

Insurance industry posts premium growth in first half

THE INSURANCE INDUSTRY booked a double-digit increase in the first half as all sectors posted robust growth, the Insurance Commission (IC) said on Wednesday.

In a statement, the IC said the insurance industry's premium income in the six months ended June grew 24.27% to P145.76 billion from the P117.29 billion posted in the same period last year.

"All sectors of the insurance industry — the life insurance sector, non-life insurance sector, and mutual benefit associations (MBA) — posted double-digit growth in terms of premium income at end-June this year," Insurance Commissioner Dennis B. Funa was quoted as saying in the statement.

Broken down, life insurers reported P116.14 billion in premium

income last semester, 27.92% higher than the P90.79 billion recorded in the same period a year ago.

Mr. Funa attributed this growth to the "remarkable" increase in the sales of variable life products that posted a 35.91% growth to P88.45 billion from P65.08 billion last year.

Meanwhile, total premiums written by non-life insurance companies rose 10.07% to P24.44 billion in the January-June period from the P22.2 billion tallied in the comparable year-ago period.

The growth, according to the IC, was brought about by a 14.87% increase in premiums from car insurance products which comprised more than half of total net premiums written.

Income generated from contributions and premiums by MBAs

reached P5.18 billion in the January to June period, rising 20.61% from P4.29 billion last year. This was on the back of a 27.03% or P529.3-million increase in the net members' contribution of two associations, Mr. Funa said.

The industry likewise paid P50.74 billion worth of benefits at end-June, an increase of 15.21% from P44.04 billion in benefits paid in the same period in 2017.

The insurance industry was valued at P1.54 trillion in asset terms as of the first semester's end, up 3.64% from the P1.48 trillion year-on-year.

Mr. Funa said the non-life insurance sector managed to grow its assets by 15% to P223.77 billion as of end-June from last year's P194.55 billion despite the decline in the number of non-life insurers.

"The life insurance sector's assets hit P1.23 trillion or 80% of the total industry's 1.54 trillion assets, representing 1.32% increase from P1.21 trillion year-on-year," he added.

The industry's liabilities stood at P1.22 trillion, while its net worth stood at P313.09 billion.

"While the factors that may affect the outlook for the industry in the second half of this year are largely linked to the health of the country's economy, our outlook is very positive taking into account the all-time record year in 2017 and double-digit growth in first quarter of this year," Mr. Funa said, adding that while insurers see a continued upward trajectory in statistics, there is more to be done to grow the sector. — **Karl Angelo N. Vidal**