

G. INSURANCE COMMISSION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	<u>7</u>	<u>7</u>	<u>6</u>
General Fund	7	7	6
Automatic Appropriations	<u>381,981</u>	<u>350,216</u>	<u>387,976</u>
Special Account	<u>381,981</u>	<u>350,216</u>	<u>387,976</u>
Total Available Appropriations	381,988	350,223	387,982
Unused Appropriations	(11,654)		
Unreleased Appropriation	(7)		
Unobligated Allotment	(11,647)		
TOTAL OBLIGATIONS	<u>370,334</u>	<u>350,223</u>	<u>387,982</u>
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EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	2016 Actual	2017 Current	2018 Proposed
General Administration and Support	177,704,000	169,252,000	194,085,000
Regular	177,704,000	169,252,000	194,085,000
PS	86,596,000	64,377,000	67,805,000
MOOE	67,459,000	103,875,000	108,526,000
FinEx	1,000		
CO	23,648,000	1,000,000	17,754,000
Operations	192,630,000	180,971,000	193,897,000
Regular	192,630,000	180,971,000	193,897,000
PS	163,324,000	149,035,000	161,291,000
MOOE	29,306,000	31,936,000	32,606,000
TOTAL AGENCY BUDGET	370,334,000	350,223,000	387,982,000
Regular	370,334,000	350,223,000	387,982,000
PS	249,920,000	213,412,000	229,096,000
MOOE	96,765,000	135,811,000	141,132,000
FinEx	1,000		
CO	23,648,000	1,000,000	17,754,000

Proposed New Appropriations Language

For general administration and support and operations, as indicated hereunder.....P 6,000
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OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
INSURANCE, PRE-NEED, AND HMO REGULATORY AND SUPERVISORY PROGRAM	5,000			5,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	6,000			6,000
National Capital Region (NCR)	6,000			6,000
TOTAL AGENCY BUDGET	6,000			6,000

SPECIAL PROVISION(S)

1. Insurance Fund. In addition to the amounts appropriated herein, One Hundred Fifty Eight Million Eight Hundred Eighty Six Thousand Pesos (P158,886,000) 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, the President of the Senate of the Philippines, 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.

2. 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. 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.

The IC shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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.

3. 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

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	1,000			1,000
100000100001000	General management and supervision	1,000			1,000
Sub-total, General Administration and Support		1,000			1,000
3000000000000000	Operations	5,000			5,000
3100000000000000	00 : Insurance, Pre-Need, and HMO Industries' growth and stability improved	5,000			5,000
3101000000000000	INSURANCE, PRE-NEED, AND HMO REGULATORY AND SUPERVISORY PROGRAM	5,000			5,000
310100100001000	Promulgation and implementation of policies, rules and regulations	1,000			1,000
310100100002000	Licensing of insurance, pre-need, and HMO entities and related services	1,000			1,000
310100100003000	Examination of insurance, pre-need, and HMO entities and evaluation of financial reports	1,000			1,000
310100100004000	Review and approval of premium rates, investments, reinsurance treaties, facultative placements, and products	1,000			1,000

310100100005000 Adjudication of claims/complaints and mediation of disputes	1,000	1,000
Sub-total, Operations	<u>5,000</u>	<u>5,000</u>
TOTAL NEW APPROPRIATIONS	P <u>6,000</u> =====	P <u>6,000</u> =====

Obligations, by Object of ExpendituresCYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	167,391	166,945	169,885
Total Permanent Positions	<u>167,391</u>	<u>166,945</u>	<u>169,885</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	5,081	5,040	5,136
Representation Allowance	2,096	2,052	2,052
Transportation Allowance	1,711	2,052	2,052
Clothing and Uniform Allowance	1,075	1,050	1,070
Mid-Year Bonus - Civilian	13,685		
Year End Bonus	14,096	13,913	14,156
Cash Gift	1,067	1,050	1,070
Productivity Enhancement Incentive	1,053		
Performance Based Bonus	2,388		
Total Other Compensation Common to All	<u>42,252</u>	<u>25,157</u>	<u>25,536</u>
Other Compensation for Specific Groups			
Longevity Pay	19		
Other Personnel Benefits	5,009		
Total Other Compensation for Specific Groups	<u>5,028</u>		
Other Benefits			
Retirement and Life Insurance Premiums	20,523	20,033	20,382
PAG-IBIG Contributions	276	251	256
PhilHealth Contributions	1,057	775	791
Employees Compensation Insurance Premiums	234	251	256
Terminal Leave	13,159		11,990
Total Other Benefits	<u>35,249</u>	<u>21,310</u>	<u>33,675</u>
TOTAL PERSONNEL SERVICES	<u>249,920</u>	<u>213,412</u>	<u>229,096</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	7,899	16,608	9,885
Training and Scholarship Expenses	10,605	15,211	12,439
Supplies and Materials Expenses	10,099	14,824	6,952
Utility Expenses	8,161	11,602	7,727
Communication Expenses	5,357	11,870	13,935
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	664	710	715
Professional Services			120
General Services	18,953	32,357	20,275
Repairs and Maintenance	11,657	8,837	5,824
Taxes, Insurance Premiums and Other Fees	1,153	4,541	1,219

