

Insurers earn P8 B in Q1, 27% more than last year

By MARY GRACE PADIN

The insurance industry's net income grew by 27 percent to P8.03 billion in the first quarter from P6.34 billion in the same period last year, the Insurance Commission (IC) reported yesterday.

Insurance commissioner Dennis Funa said the industry posted a double-digit growth in net income despite the decline in the net income of the non-life insurance sector, which was offset by the growth in the life insurance segment.

According to preliminary data from the IC, the net income of the life insurance sector in the first three months of the year rose by 31.16 percent to P6.31 billion from P4.81 billion in the same period in 2017.

This accounted for 78 percent of the industry's total net income for the review period.

"The life insurance sector posted an increase of 31.16 percent to P6.31 billion from

P4.81 billion during the same period which was brought about mainly by the remarkable increases in premium income, underwriting income, and gross investment income," Funa said.

On the other hand, the non-life insurance sector's net income as of end-March declined 19.21 percent to P469 million from P580.5 million a year ago.

"The 19.21 percent decrease in the reported net income of the non-life insurance sector from P580.5 million to P469 million was due to the decreases in premiums earned and commissions earned, coupled with the increases in losses incurred, commission expenses and other underwriting expenses," Funa said.

The IC said the remaining P1.26 billion in the industry's net income came from the mutual benefit associations, the biggest player in the microinsurance business.

Meanwhile, data from the

IC also showed that the insurance industry's premium income in the first quarter increased 34.38 percent to P76.64 billion from P57.04 billion in the same period last year.

All sectors – life insurance, non-life insurance and mutual benefit associations – posted double digit growth during the period.

The life insurance sector, for its part, collected P61.79 billion in premiums as of end-March, up by 40.18 percent from the P44.08 billion recorded in the same period in 2017.

"While the premiums generated from both traditional life insurance products and variable life insurance products posted double-digit growth, the increase in the premiums collected of the life sector is attributed to the 51.24 percent growth in the sale of variable life insurance products," Funa said.

Premiums collected by the non-life insurance sector, likewise, rose by 13.29

percent to P12.34 billion from P10.89 billion a year ago. The bulk of the amount came from the sale of motor and fire insurance products, according to Funa.

Lastly, contributions or premiums generated by mutual benefit associations (MBAs) reached P2.51 billion in the first three months, up 21.75 percent from the P2.06 billion posted a year ago.

The IC said the industry's total paid-up capital grew by 10.88 percent to P52.87 billion from P47.68 billion year-on-year due to the significant increases in the paid-up capital of four life insurance companies.

In terms of total assets, the insurance industry posted an increase of 8.81 percent to P1.55 trillion from P1.42 trillion.

"With the impressive performance of the insurance industry during the beginning quarter of the year, we are optimistic industry players will maintain this momentum for the rest of the year," Funa said.

Insurance industry's premiums climb 34% as life sector grows

THE INSURANCE INDUSTRY booked a double-digit increase in its total premium income in the third quarter, driven by the continued growth of the life insurance sector.

Preliminary data based on unaudited reports submitted by life and non-life firms as well as mutual benefit associations (MBA) to the Insurance Commission showed the industry's total premiums in the January to March period rose by 34.38% to P76.64 billion from the P57.04 billion logged during the same period last year.

Broken down, life insurers reported P61.79 billion worth of premiums last quarter, 40.18% higher than the P44.08 billion recorded in the same period a year ago.

Insurance Commissioner Dennis B. Funa said in the statement that increase in premiums collected by life insurers was supported by the 51.24% growth in the sale of variable life insurance products.

He added that premiums from traditional life insurance products also posted double-digit growth.

Likewise, premiums collected by non-life insurance companies rose 13.29% to P12.34 billion in the first quarter from the P10.89 billion tallied in the comparable year-ago period.

Premiums generated from motor and fire insurance products accounted for the majority of total premiums collected by non-life insurers.

Income generated from contributions and premiums by MBAs reached P2.51 billion in the January to March period, rising 21.75% from P2.06 billion last year.

"With the impressive performance of the insurance industry during the beginning quarter of the year, we are optimistic that industry players will maintain this momentum for the rest of the year," Mr. Funa said.

Meanwhile, the industry's net income grew 26.72% to P8.03 billion in the first three months of the year, up from the P6.34 billion booked in the same period last year.

The life insurance sector led the growth, with its net profit rising by 31.16% to P6.31 billion from

Insurance, S2/3

Insurance, from S2/1

P4.81 billion. Mr. Funa attributed the growth to "remarkable" increases in premium income, underwriting income and gross investment income.

However, non-life insurance firms posted a 19.21% decrease in net income to P469 million last quarter versus the year-ago profit of P580.5 million.

"The decrease...was due to the decreases in premiums earned and commissions earned coupled with the increases in losses incurred, commission expenses and other underwriting expenses,"

Mr. Funa said.

The industry's total paid-up capital grew to P52.87 billion by 10.88% from P47.68 billion year-on-year supported by "significant increases" in the paid-up capital of four life insurers.

Total investments, on the other hand, amounted to P1.31 trillion last quarter, up 6.85% from P1.24 trillion last year.

Total assets reached P1.55 trillion as of end-March, 8.81% bigger than the P1.42 trillion logged in the same period last year. —

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