ANNUAL REPORT 2024

PIONEER INSURANCE & SURETY CORPORATION

Pioneer House Makati
108 Paseo De Roxas, Legaspi Village, Makati City

https://pioneerinsurance.com.ph
www.pioneer.com.ph

PIONEER
YOUR INSURANCE

PIONEER GROUP

Established in 1954, the Pioneer Group has consistently charted insurance milestones for over half a century through its main arms of life and non-life insurance.

Pioneer Group has an extensive network of 23 branch offices and shared offices throughout the country. With an office in Hong Kong, it remains as the only active Philippine non-life company writing business in China's Special Administrative Region.

Pioneer has been named by Euromoney Annual Insurance Survey as the best Insurance Company in the Philippines for two consecutive years beginning 2009. In 2010, it was likewise recognized as the Best Insurer in Asia. In 2012, Pioneer was recognized by the Insurance Commission for its significant contributions to the field of microinsurance.

Comprising the Pioneer Group are: Pioneer Insurance & Surety Corporation, Pioneer Life Inc, Pioneer Intercontinental Insurance Corporation, CARD Pioneer Microinsurance Inc, M Pioneer Insurance Inc., and Pioneer Hollard Inc.

CORPORATE PROFILE

Pioneer Insurance & Surety Corporation (PISC) was established in 1954. It is Pioneer Group's flagship company.

PISC maintains its rank as one of the country's leading non-life insurers -- highlighted by its strong position in all general insurance lines, particularly Marine Hull, Marine Cargo, Aviation, and Casualty.

Board of Directors

Mr. Ernesto O. Chan, Chairman

Mr. David C. Coyukiat, Member

Atty. Ma. Bertola D. Medialdea, President/CEO

Mr. Lorenzo O. Chan, Jr., Member

Ms. Sally C. Ong Pac, Member

Ms. Molly C. Uyecio, Member

Ms. Emily A. Abrera, Independent Director

Mr. Vitaliano N. Nanagas II, Independent Director

Mr. Oscar S. Reyes, Independent Director

OUR CORE VALUES

Integrity

We know who we are and take pride in our mission. We live out our values. We strongly believe in this dual standard: **To be strict with others but strictest with one's self, especially when no one is looking.**

Excellence

We go above and beyond mere compliance. We believe in doing the right things the right way. **We continuously better our best**. We believe that mediocrity is a form of dishonesty; it is not being true to who we are.

Malasakit

Tunay ang pagpapahalaga natin sa ating gawain, tungkulin, at layunin. Kaya't itinuturing nating itong parang atin at ipinapanalo ang pagbangon at pag-unlad.

We genuinely value our work and duty. That's why we take ownership of it and work hand-in-hand in championing the progress of all stakeholders.

WHAT WE OFFER

Aviation

- Aircraft Third Party Liability
- Aircraft Personal Accident
- Comprehensive Third Party Liability
- Drones/UAVs
- Hull Insurance
- Hull War Insurance
- Spares

Cargo

- Airfreight Cargo
- Inland Cover
- Container Insurance Cover
- Stock Throughput Cover
- Seafreight Cargo

Fire

- Fire/Lightning with Allied Perils
- Basic Fire/Lightning Cover
- Crisis Guard

Engineering

- Boiler and Pressure Vessel (BPV)
- Contractors' All risks (CARI)
- Civil Engineering Completed Risks (CECR)
- Deterioration of Stocks (DOS) following a Machinery Breakdown (MBI)
- Erection All Risks (EAR)
- Electronic Equipment Insurance (EEI)
- Machinery Breakdown Insurance (MBI)
- Machinery Loss of Profit (MLOP) following Machinery Breakdown (MBI)

General Accident

- Fidelity Guarantee Insurance
- Comprehensive General Liability
- Comprehensive Personal Liability
- Cyber Insurance for SMEs
- Money, Securities & Payroll Robbery
- Employer's Liability Insurance
- Hole-in-One Insurance/Prize Indemnity
- Burglary Insurance
- Plate Glass Insurance
- Comprehensive Event Insurance
- Comprehensive Inland Transit
- Contractors Plant and Machinery Insurance
- Directors and Officers Liability Insurance
- Merchandise Floater
- Property Floater
- Errors and Omissions/ Professional Indemnity
- Film and TV Production Comprehensive Insurance
- Political Violence Insurance

