venture of Shriram Group — along with Piramal Group and Sanlam Group — which is an Indian financial services conglomerate involved in commercial vehicle financing, consumer and enterprise finance, retail stockbroking, and life insurance, among others.



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