

H. INSURANCE COMMISSION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	7	7	7
General Fund	7	7	7
Automatic Appropriations	280,596	205,027	350,216
Special Account	280,596	205,027	350,216
Budgetary Adjustment(s)	2,323		
Transfer(s) from: Miscellaneous Personnel Benefits Fund	2,323		
Total Available Appropriations	282,926	205,034	350,223
Unused Appropriations	(6,600)		
Unreleased Appropriation	(7)		
Unobligated Allotment	(6,593)		
TOTAL OBLIGATIONS	276,326	205,034	350,223

EXPENDITURE PROGRAM
(in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	143,646,000	45,681,000	169,252,000
	PS	38,870,000	31,934,000	64,377,000
	MOOE	57,198,000	13,745,000	103,875,000
	FinEx	8,000	1,000	
	CO	47,570,000	1,000	1,000,000
000003000000000	Operations	132,680,000	159,353,000	180,971,000
	PS	104,444,000	97,541,000	149,035,000
	MOOE	28,236,000	61,812,000	31,936,000
TOTAL AGENCY BUDGET		276,326,000	205,034,000	350,223,000
	PS	143,314,000	129,475,000	213,412,000
	MOOE	85,434,000	75,557,000	135,811,000
	FinEx	8,000	1,000	
	CO	47,570,000	1,000	1,000,000

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 7,000
=====

OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: INSURANCE REGULATION SERVICES	6,000			6,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	7,000			7,000
National Capital Region (NCR)	7,000			7,000
TOTAL AGENCY BUDGET	7,000			7,000

SPECIAL PROVISION(S)

- Insurance Fund. In addition to the amounts appropriated herein, One Hundred Thirty Six Million Eight Hundred Eleven Thousand Pesos (P136,811,000) shall be used to cover the MOOE and Capital Outlay requirements of the Insurance Commission (IC) sourced from the proceeds of premium taxes, constituted into the Insurance Fund in accordance with Section 286 of R.A. No. 8424.

Release of funds shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The IC shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments. The Commissioner of IC and the Commission's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted in the IC website.

- Funding for Personnel Services. The Personnel Services of the IC shall be sourced from the Pre-need Fund in accordance with Section 5 of R.A. No. 9829: PROVIDED, That any deficiency therefrom may be augmented by the Insurance Fund.

Release of funds shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

- Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

PROGRAMS	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
0000010000000000 General Administration and Support	1,000			1,000
1030010001000000 General management and supervision	P 1,000			P 1,000
Sub-total, General Administration and Support	1,000			1,000

00000300000000	Operations	6,000	6,000
00000301000000	MFO 1: INSURANCE REGULATION SERVICES	6,000	6,000
00000301010000	Regulatory Services	2,000	2,000
101003010100001	Promulgation and implementation of policies, rules and regulations	1,000	1,000
101003010100002	Licensing insurance companies, general agents, brokers, adjusters, and processing of reinsurance treaties and investments of insurance companies, benevolent associations and charitable trusts	1,000	1,000
00000301020000	Supervisory Services	3,000	3,000
101003010200001	Examination of the financial conditions of entities engaged in the insurance business, mutual benefit associations and charitable trusts	1,000	1,000
101003010200002	Review of premium rates imposed by non-life companies and statistical reports of adjusters	1,000	1,000
101003010200003	Evaluation of financial reports of insurance companies, mutual benefits associations and charitable trusts	1,000	1,000
101003010300000	Adjudication of claims and complaints involving loss, damage or liability incurred by an insurer under any kind of policy or contract of insurance of suretyship	1,000	1,000
Sub-total, Operations		6,000	6,000
TOTAL NEW APPROPRIATIONS		P 7,000 =====	P 7,000 =====

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	98,843	96,736	166,945
Total Permanent Positions	98,843	96,736	166,945
Other Compensation Common to All			
Personnel Economic Relief Allowance	4,944	4,872	5,040
Representation Allowance	2,015	1,872	2,052
Transportation Allowance	1,529	1,872	2,052
Clothing and Uniform Allowance	1,040	1,015	1,050
Productivity Incentive Allowance	372		
Year End Bonus	8,404	8,060	13,913
Cash Gift	1,081	1,015	1,050
Productivity Enhancement Incentive	7,893	1,015	
Performance Based Bonus	2,287		
Total Other Compensation Common to All	29,565	19,721	25,157