Motor

- Comprehensive Motor Insurance
- Motor Protect
- Compulsory Third Party Liability

Hull

- Protection & Indemnity Risks
- Ship Repairer’s Liability
- Terminal Operator’s Liability
- Increased Values
- Time Charterers’ Liability
- Mortgage Interest Insurance
- Hull & Machinery
- Freight, Demurrage & Defense
- Loss of Hire
- War & Strikes

Surety

- Surety Bond

FINANCIAL STATEMENTS

PIONEER INSURANCE & SURETY CORPORATION
(A Subsidiary of Pioneer, Inc.)

SEPARATE STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
ASSETS			
Cash and cash equivalents	4	**₱5,260,031,196**	₱7,716,244,467
Short-term investments	5	**1,020,007,097**	983,129,120
Insurance receivables	6	**4,007,885,180**	2,571,553,348
Financial assets at fair value through profit or loss (FVPL)	7	**505,048,202**	401,636,742
Financial assets at fair value through other comprehensive income (FVOCI)	7	**1,424,208,332**	1,229,178,128
Financial assets at amortized cost:			
Investment in debt securities	7	**2,129,855,060**	353,079,973
Loans and receivables	7	**116,829,733**	365,087,827
Accrued income	8	**59,085,987**	38,326,142
Deferred acquisition costs	10	**608,135,427**	344,354,576
Reinsurance assets	11	**18,636,837,098**	18,593,359,435
Investment properties	12	**3,187,038,679**	3,017,324,268
Property and equipment	13		
At revalued amount		**6,378,800,052**	6,504,190,655
At cost		**1,897,847,962**	1,117,165,890
Investment in subsidiaries, associates and a joint venture	14	**10,823,767,960**	11,051,024,904
Net retirement plan asset	20	**197,150,714**	188,110,722
Right-of-use (ROU) asset	26	**31,340,324**	26,414,594
Other assets	15	**816,924,898**	979,639,077
		₱57,100,793,901	₱55,479,819,868

	Note	2024	2023
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	16	**₱24,787,416,357**	₱23,233,597,569
Insurance payables	17	**9,140,077,258**	9,614,316,624
Accounts and other payables	18	**1,551,618,211**	1,516,389,880
Notes payable	19	**697,000,000**	839,000,000
Deferred reinsurance commissions	10	**126,477,238**	88,977,121
Lease liabilities	26	**31,997,097**	26,379,774
Net deferred tax liabilities	27	**1,130,529,278**	1,216,313,017
Total Liabilities		**37,465,115,439**	36,534,973,985

(Forward)

	Note	2024	2023
Equity			
Capital stock		**₱300,000,000**	₱300,000,000
Additional paid-in capital		**72,500,000**	72,500,000
Retained earnings	21	**13,727,824,221**	13,127,300,388
Other components of equity:			
Revaluation reserve on property and equipment	13	**4,304,225,185**	4,400,461,630
Cumulative gain on fair value changes of financial assets at FVOCI	7	**897,640,400**	706,019,713
Cumulative translation adjustments		**381,117,378**	337,032,423
Cumulative remeasurement gain (loss) on net retirement plan asset	20	**(47,628,722)**	1,531,729
Total Equity		**19,635,678,462**	18,944,845,883
		₱57,100,793,901	₱55,479,819,868

See accompanying Notes to Separate Financial Statements.

