



**PRESS RELEASE**  
**12 March 2023**

**PRE-NEED INDUSTRY'S TOTAL PREMIUM INCOME GROWS 7.30% IN 2023**

Total premium income collected by pre-need companies amounted to ₱22.73 billion as of the as of year-end of 2023. This is a 7.30% increase from the ₱21.18 billion premiums collected in 2022.

Data from the Insurance Commission also indicated the increase in net income of the pre-need industry, which amounted to ₱2.09 billion in 2023. This is a big 385 percent (385%) increase from the net income in 2022, which amounted only to ₱429.6 million.

The Insurance Commission attributed the big increase in net income to the significant increase in interest income earned by pre-need companies from their respective trust funds. The respective trust funds of pre-need companies are mandated by law to be maintained for the sole purpose of paying pre-need benefits.

The surplus in trust funds of pre-need companies also increase year-on-year, indicating better capability by the pre-need industry to pay the pre-need benefits under all the pre-need plans that they sold.

As of the end of 2023, investment in trust funds of pre-need companies amounted to ₱128.03 billion, while pre-need reserves or contingent liabilities, only amounted to ₱122.33 billion, resulting in a trust fund surplus of ₱5.7 billion.

For easy reference, the following table shows the pre-need industry's trust funds, as against their contingent liabilities based on actuarial values:

<b>Pre-Need Trust Funds vs. Reserves (In Million Pesos) as of 31 December 2023</b>		
Investments in Trust Funds	Pre-Need Reserves (Contingent liabilities based on actuarial values plus benefits already payable but not yet claimed by planholders)	Surplus / (Deficit)
₱ 128,027.8	₱ 122,327.7	₱ 5,700.1

In terms of financial stability of pre-need companies, total net worth of the pre-need industry amounted to ₱23.22 billion, or an 11.28% increase in total net worth from figures registered in 2022.

Nine (9) pre-need companies reported increases in their net worth, with one (1) pre-need company increasing its net worth by as much as 32.44%.

The respective increases in total assets, liabilities and net worth of pre-need companies year-on-year are shown in the table below:

	<b>2023</b> <b>(Amount in Million Pesos)</b>	<b>2022</b> <b>(Amount in Million Pesos)</b>	<b>% Increase / (Decrease)</b>
<b>Total Assets</b>	₱ 152,341.9	₱ 141,088.6	7.98%
<b>Total Liabilities</b>	₱ 129,124.8	₱ 120,224.7	7.40%
<b>Total Net Worth</b>	₱ 23,217.1	₱ 20,863.9	11.28%

The Insurance Commission's figures on the pre-need industry as of 31 December 2023 were collated from the financial submissions of all of the sixteen (16) pre-need companies with either existing licenses or have pending applications for renewal of license, except for Caritas Financial Plans, Inc., which was already placed under conservatorship last July 2023.

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