



**TRAVELLERS INSURANCE &
SURETY CORPORATION**
Annual Stockholders' Meeting
July 27, 2021, TRISCO Conference Room

PRESIDENT'S REPORT



INTRODUCTION

THIS REPORT COVERS THE OPERATING RESULTS AND FINANCIAL CONDITION OF OUR CORPORATION FOR THE YEAR ENDING AND AS OF DECEMBER 31, 2020 WITH COMPARATIVE FIGURES FOR 2019.

I. RESULTS OF OPERATIONS

A. Underwriting Income

OUR GROSS PREMIUMS EARNED FOR THE YEAR 2020 AMOUNTING TO PHP697,505,716 WAS PHP1,147,701 OR .16% LOWER THAN LAST YEAR'S PHP698,653,417. MOTOR CAR WITH PHP205.3M, BONDS WITH PHP410.3M AND CARI WITH PHP110.2M WERE THE LINES WHICH CONTRIBUTED MAINLY TO THE INCREASE IN GROSS PREMIUMS.

OUR PREMIUM CEDED INCREASED BY PHP11,412,645 OR 36.57% ALTHOUGH OUR NET RETENTION LIMIT INCREASED FROM PHP110M TO PHP167M PER RISK.

NET PREMIUM FOR 2020 OF PHP654,899,802 WAS LOWER THAN PREVIOUS YEAR'S PHP667,460,148 BY PHP 12,560,346 OR 1.88%.

COMMISSIONS EARNED DURING THE YEAR OF PHP13,090,616 WAS HIGHER THAN 2019'S PHP9,483,911 BY PHP3,606,705.

GROSS UNDERWRITING INCOME DECREASED BY PHP8,953,641 FROM PHP676,944,059 IN 2019 TO PHP667,990,418 IN 2020.

B. Underwriting Deductions

UNDERWRITING DEDUCTIONS CONSISTED OF THE FOLLOWING:

	<u>2020</u>	<u>2019</u>	<u>INCREASE (DECREASE)</u>	<u>%</u>
LOSSES AND LOSS				
ADJUSTMENT EXPENSES	P 74,264,370	P 78,210,784	(P3,946,414)	(5.05)
COMMISSION EXPENSES	262,362,190	225,848,721	36,513,469	16.18
OTHER UNDERWRITING COSTS	<u>205,572,251</u>	<u>239,334,605</u>	<u>(33,762,354)</u>	(14.11)
TOTAL	P 542,198,811 =====	P 543,394,110 =====	(P1,195,299) =====	(0.22) =====

C. Net Underwriting Income

THE NET UNDERWRITING INCOME FOR THE YEAR 2020 AMOUNTED TO PHP125,791,607 WHICH IS LOWER BY PHP7,758,342 OR 5.81% THAN THE PREVIOUS YEAR'S PHP 133,549,949.

D. Investments and Other Income

OUR INVESTMENT AND OTHER INCOME INCREASED BY PHP343,845 FROM PHP28,208,096 IN 2019 TO PHP28,551,941 IN 2020.

E. Operating Expenses

OUR OPERATING EXPENSES DURING THE YEAR AMOUNTED TO PHP78,990,238 COMPARED TO PHP95,597,817 IN 2019, A DECREASE OF PHP 16,607,579 OR 17.37%.

F. Net Income


OUR NET INCOME OF PHP54,604,344 DURING THE YEAR WAS PHP7,277,970 LOWER THAN LAST YEAR'S PHP61,882,314.

II. Financial Condition as of December 31, 2020 and 2019

A. OUR TOTAL ASSETS AS OF DECEMBER 31, 2020 AMOUNTED TO PHP2,406,800,484 COMPARED TO PHP2,059,747,351 AS OF DECEMBER 31, 2019.

TOTAL INVESTMENTS (REAL ESTATE, TREASURY BILLS, BONDS AND SHARES OF STOCKS AMOUNTED TO PHP1,583,935,779 AS OF DECEMBER 31, 2020 AND PHP1,493,802,146 AS OF DECEMBER 31, 2019.

B. OUR TOTAL LIABILITIES AS OF END OF 2020 AMOUNTING TO PHP902,982,773 WAS PHP287,353,219 HIGHER THAN PHP615,629,554 AS OF END OF 2019.



**C. OUR STOCKHOLDERS' EQUITY INCREASED BY
PHP59,699,914 FROM PHP1,444,117,797 AS OF END OF
2019 TO PHP1,503,817,711 AS OF END OF 2020.**



I WOULD LIKE TO THANK THE STOCKHOLDERS, THE MEMBERS OF THE BOARD OF DIRECTORS, THE REGIONAL MANAGERS', THE BRANCH MANAGERS', EMPLOYEES AND OUR AGENTS AS WELL AS OUR POLICYHOLDERS FOR THEIR CONTINUED SUPPORT, WITHOUT THEM, WE CANNOT ACHIEVE WHAT WE ARE NOW TODAY.

THANK YOU.