Other Compensation for Specific Groups			
Other Personnel Benefits	357		
Total Other Compensation for Specific Groups	<u>357</u>		
Other Benefits			
Retirement and Life Insurance Premiums	11,883	11,606	20,033
PAG-IBIG Contributions	249	243	251
PhilHealth Contributions	932	926	775
Employees Compensation Insurance Premiums	249	243	251
Terminal Leave	1,236		
Total Other Benefits	<u>14,549</u>	<u>13,018</u>	<u>21,310</u>
TOTAL PERSONNEL SERVICES	<u>143,314</u>	<u>129,475</u>	<u>213,412</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	9,695	6,865	16,608
Training and Scholarship Expenses	11,065	10,362	15,211
Supplies and Materials Expenses	5,143	7,711	14,824
Utility Expenses	8,539	9,622	11,602
Communication Expenses	5,019	6,648	11,870
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	715	165	710
General Services	21,233	17,978	32,357
Repairs and Maintenance	2,699	5,257	8,837
Taxes, Insurance Premiums and Other Fees	1,219	1,930	4,541
Other Maintenance and Operating Expenses			
Advertising Expenses	691	1,064	5,726
Printing and Publication Expenses	382	1,235	1,650
Representation Expenses	1,895	3,382	4,326
Rent/Lease Expenses	1,155	744	1,550
Membership Dues and Contributions to Organizations	1,603	2,254	3,975
Subscription Expenses	279	338	1,674
Other Maintenance and Operating Expenses	14,102	2	350
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>85,434</u>	<u>75,557</u>	<u>135,811</u>
Financial Expenses			
Bank Charges	5	1	
Other Financial Charges	3		
TOTAL FINANCIAL EXPENSES	<u>8</u>	<u>1</u>	
TOTAL CURRENT OPERATING EXPENDITURES	<u>228,756</u>	<u>205,033</u>	<u>349,223</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Machinery and Equipment Outlay	660		
Furniture, Fixtures and Books Outlay	2,040		
Other Property Plant and Equipment Outlay	1,407	1	1,000
Intangible Assets Outlay	43,463		
TOTAL CAPITAL OUTLAYS	<u>47,570</u>	<u>1</u>	<u>1,000</u>
GRAND TOTAL	<u>276,326</u>	<u>205,034</u>	<u>350,223</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Financial Sector Stability and Growth

ORGANIZATIONAL
OUTCOME : Insurance Industry Growth and Stability Improved

PERFORMANCE INFORMATION

KEY STRATEGIES :

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Insurance Industry Growth and Stability Improved Percentage contribution of the Insurance Industry to the Gross Domestic Product increased	2012: 1.31% 2013: 1.72%	2.5% contribution of the Insurance Industry to the Gross Domestic Product by 2017
Net Worth of Insurance Companies increased	> or = P250 Million	> or = P550M in Net Worth for each Insurance Company by 2017
Percentage of Insurance Companies and MBAs compliant with Risk Based Capital (RBC) framework increased	FY 2012: 75.8%	80% of Insurance Companies and MBAs are compliant with the required RBC hurdle rate by 2017

MFO / PIs	2017 Targets
MFO 1: INSURANCE REGULATION SERVICES	
Insurance Licensing Services	
Percentage of applications processed with complete documentation	90%
Percentage of license or permit applications processed within 14 days of receipt	80%
Number of licenses and permits issued	54,905
Monitoring	
Number of target entities/reports/disclosures monitored	2,504
Percentage of target entities/reports/disclosures monitored for compliance to tariff rules and investment requirements	90%
Percentage of monitored target entities/reports/disclosures reviewed within the year	90%
Enforcement	
Number of entities/reports/disclosures inspected	46,585
Number of violations of tariff rules and investment requirements detected in the last 3 years	238
Percentage of entities/reports/disclosures that have been inspected within the prescribed schedule	90%