

**H. INSURANCE COMMISSION****STRATEGIC OBJECTIVES**

**MANDATE** : To safeguard the rights, welfare and interest of the insuring public; promote growth and financial stability of insurance companies; establish a sound national insurance market; professionalize insurance services; develop insurance consciousness among the general populace.

**VISION** : By 2020, as regulator, we shall provide an opportunity for every Filipino to secure insurance protection and we shall observe practices at par with regional and global standards.

**MISSION** : We are committed to protect the interest and welfare of the insuring public and to develop and strengthen the insurance industry.

**KEY RESULT AREAS** : Anti-Corruption/Transparent, Accountable and Participatory Governance

**SECTOR OUTCOME** : Financial Sector Stability and Growth

**ORGANIZATIONAL OUTCOME** : 1. Insurance Industry Growth and Stability Improved

**SECTION 1 : EXPENDITURE PROGRAM  
(in pesos)**

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	406,242,000	39,730,000	45,681,000
	PS	31,935,000	26,274,000	31,934,000
	MOOE	49,607,000	13,456,000	13,745,000
	FinEx			1,000
	CO	324,700,000		1,000
000003000000000	Operations	121,734,000	148,752,000	159,353,000
	PS	95,081,000	88,212,000	97,541,000
	MOOE	26,653,000	60,540,000	61,812,000
<b>TOTAL AGENCY BUDGET</b>		<b>527,976,000</b>	<b>188,482,000</b>	<b>205,034,000</b>
	PS	127,016,000	114,486,000	129,475,000
	MOOE	76,260,000	73,996,000	75,557,000
	FinEx			1,000
	CO	324,700,000		1,000

## STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	338	244	323
Total Number of Filled Positions	176	178	203

## PROPOSED 2016

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

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016  
(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
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## SECTION 3 : SPECIAL PROVISION(S)

- Insurance Fund. In addition to the amounts appropriated herein, Seventy Five Million Five Hundred Fifty Nine Thousand Pesos (P75,559,000) 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 House Committee on Appropriations and the Senate Committee on Finance, 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:

**SECTION 4 : PERFORMANCE INFORMATION**

KEY STRATEGIES :

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
<b>Insurance Industry Growth and Stability Improved</b>		
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 2016
Net Worth of Insurance Companies increased	> or = P250 Million	> or = P550M in Net Worth for each Insurance Company by 2016
Percentage of Insurance Companies and MBAs compliant with Risk Based Capital (RBC) framework increased	FY 2012: 75.8% (no data yet for FY 2013)	80% of Insurance Companies and MBAs are compliant with the required RBC hurdle rate by 2016

MFO / PIs	2016 Targets
<b>MFO 1: INSURANCE REGULATION SERVICES</b>	
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%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	7	7	7
General Fund		7	7
R.A. No. 10633	7		
Automatic Appropriations	541,838	188,475	205,027
Special Account	541,838	188,475	205,027
Total Available Appropriations	541,845	188,482	205,034
Unused Appropriations	( 13,869)		
Unobligated Allotment	( 13,869)		
<b>TOTAL OBLIGATIONS</b>	<b>527,976</b>	<b>188,482</b>	<b>205,034</b>
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Proposed New Appropriations Language  
 For general administration and support, and operations, as indicated hereunder.....P 7,000  
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New Appropriations, by Programs/Activities/Projects

	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
PROGRAMS				
000001000000000	General Administration and Support	1,000		1,000
103001000100000	General management and supervision	P 1,000		P 1,000
Sub-total, General Administration and Support		1,000		1,000
000003000000000	Operations	6,000		6,000
000003010000000	MFO 1: INSURANCE REGULATION SERVICES	6,000		6,000
000003010100000	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
000003010200000	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
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Obligations, by Object of Expenditures

CYs 2014-2016  
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	92,370	85,847	96,736
Total Permanent Positions	<u>92,370</u>	<u>85,847</u>	<u>96,736</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	4,635	4,272	4,872
Representation Allowance	1,683	1,728	1,872
Transportation Allowance	1,683	1,728	1,872
Clothing and Uniform Allowance	955	890	1,015
Productivity Incentive Allowance	342	356	
Year End Bonus	7,721	7,161	8,060
Cash Gift	972	890	1,015
Productivity Enhancement Incentive			1,015
Total Other Compensation Common to All	<u>17,991</u>	<u>17,025</u>	<u>19,721</u>
Other Compensation for Specific Groups			
Longevity Pay	14		
Other Personnel Benefits	1,111		
Total Other Compensation for Specific Groups	<u>1,125</u>		
Other Benefits			
Retirement and Life Insurance Premiums	11,922	10,301	11,606
PAG-IBIG Contributions	213	214	243
PhilHealth Contributions	894	886	926
Employees Compensation Insurance Premiums	231	213	243
Terminal Leave	2,270		
Total Other Benefits	<u>15,530</u>	<u>11,614</u>	<u>13,018</u>
TOTAL PERSONNEL SERVICES	<u>127,016</u>	<u>114,486</u>	<u>129,475</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	9,035	6,865	6,865
Training and Scholarship Expenses	9,275	10,362	10,362
Supplies and Materials Expenses	6,131	7,710	7,711
Utility Expenses	7,669	9,682	9,622
Communication Expenses	4,341	6,575	6,648
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	691	165	165
Professional Services	1,067	6,439	
General Services	13,633	9,978	17,978
Repairs and Maintenance	7,111	5,127	5,257
Taxes, Insurance Premiums and Other Fees	1,062	1,961	1,930
Other Maintenance and Operating Expenses			
Advertising Expenses	297	1,285	1,064
Printing and Publication Expenses	545	1,014	1,235
Representation Expenses	1,186	3,382	3,382
Rent/Lease Expenses	437	744	744
Membership Dues and Contributions to Organizations	57	2,367	2,254
Subscription Expenses	753	338	338
Other Maintenance and Operating Expenses	12,970	2	2
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>76,260</u>	<u>73,996</u>	<u>75,557</u>
Financial Expenses			
Bank Charges			1
TOTAL FINANCIAL EXPENSES			<u>1</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>203,276</u>	<u>188,482</u>	<u>205,033</u>

Capital Outlays			
Property, Plant and Equipment Outlay			
Land Outlay	308,378		
Machinery and Equipment Outlay	8,131		
Transportation Equipment Outlay	8,191		
Other Property Plant and Equipment Outlay			1
TOTAL CAPITAL OUTLAYS	<u>324,700</u>	<u>                    </u>	<u>                    1</u>
GRAND TOTAL	<u>527,976</u>	<u>188,482</u>	<u>205,034</u>