

FINANCIAL STATUS

State Insurance Fund

as of December 31, 2012

May 27, 2013



EMPLOYEES' COMPENSATION COMMISSION

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A. ASSETS

	at Dec. 2012	%	at Dec. 2011 *	%	Peso Inc. (Dec)	% Inc. (Dec)
SSS	29,221,165,505.00	72%	27,712,432,967.00	75%	1,508,732,538.00	5%
GSIS	11,603,535,155.21	28%	9,327,344,163.54	25%	2,276,190,991.67	24%
TOTAL	40,824,700,660.21	100%	37,039,777,130.54	100%	3,784,923,529.67	10%

* GSIS Restated Total Admitted Assets

As of December 31, 2012, the State Insurance Fund (SIF) has total assets of Ph 40.82B; seventy two percent (72%) or Ph 29.22B under the Social Security System (SSS) while twenty eight percent (28%) or Ph 11.60B is under the Government Service Insurance System (GSIS).

Total assets were increased by 10% or Ph 3.78B in 2012 brought about by the increase in cash and cash equivalents of the SSS and the increase in financial assets and income receivables from investment of the GSIS.

B. RESERVES / NETWORTH

	at Dec. 2012	%	at Dec. 2011	%	Peso Inc. (Dec)	% Inc. (Dec)
SSS*	29,221,113,992.00	72%	27,712,380,673.00	75%	1,508,733,319.00	5%
GSIS**	11,577,044,666.13	28%	9,266,733,302.51	25%	2,310,311,363.62	25%
Total	40,798,158,658.13	100%	36,979,113,975.51	100%	3,819,044,682.62	10%

* Reserves ** Net worth

Total reserves of the SIF for future payment of EC claims in private sector as of December 31, 2012 amounted to Ph 29.22B is managed by the SSS with 5% or Ph 1.51B increase from December 31, 2011.

The GSIS SIF-managed fund total Networth amounts to Ph 11.58B. From Ph 9.27B in 2011, there was an increase of 25% or Ph 2.31B.

The GSIS ECIF Networth of Ph 11.58B, consist of Ph 1.096M reserved for payment of future claims, claims pending settlement, rehabilitation services, ECC and OSHC operating fund and for contingencies and Ph 10.48B Surplus. Reserves were increased

by Ph 462.55M in 2012 from Ph 633.40M in 2011. The GSIS started setting up reserves in its Financial Report in 2010 at the amount of Ph 613.96M. Total Net worth in 2011 amounts to Ph 9.27B and Ph 7.45B in 2010.

C. REVENUE

Table C.1 - Revenue Collected as of December 31, 2012

Particulars	SSS	%	GSIS	%	TOTAL	%
Member's Contribution	1,482,501,169.00	55%	2,022,875,274.67	88%	3,505,376,444.22	70%
Investment and other income	1,204,245,703.00	45%	270,763,423.41	12%	1,475,009,126.86	30%
TOTAL	2,686,746,872.00	100%	2,293,638,698.08	100%	4,980,385,571.08	100%
	54%		46%			

As of December 31, 2012, the **SIF generated total revenue of Ph 4.98B**: Seventy percent (70%) or Ph 3.50B came from the collection of members' contributions while thirty-percent (30%) or Ph 1.48B from investment and other income.

The SSS earned fifty-four percent (55%) or Ph 2.69B of the total revenue while forty-six percent (46%) or Ph 2.29B by the GSIS.

Table C.2 - Revenue Collected as of December 31, 2011

Particulars	SSS	%	GSIS	%	TOTAL	%
Member's Contribution	1,368,601,907.00	51%	1,969,684,985.46	92%	3,338,286,892.97	69%
Investment and other income	1,301,893,251.00	49%	164,613,657.82	8%	1,466,506,909.31	31%
TOTAL	2,670,495,158.00	100%	2,134,298,643.28	100%	4,804,793,802.28	100%
	56%		44%			

Total Revenue has a net increase of 3.75% or Ph .18B; 5% or Ph .16B increase in collection of members' contribution and .7% or Ph .01B increase in investment and other income compared in 2011.

SSS revenue has gone up by .75% or Ph .02B while the GSIS has gone up also by 7.51% or Ph .16B.

D. INVESTMENT

As of December 31, 2012, the **Social Security System (SSS)** has total investment of Ph 13.04B and earned total investment income of Ph 719.86M. Return of Investment is at six percent (6%).