PIONEER INSURANCE & SURETY CORPORATION
(A Subsidiary of Pioneer, Inc.)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
REVENUE			
Gross premiums earned on insurance contracts	22	**₱18,115,959,332**	₱14,296,824,983
Reinsurers' share of gross premiums earned	22	**(12,711,802,485)**	(10,359,459,208)
Net premiums earned	22	**5,404,156,847**	3,937,365,775
Investment income	23	**763,030,148**	647,024,369
Commission income	10	**452,535,002**	437,838,253
Net foreign currency exchange gains		**41,663,978**	28,139,887
Other income		**13,773,901**	11,196,945
		6,675,159,876	5,061,565,229
BENEFITS, CLAIMS AND EXPENSES			
Net insurance benefits and claims	24	**2,768,998,356**	1,540,533,424
Commission expense	10	**1,331,950,985**	1,292,259,938
Operating expenses	25	**1,589,941,393**	1,124,872,579
Interest expense	19	**29,481,990**	59,313,316
Other underwriting expenses		**25,397,317**	15,425,446
		5,745,770,041	4,032,404,703
INCOME BEFORE INCOME TAX		**929,389,835**	1,029,160,526
PROVISION FOR INCOME TAX			
Current		**169,506,534**	182,850,516
Final		**83,709,207**	69,445,757
Deferred		**(34,265,404)**	(32,450,962)
		218,950,337	219,845,311
NET INCOME		**710,439,498**	809,315,215
OTHER COMPREHENSIVE INCOME			
To be reclassified to profit or loss when realized –			
Change in cumulative translation adjustments	3	**44,084,955**	54,981,009
Not to be reclassified to profit or loss when realized:			
Unrealized gain on fair value changes of financial assets at FVOCI (net of tax effect of ₱3.4 million in 2024 and ₱4.9 million in 2023)	7	**191,620,687**	128,010,180
Change in revaluation reserve on property and equipment (net of tax effect of ₱14.8 million in 2024 and ₱347.9 million in 2023)	13	**(44,272,110)**	1,043,646,795
Remeasurement loss on net retirement plan asset (net of tax effect of ₱16.4 million in 2024 and ₱8.6 million in 2023)	20	**(49,160,451)**	(25,764,674)
		142,273,081	1,200,873,310
TOTAL COMPREHENSIVE INCOME		**₱852,712,579**	₱2,010,188,525

See accompanying Notes to Separate Financial Statements.

PIONEER INSURANCE & SURETY CORPORATION
(A Subsidiary of Pioneer, Inc.)

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
CAPITAL STOCK - ₱100 par value			
Authorized, issued and subscribed - 3,000,000 shares		**₱300,000,000**	₱300,000,000
ADDITIONAL PAID-IN CAPITAL		**72,500,000**	72,500,000
RETAINED EARNINGS			
Balance at beginning of year		**13,127,300,388**	12,372,254,273
Net income		**710,439,498**	809,315,215
Cash dividends	21	**(161,880,000)**	(54,269,100)
Reclassifications	13	**43,328,862**	-
Transfers from revaluation reserve on property and equipment	13	**8,635,473**	-
Balance at end of year		**13,727,824,221**	13,127,300,388
REVALUATION RESERVE ON PROPERTY AND EQUIPMENT	13		
Balance at beginning of year		**4,400,461,630**	3,356,814,835
Revaluation changes		**(44,272,110)**	1,043,646,795
Reclassification		**(43,328,862)**	-
Transfers to retained earnings		**(8,635,473)**	-
Balance at end of year		**4,304,225,185**	4,400,461,630
CUMULATIVE GAIN ON FAIR VALUE CHANGES OF FINANCIAL ASSETS AT FVOCI	7		
Balance at beginning of year		**706,019,713**	578,009,533
Unrealized gain on fair value changes		**191,620,687**	128,010,180
Balance at end of year		**897,640,400**	706,019,713
CUMULATIVE TRANSLATION ADJUSTMENTS			
Balance at beginning of year		**337,032,423**	282,051,414
Translation adjustments	3	**44,084,955**	54,981,009
Balance at end of year		**381,117,378**	337,032,423
CUMULATIVE REMEASUREMENT GAIN (LOSS) ON NET RETIREMENT PLAN ASSET			
Balance at beginning of year	20	**1,531,729**	27,296,403
Remeasurement loss	20	**(49,160,451)**	(25,764,674)
Balance at end of year		**(47,628,722)**	1,531,729
		₱19,635,678,462	₱18,944,845,883

See accompanying Notes to Separate Financial Statements.

