

Cheaper insurance, investment products pushed

ARE Filipinos really ready to take on insurance products?

An official of BPI-Philam Life Assurance Corp. think so given the country's rising middle class.

But aside from improved capacity of more Filipinos to buy insurance products that have investment components, BPI-Philam Chief Executive Officer Surendra Menon said the biggest factor is the kind of products that are being offered to date.

Results of BPI-Philam's focused group discussion showed that Filipinos are more focused on investing in short-term products instead of long-term due mainly to financial constraints.

It showed that respondents can allocate only 10 to 20 percent of their monthly salary or about P1,000 to P5,000 to insurance.

Menon said some people bought insurance products in the past years when products were even pricier than today.

With higher number of Filipinos

that are capable of buying insurance-cum-investment products, Menon said the company had formulated more affordable products that even the millennials could afford.

On Monday, BPI-Philam launched its latest offering – the unit-linked life insurance called Life Ready Plus.

For a minimum of P2,000 a month, BPI clients can avail of Life Ready Plus, which offers a combination of insurance and investment products.

"We're really focused on giving real benefits," Menon said, stressing his expectations that "a lot" of BPI clients would be encouraged to buy the latest offering from the joint-venture company.

People who are not BPI clients should avail of any BPI products before they can avail of the Life Ready Plus.

"We are trying to get to more Filipinos... We really want to get as many (clients) as we can, much more than we have in the past," Menon said.

To date, insurance penetration rate

in the country is around two percent of the about 100.98 million Filipinos.

Menon said this was lower than the around 200 percent penetration rate in advanced economies.

Thus, the goal is to help increase the figure by offering cheaper but still valuable products to increase penetration rate ideally to around 20 to 30 percent in the next 15 years.

"The higher penetration rate, the higher protection they get," he said, citing their goal to enable even the "man in the streets to get insurance."

Citing results of the Bangko Sentral Consumer Expectations Survey for the first quarter of 2017, Menon said Filipinos' major financial concern included education, emergencies, retirement and health.

He said Filipinos have clear ideas how to protect their future, with some saving their money in either the banks or at home, among others.

He, however, noted that Filipinos' "idea of doing it could be much better".