One percent (1%) or Ph 175.96M of the Total Investment is placed under short-term money placement with Ph 146.44M Interest income while ninety-nine percent (99%) or Ph 12.86B is placed at the following non-current investment:

Particulars	Investment Amount		Investment Income	
Available-for-sale financial Assets				
Marketable Securities (Gain on sale/disposal)			Ph	32.32 M
Held to Maturity investment				
Government Bonds	Ph	5.02 B	Ph	221.39 M
Loans and Receivables				
Members Loans		5.72 B		311.44 M
NHMFC		1.71 B		(30.34 M)
Housing Loan		.41B		38.07 M
Commercial and Industrial Loans		.005B		.54 M
TOTAL	Ph	12.86B	Ph	573.42M

SSS investment has gone down by 7.25% or Ph 1.02B from December, 2011 to December, 2012. Investment Income at Ph 908.81M in 2011 was decreased by 21% or Ph 188.95M in 2012.

The **Government Service Insurance System (GSIS)** has a total investment amounting to Ph 6.87B as of December 31, 2012 broken down as follows:

- (1) High Yield Short Term placements amounts to Ph 1.46B; and
- (2) ROP Notes & Bonds – AFP-Peso in the amount of Ph 5.41B.

Revenue from these investments amounted to Ph 270.76. Return of Investment is at 3.94%.

GSIS investment has gone up by 37% or Ph 1.84B from December, 2011 to December, 2012. Investment Income at Ph 164.61M in 2011 has gone up by 64% or Ph 106.15M. Return of Investment per 2012 investment is at 3.94%.

E. EXPENDITURES

Expenditures	SSS	%	GSIS	%	TOTAL
Benefit payments	1,025,855,013.00	92%	38,245,571.93	16%	1,064,100,585.85
Operating Expenses	94,260,404.00	8%	-		94,260,404.08
Management Fee	-		194,271,178.78	84%	194,271,178.78
TOTAL	1,120,115,417.00	100%	232,516,750.71	100%	1,352,632,168.71
	83%		17%		100%

Total expenditures as of December 31, 2012 at Ph 1.35B was spent by the Systems for benefits payments and operating expenses/management fee; Eighty three percent (83%) or P1.12B by the SSS while seventeen percent (17%) or Ph 232.52M by the GSIS.

SSS spent Ph 1.02B for payment of 261,645 EC benefits claims in the private sector and Ph 94.26M for its operating expenses. The Operating Expenses is computed using the benefit payment ratio re the percentage of the total ECC claims over the combined SSS and ECC claims from the total PS and MOOE of the entire SSS.

The GSIS spent Ph 38.24M for 5,603 for payment of EC benefits claims in the public sector and charged Ph 194.27M as Management fee.

Per financial presentation, the SSS share in the ECC and OSHC operating expenses (loading fund) are directly deducted from the Reserves of the SSS SIF-managed funds while the GSIS share in the ECC and OSHC operating expenses form part of the operating expenses in the Income Statement.

F. EC BENEFITS CLAIMS and PAYMENTS

The table below shows the breakdown of the number of claims and benefits payments made by the Systems from January to December, 2012.

	SSS		GSIS	
	NO. OF CLAIMS	AMOUNT	NO. OF CLAIMS	AMOUNT
DEATH AND PENSION	211,802	783,614,446.00		
Survivorship Benefits			641	4,539,759.00
Survivorship Benefits - Secondary				
Survivorship Benefits - Primary				
DISABILITY	20,753	107,458,822.00	2,525	17,624,056.00
Permanent Total Disability (PTD)			19	778,546.00
Permanent Partial Disability (PPD)			74	1,219,231.00
Disability Pension Benefit			2,432	15,626,279.00
SICKNESS	26,474	95,646,919.00		
Disability Benefits - Sickness Income				
Temporary Total Disability			340	1,617,921.00
MEDICAL SERVICES	2,225	35,407,216.00	1,933	12,081,057.00
Medical Benefits			213	1,599,805.00
Hospital Room and Board			217	144,637.00
Medicines			896	9,085,190.00
Laboratory & X-ray charges			247	629,114.00
Surgeon's Fee			50	153,367.00
Operating Room Fee			62	213,821.00
Anesthesiologist Fee			42	45,501.00
Physician's Fee			206	209,622.00
FUNERAL BENEFITS				
Funeral/Death Benefits	360	3,578,000.00	144	2,358,545.00
REHABILITATION SERVICES	31	149,610.00		
Domiciliary Care and Ambulatory			20	24,233.00
SPECIAL MEDICAL EXAM	0	-	0	-
T O T A L	261,645	1,025,855,013.00	5,603	38,245,571.00

Death and pension benefits comprised the highest share in the EC benefit payments made by the SSS in the private sector while Disability benefit comprised the highest share in the EC benefit payments made by the GSIS in the public sector.

The 62,115 claims processed by SSS in 2011 were increased to 261,645 claims in 2012. However, benefits payments costs was reduced by 4.74% or Ph 51.12M from Ph 1.08B in 2011 to Ph 1.025B in 2012. In GSIS, however, the 7,925 claims processed in 2011 were reduced to 5,603 claims in 2012. Likewise, payments of benefits from Ph 67.81M in 2011 was reduced by 44% or Ph 29.57M in 2012.

