

# Insurers' premiums up in 1<sup>st</sup> half

THE INSURANCE industry recorded a double-digit growth in total premiums in the first half, rebounding from the previous year's figures, on the back of expansion across all sectors.

In a statement e-mailed to reporters on Monday, the Insurance Commission (IC) said the industry posted an 11.15% rise in net premium income in the January to June period to P117.29 billion from the P105.52 billion logged in the comparable period a year ago.

"It should be recalled that during the first half of 2016, the insurance sector experienced a 9.11% decline in premium income to P105.52 billion from P116.11 billion posted during the same period in 2015. This year, however, the insurance industry posted a positive growth in terms of premiums generated as early as the first half of the year," Insurance Commissioner Dennis B. Funa

was quoted as saying in a statement.

The January to June period's expansion was attributed to "positive growth" of the premium income of non-life and life insurers, as well as of mutual benefit associations (MBAs).

The life insurance sector recorded a 10.46% rise in its total premium income in the six months ended June to P90.79 billion from the P82.20 billion in the comparable period in 2016 after more firms produced insurance products.

The Insurance Commissioner said premiums produced from the sale of traditional life insurance rose 3.05%, while that from variable life insurance products also jumped by 13.69% in the first half of the year.

"The increase in premiums generated from the sale of traditional life products was brought about by the remarkable increase in its single premiums and first

year premiums," Mr. Funa said. "For variable life insurance products, on the other hand, while there is a slight decrease in single premiums, there were significant increases in its first year and renewal premiums."

Meanwhile, the non-life sector's net premiums written also registered a double-digit increase of 12.78% to P22.20 billion in January to June from the P19.69 billion seen in the same period in 2016, with motor car and fire policies accounting for bulk of the total.

"Similar to the performance in the first quarter of this year, the non-life insurance sector continues to post significant increases in terms of net premiums written in the motor car and fire lines which remain to comprise the majority of the total net premiums written," the Insurance Commissioner said.

MBAs saw the fastest growth of 18.03% to P4.29 billion in the

first semester compared to the P3.64 billion in the first half of last year.

The sector's net assets likewise jumped 14.78% in the first six months of the year to P1.48 trillion from the P1.29 trillion in the previous year while total liabilities reached P1.17 trillion by end-June, 13.86% up compared to the P1.03 trillion recorded in the same period a year ago.

Total net worth of all three sectors, meanwhile, stood P310.74 billion in the first semester, 18.37% higher from the P262.51 billion posted in the comparable year-ago period.

"Considering the significant increases in the paid-up capital of several companies, the insurance industry posted a 15.42% increase in total paid-up capital from P42.55 billion as of end-June 2016 to P49.10 billion this year," the IC stated. — **Janine Marie D. Soliman**