

IC looking to put up suretyship unit by yearend

① THE INSURANCE Commission (IC) is hoping to put up the insurance sector's own suretyship unit by yearend, as applications for the regulatory body are already with the government.

Insurance Commissioner Dennis B. Funa told reporters in a recent interview

they want that their proposed suretyship unit to be permanently set up "within this year, hopefully."

Mr. Funa had announced the IC's establishment of its own regulatory body that oversees the country's surety industry last April during the 14th Philippine

General Insurance Summit. Regulators still have to come up with the unit's regulatory framework.

According to the Insurance commissioner, they have yet to ask the Budget department to make the unit a permanent suretyship division.

② "Having just the suretyship unit even on a temporary basis, *medyo happy na ako* (I'm quite happy), but I'd be happier if they make it permanent. We'll be applying with the DBM (Department of Budget and Management)," Mr. Funa told reporters, noting they have already

submitted the application to the Duterte administration.

The Insurance commissioner had said the unit is tasked to recommend regulatory guidelines for the country's surety bond sector.

Suretyship, S2/4

③ **Suretyship,**
from S2/1

"For a long time there's no specific person overseeing the suretyship business of insurance companies, and surety has become a big part of the non-life industry," Mr. Funa said.

"In fact, some insurance companies are earning more from the bonds business... *Mas malaki ang kinikita dun pero walang nagbantay* (they earn more from that business but no one's watching over it) and we lack regulations....," he added.

FAKE BONDS

Mr. Funa cited two problems in the surety bond industry, namely the proliferation of fake bonds and the presence of delinquent bonding companies that need to be regulated.

"No one has been acting on that problem for a long time...

Nobody has been watching this kind of business," he noted.

The insurance sector saw its total premium in the first quarter reach P57.035 billion, 19.51% higher than the P47.725 billion booked in the same period a year ago on the back of the industry's robust growth.

Broken down, life insurers gained P44.08 billion worth of premiums at end-March, a 14.19% growth from the P38.36 billion recorded in the comparable period a year ago.

The non-life sector posted a double-digit growth of 19.40% in its net premiums written to P10.89 billion in the first quarter from P19.12 billion in the same period last year, driven by a rise in premiums produced from the motor and fire business. — **Janine Marie D. Soliman**