

Insurers post higher premium income

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Reporter

THE INSURANCE industry booked a double-digit increase in its total premium income in the first three months of the year on the back of the sector's robust growth in the period.

Preliminary data based on quarterly reports submitted by life and non-life companies to the insurance regulator showed the industry's total income from premiums in the first quarter rose by 19.51% to P57.035 billion from the P47.725 billion posted during the same period last year.

Broken down, life insurers posted P44.08 billion worth of

premiums at end-March, a 14.19% growth from the P38.36 billion recorded in January-March 2016.

"The positive growth in the premium income of the life sector can be attributed to the increase in the premiums generated from the sale of variable life insurance products," Insurance Commissioner Dennis B. Funa was quoted as saying in a statement e-mailed to reporters on Wednesday.

"While the premium income in traditional life insurance declined by 3.87%, the life insurance sector registered a 23.21% increase in premium income from the sale of variable life insurance products," he added.

Similarly, the non-life sector booked a double-digit growth of 19.4% in its net premiums writ-

ten 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.

"The fire business contributes to almost half or 48.24% of the total net premiums written of the non-life insurance sector. On the other hand, the net premiums written from motor business comprises 18.01% of the total net premiums written," Mr. Funa said.

Meanwhile, income generated from premiums by mutual benefit associations (MBAs) reached P2.06 million in the first three months of the year.

The industry's net income, meanwhile, also grew 25.77% in

Insurers, S2/3

Insurers,
from S2/1

the first quarter to P6.34 billion from P5.04 billion a year ago.

Net income generated by life insurers rose 6.52% to P4.81 billion as of March from P4.52 billion in 2016, while non-life companies raked in P580 million in earnings during the period, 11.98% higher from the P518 million posted in the same period last year.

The insurance sector's assets stood at P1.42 trillion at end-March, 22.26% higher than the P1.17 trillion recorded in the same period in the previous year.

Meanwhile, total investments also expanded to P1.24 trillion,

up 21.35% from the P1.02 trillion booked in the comparable year-ago period.

"The life insurance sector's total investment stood at P1.10 trillion, 40% of which or P4.42 billion were invested in government bonds while the non-life insurance sector's total investment amounted to P74.65 billion, 39.08% of P29.17 billion of which were invested in government bonds," Mr. Funa said.

The sector's total net worth likewise grew by 35.85% to P292.95 billion in the first quarter from P215.64 billion in 2016.