Other Maintenance and Operating Expenses			
Advertising Expenses	377	5,726	600
Printing and Publication Expenses	368	1,650	598
Representation Expenses	2,374	4,326	2,012
Rent/Lease Expenses	1,299	1,550	1,155
Membership Dues and Contributions to Organizations	2,675	3,975	1,603
Subscription Expenses	1,443	1,674	41,819
Other Maintenance and Operating Expenses	13,681	350	14,254
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>96,765</u>	<u>135,811</u>	<u>141,132</u>
Financial Expenses			
Bank Charges	1		
TOTAL FINANCIAL EXPENSES	<u>1</u>		
TOTAL CURRENT OPERATING EXPENDITURES	<u>346,686</u>	<u>349,223</u>	<u>370,228</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	824		
Machinery and Equipment Outlay	13,395		17,754
Furniture, Fixtures and Books Outlay	8,662		
Other Property Plant and Equipment Outlay	767	1,000	
TOTAL CAPITAL OUTLAYS	<u>23,648</u>	<u>1,000</u>	<u>17,754</u>
GRAND TOTAL	<u>370,334</u>	<u>350,223</u>	<u>387,982</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Sound, stable and supportive macroeconomic environment sustained

ORGANIZATIONAL OUTCOME : Insurance, Pre-Need, and HMO Industries' growth and stability improved

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</u>	<u>2017 Targets</u>
Insurance, Pre-Need, and HMO Industries' growth and stability improved		
Percentage contribution of the Insurance Industry to the Gross Domestic Product increased	1.6%	2.5% contribution of the Insurance Industry to the Gross Domestic Product by 2017
Net Worth of Insurance Companies increased	P550M	> 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	N/A	80% of Insurance Companies and MBAs are compliant with the required RBC hurdle rate by 2017

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: INSURANCE REGULATION SERVICES			
Insurance Licensing Services			
Percentage of applications processed with complete documentation	90%	100%	90%
Percentage of license or permit applications processed within 14 days of receipt	80%	100%	80%
Number of licenses and permits issued	54,905	56,855	54,905
Monitoring			
Number of target entities/reports/disclosures monitored	2,504	2,570	2,504
Percentage of target entities/reports/disclosures monitored for compliance to tariff rules and investment requirements	90%	100%	90%
Percentage of monitored target entities/reports/disclosures reviewed within the year	90%	100%	90%
Enforcement			
Number of entities/reports/disclosures inspected	46,585	46,735	46,585
Number of violations of tariff rules and investment requirements detected in the last 3 years	238	264	238
Percentage of entities/reports/disclosures that have been inspected within the prescribed schedule	90%	98%	90%

NOTE : Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Insurance, Pre-Need, and HMD Industries' growth and stability improved		
INSURANCE, PRE-NEED, AND HMO REGULATORY AND SUPERVISORY PROGRAM		
Outcome Indicator(s)		
1. Percentage of supervised / regulated entities meeting the net worth requirements	N/A	100%
2. Percentage of supervised / regulated entities complying with Risk Based Capital (RBC) requirements	N/A	100%
Output Indicator(s)		
1. Percentage of supervised / regulated entities examined, verified or monitored	N/A	100%
2. Percentage of received application for new and renewal of licenses processed within the prescribed period	N/A	100%
3. Percentage of applications for premium rates, insurance products, investments, contract forms, policies, reinsurance treaties, facultative placements processed within the prescribed period	N/A	100%