



# THE PREMIER INSURANCE & SURETY CORPORATION

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490 T.M. Kalaw St., Ermita, Manila

## PRESIDENT'S REPORT

### INTRODUCTION

Covid-19 made an enormous impact on business in the entire country since it began in 2020. Come 2021, another variant came – Omicron, which is faster to transmit than the regular Covid-19 and doubled the number of positive cases which contributed for the downfall of economy in the Philippines. With the impact of the pandemic, business establishments faced severe difficulties due to the quarantine measures that restricted the movement of workers and consumers and business operations. Like other countries around the world, the Philippines continue to face very difficult decisions in balancing these health and economic imperatives.

For the economic recovery, the country depended on its vaccination programme. To attain herd immunity threshold, the government vaccinated 70% of the country's 100 million people. The virus was contained both domestically and globally, and that domestic activity was strengthened by increased consumers and corporate confidence and public investment momentum.

Amid economic recovery and as more Filipinos saw the importance of insurance coverage, industry wide sales and profit grew in 2021. The combined net income of all non-life insurance companies in the country registered a very strong 25.64 percent growth rate, from P3.9 billion in 2020 to P4.9 billion in 2021. The total combined industry invested assets grew by 30.77 percent from P104 billion in 2020 to P136 billion in 2021.

For the company's operation, posted an increase in production compared from previous year as presented below:

	<b>2021</b> <b>(in PhP)</b>	<b>2020</b> <b>(in PhP)</b>	<b>Increase</b> <b>(Decrease)</b>	<b>% Change</b>
Gross Premiums Earned	151,773,457	95,145,841	56,627,616	59.52 %
Net Premiums Earned	141,881,612	92,988,971	48,892,641	52.58 %
Gross Underwriting Income	144,868,680	93,725,879	51,142,801	54.57 %
Total Underwriting Expenses	96,020,941	63,800,657	32,220,284	50.50 %
Losses Incurred	23,496,583	31,654,186	( 8,157,603)	(25.77 %)
Commission Expense	46,600,190	25,150,403	21,449,787	85.29 %
General and Administrative Expenses	48,363,560	44,199,572	4,163,988	9.42 %
Net Income	11,513,957	9,358,707	2,155,250	23.03 %

Total Assets	2,501,313,604	1,766,404,625	734,908,979	41.60 %
Total Liabilities	354,830,709	174,205,839	180,624,870	103.68 %
Total Stockholders' Equity	2,146,482,895	1,592,198,787	554,284,108	34.81 %

## MILESTONES

The P2.1 billion net worth of the company by the end of 2021 is in compliance of the P900 million minimum net worth requirements as of December 31, 2019, per Section 194 of Republic Act No. 10607 (Amended Insurance Code) and Insurance Commission Circular Letter No. 2015-15-A dated January 15, 2015. With the P2.1 billion net worth, the company is placed on the top eleven (11) position, and with the P2 billion paid-up capital by the end of 2021, the company is placed on the top two (2) position surpassing other non-life insurance companies of the Philippines.

The Securities and Exchange Commission (SEC) approved on May 20, 2021 the company's application for increase in authorized capital stock from P1.3 billion divided into 13 million shares at P100 par value per share into P 2 billion divided into 20 million shares at P 100 par value per share.


With the approval of the company's Board of Directors in 2019, the conversion of receivables from agents amounting to P150 million to loans receivable covered by promissory notes with 7% interest per annum, the company collected the amount of P53.8 million on the principal and P17.5 million on the interest as of December 31, 2021.

On the year 2021, the company acquired real properties located in President Quirino, Pandacan, Manila amounting to P242.46 million, Pio del Pilar, Makati City amounting to P51 million, Bucal, Silang, Cavite amounting to P40.51 million and in Taysan Batangas amounting to P110.54 million.. These properties were acquired for the establishment of branches on the areas.

We take this opportunity to thank our Board of Directors and our shareholders for their trust and confidence in us despite the challenges in 2021. We also thank and express appreciation to our customers and business partners for their support and patronage and of course our officers and employees for their dedication and hard work in pursuit of our company's objectives.

We are looking forward into engaging in many more years of fruitful insurance business.

Thank you.

  
**MAYBELLE L. LIM**  
 President and COO