PIONEER INSURANCE & SURETY CORPORATION
(A Subsidiary of Pioneer, Inc.)

SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱929,389,835**	₱1,029,160,526
Adjustments for:			
Interest income	23	**(485,145,645)**	(393,657,002)
Provision (reversal of allowance) for impairment losses on:			
Investment in associate	14	**228,056,877**	-
Insurance receivables	6	**37,693,257**	(51,785,147)
Loans and receivables	7	**-**	(1,060,000)
Other assets	15	**56,323,061**	-
Fair value gain on investment properties	12	**(150,623,663)**	(108,718,716)
Depreciation and amortization	13	**132,036,573**	127,162,985
Dividend income	23	**(45,692,762)**	(68,246,937)
Interest expense	19	**29,481,990**	59,313,316
Retirement benefit expense	20	**19,996,170**	9,617,454
Unrealized foreign currency exchange loss		**9,057,144**	5,486,593
Unrealized loss on fair value changes on financial assets at FVPL	7	**2,115,313**	9,362,848
Actuarial loss on service award benefit of employees		**41,004**	460,685
Operating income before changes in working capital		**762,729,154**	617,096,605
Decrease (increase) in:			
Insurance receivables		**(1,474,025,089)**	(275,088)
Loans and receivables		**21,258,094**	(424,642,668)
Accrued income		**609,040**	196,680
Deferred acquisition costs		**(263,780,851)**	(69,500,015)
Reinsurance assets		**(43,477,663)**	3,486,972,305
Other assets		**162,714,179**	(484,082,083)
Increase (decrease) in:			
Insurance contract liabilities		**1,553,818,788**	(2,860,953,185)
Insurance payables		**(474,239,366)**	914,992,466
Accounts and other payables		**35,187,327**	916,878,569
Deferred reinsurance commissions		**37,500,117**	(24,410,876)
Net cash generated from operations		**318,293,730**	2,072,272,710
Income tax paid		**(253,215,741)**	(252,296,273)
Contributions to the retirement plan	20	**(90,000,000)**	-
Net cash provided by (used in) operating activities		**(24,922,011)**	1,819,976,437

(Forward)

	Note	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Short-term investments	5	**(₱1,020,007,097)**	(₱983,129,120)
Financial assets at FVPL	7	**(251,473,067)**	(327,566,582)
Investment in debt securities at amortized cost	7	**(1,760,000,000)**	(10,360,000)
Investments in subsidiaries	14	**(799,933)**	(54,586,543)
Property and equipment	13	**(844,932,648)**	(617,284,997)
Investment properties	12	**(984,548)**	–
Collections/maturities of:			
Short-term investments	5	**983,129,120**	529,625,874
Loans receivable	7	**227,000,000**	–
Financial assets at FVPL	7	**156,321,205**	199,779,590
Interest received		**464,172,125**	375,979,760
Dividends received		**45,297,397**	68,041,876
Proceeds from sale of property and equipment	13	**2,449,490**	–
Net cash used in investing activities		**(1,999,827,956)**	(819,500,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of:			
Notes payable	19	**(392,000,000)**	(302,000,000)
Interest	19,26	**(29,481,990)**	(59,313,316)
Lease liabilities	26	**(15,783,257)**	(12,875,998)
Cash dividends	21	**(161,880,000)**	(54,269,100)
Proceeds from availment of notes payable	19	**250,000,000**	–
Net cash used in financing activities		**(349,145,247)**	(428,458,414)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,373,895,214)**	572,017,881
NET EFFECT OF FOREIGN CURRENCY TRANSLATION		**(82,318,057)**	100,206,569
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**7,716,244,467**	7,044,020,017
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱5,260,031,196**	₱7,716,244,467

See accompanying Notes to Separate Financial Statements.

INDEPENDENT AUDITOR'S REPORT

https://pioneer.com.ph/sites/default/files/2024_FS_PISC.pdf