G. LOADING FUND

PARTICULARS	SSS	GSIS	TOTAL
Member's Contribution	1,482,501,169.00	2,022,875,274.67	3,505,376,443.67
Investment and other income	1,204,245,703.00	270,763,423.41	1,475,009,126.41
TOTAL	2,686,746,872.00	2,293,638,698.08	4,980,385,570.08

* Based on unaudited report from the GSIS and SSS

As provided for under Art. 178, Chapter III of PD 626, as amended, the Commission, SSS and GSIS may disburse each year not more than twelve percent (12%) of the contributions and investment earnings collected for operational expenses, including occupational health and safety programs, incidental to the carrying out of the program.

As of December 31, 2012, the total amount available for disbursement by the SSS, GSIS, ECC and OSHC amounted to Ph 597.65M.

The table below shows the operating expenses of the SSS, the management fees collected by the GSIS and the remittance received by ECC and OSHC for CY 2012 are **at 78% of the 12% loading fund ceiling.**

PARTICULARS	SSS	GSIS	TOTAL
ECC CY 2012 COB*	56,667,800.00	24,286,200.00	80,954,000.00
OSHC CY 2012 COB*	66,699,250.10	28,585,392.90	95,284,643.00
Management Fee		194,271,178.78	194,271,178.78
Operating Expenses	94,260,404.00		94,260,404.00
TOTAL	217,627,454.10	247,142,771.68	464,770,225.78

* Amount stated is the SSS and GSIS shares in the approved CY 2012 COB of the ECC and OSHC

COMPARATIVE STATEMENT OF FINANCIAL POSITION

at December 31, 2012 and 2011

	SSS		GSIS	
	2012	2011	2012	2011 *
ASSETS	29,221,165,505.00	27,712,432,967.00	11,603,535,155.21	,446,925,491.99
Current Assets				
Cash and Cash Equivalents	16,036,305,310.00	13,503,600,000.00	2,607,305,769.16	5,694,582,463.07
Held on Maturity Investments	175,956,915.00	638,888,392.00		-
Receivables (Net)	107,219,615.00	111,443,999.00	3,531,305,017.45	3,706,923,456.29
Non-current Assets				
Financial Assets	12,864,766,610.00	13,421,246,818.00	5,415,128,601.99	-
Other non-current	36,917,055.00	37,253,758.00	49,795,766.61	45,419,572.63
LIABILITIES	51,513.00	52,204.00	26,490,489.08	60,610,861.03
Funds held in trust	51,513.00	52,204.00		
Claims and Benefits Payable			10,887,384.23	11,044,100.44
Sundry Accounts Payable			15,603,104.85	49,566,760.59
RESERVES	29,221,113,992.00	27,712,380,673.00	1,095,947,289.00	633,400,532.00
UNASSIGNED SURPLUS			10,481,097,377.13	8,633,332,770.51
TOTAL NETWORTH (Reserves + Surplus)			11,577,044,666.13	9,266,733,302.51

* 2011 GSIS RESTATED

** GSIS - Contribution and Premiums receivables are net of Accounts for Clearing

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME

at December 31, 2012 and 2011

	SSS		GSIS	
	2012	2011	2012	2011 **
REVENUES	2,686,746,872.00	2,670,495,158.00	2,293,638,698.08	2,134,298,643.28
Members Contribution/EC Insurance Premium	1,482,501,169.00	1,368,601,907.00	2,022,875,274.67	1,969,636,204.35
Interest on Premium Arrearages			-	48,781.11
Investment and Other Income	1,204,245,703.00	1,301,893,251.00		
Revenue from Financial Assets				
Interest on ROP Notes and Bonds -AFS			252,851,776.16	-
Other Investment Revenue			17,911,652.03	164,613,660.29
Other revenue - Interest on bank deposits			(4.78)	(2.47)
EXPENDITURES	1,120,115,417.00	1,174,761,107.00	351,770,645.95	315,233,364.92
Benefit payments	1,025,855,013.00	1,076,971,175.00	38,245,571.93	67,811,949.95
Operating Expenses	94,260,404.00	97,789,932.00	61,132,096.00	54,738,876.90
Management fee			194,271,178.78	192,682,538.07
Impairment Loss on Loans, Premiums and other				
Receivables			58,121,799.24	-
NET INCOME	1,566,631,455.00	1,495,734,051.00	1,941,868,052.13	1,819,065,278.36
OTHER COMPREHENSIVE INCOME/(LOSS)				
Available-for-sale financial assets	50,955,736.00	(107,778,676.00)		
Unrealized gain on investments			368,443,311.49	-
TOTAL COMPREHENSIVE INCOME	1,617,587,191.00	1,387,955,375.00	2,310,311,363.62	1,819,065,278.36

* GSIS operating expenses = loading fund of ECC and OSHC

** 2011 – Restated

***2012 Unaudited GSIS Financial Reports