

Trinity

Brokerslink @ Philippines

Epic Journey

The Philippines Insurance Market

Kumain Ka Na Ba?



José Manuel Fonseca & Sid Garcia – Trinity 30th Anniversary

I met Sid Garcia for the first time in May 2007 in Shanghai, during a meeting of the PanAsian Alliance, a regional Asian network of brokers that was subsequently integrated into Brokerslink.

At the end of the meeting Sid announced the next venue for 2008: the Boracay islands in the Philippines, with Trinity hosting and organising. This was a fabulous event, not only for the location, which was a kind of paradise, but also because I immediately appreciated Sid's great personality, as a human being, a leader and a professional. Sid is the type of person who has a natural authority and empathy that fascinates all who meet him.

It was here we first discussed the word 'merge'. At the time we were different regional networks, with different brands, but we had a similar culture. And this was the trigger for an important meeting in November 2008, in Bangkok, where we decided to merge all the different organisations, forming the Brokerslink global network.

Since then, Sid has been a strong enthusiast of our project and a real ambassador for Brokerslink. In fact he's a great diplomat – bringing sincerity, proactivity, empathy, dialogue and new ideas to the group.

Our paths crossed often; I can never forget the very special performance given by the Garcia family at the first Brokerslink global conference gala dinner, held in Hong Kong in June 2009. What a wonderful – and gifted – family Sid has.

I went again to Manila, with other Brokerslink friends, two years ago for the 30th anniversary of his company. Here I witnessed the enormous and heartfelt respect Sid, his family and his company have in the business community and Philippine society.

Sid is a great friend and partner, and I can only thank him for that. My vision for Brokerslink has been greatly influenced by his views and attitudes.

José Manuel Fonseca

MDS Group CEO

Brokerslink Founder & Chairman of the Board

Sid Garcia's and Trinity's Insurance Brokers

Epic Journey

Most EPIC stories start with humble beginnings. Star Wars begins with a farm boy in the desert planet of Tatooine, wishing only to attend pilot training in the Imperial Academy. The Lord of the Rings begins with a young Hobbit, just wondering what adventures await him in the future. Even the story of Moses starts with a founding floating in a wicker basket along the Nile. The story of Isidro G Garcia, Sid, to his friends and family, and Trinity Insurance Brokers, pretty much mirrors these beginnings.



Special performance given by the Garcia family @1st Brokerslink global conference gala dinner, Hong Kong, 2009

The Setting

It was in the midst of the Philippines' troubled times, in 1987, when Sid ventured into the world of insurance brokerage, founding a company he called Trinity Insurance Consultants. The country was rediscovering democracy after more than a decade of dictatorial rule in the hands of Ferdinand Marcos. Corazon Cojuangco Aquino, the gentle widow of assassinated opposition leader Benigno Aquino, had a tenuous hold on power, fending off coup attempts by factions of the military still loyal to the old regime. The economy was reeling, businesses were closing, unemployment led to the rise of communist insurgency and the government was at wits end trying to keep peace and order. It was not an ideal time to start a business, particularly one specialising in insurance and dependent on certainty and stability. However, it was also a time of hope. The birth of a new democracy led to renewed interest in rebuilding the nation. Filipinos started to believe that under the mantle of freedom, it was now possible to invest in the Philippines. It is in this context that Sid, the intrepid entrepreneur, gambled on a vision to be the best insurance broker in the country.

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Sid Garcia

Sid Garcia and the Birth of Trinity

Sid always had that entrepreneurial spirit. Shortly after graduating from the University of the Philippines, Manila, with a degree in social sciences, Sid set up a business distributing BF Goodrich tyres in Nueva Ecija, a province north of Metro Manila. He did this for 10 years at the height of Martial Law. In 1984, he decided upon a huge career change; he closed down his tyre distribution business and worked for Gotuaco del Rosario and Associates in Makati City, one of the leading insurance brokers in the country at that time. Under the guidance of managing director, and former US ambassador, Albert del Rosario, he learned the ropes of the business and the industry, with an eye towards launching his own company one day.

Armed with barely more than a great belief in himself, significant knowledge from his short stint at Gotuaco Del Rosario and Associates, an unwavering faith that the future for the country remained promising (despite evidence to the contrary) and a unique understanding of where he could carve out his niche in what was a very competitive brokerage industry, Sid founded Trinity Insurance Brokers. He started with a capital outlay of only P200M – a little less than US\$10k – and two employees. His market analysis, despite the troubled times, was that the key to survival was to meet the needs of the then under-served small and medium-sized companies. He targeted entrepreneurs who, like him, still believed the country could rise from these troubled times and again enjoy economic growth. Sid cites as an example the story of Red Ribbon, a bakery that grew from just one store when Trinity started managing its insurance to 100 stores in a few short years. He also talks about CF Sharp which began as a manning or employment agency for seafarers but then expanded to recruitment for shipping and other travel-related service providers. His most successful relationship though, remains with Andrew Tan at Megaworld.

Megaworld was a new property developer in the 1990s and Trinity insured its first building in Ortigas Center, Pasig City and later its first commercial building, the World Trade Center, in Makati City. Eventually, Trinity was recognised as Megaworld’s preferred insurance broker and Andrew looked to the firm to handle most of its requirements. He then asked Trinity to provide insurance



Trinity Directors

brokering services, locally and abroad, for all his other companies such as Emperador. Today, Megaworld is a corporate giant. In 2017 it had US\$47.8B in revenue and a net income of US\$12.77B. Andrew Tan is ranked #887 in the Forbes list and ninth in the Philippines Richest in 2017. More importantly, he continues to trust Sid and Trinity to meet his and his company's insurance needs in the Philippines and abroad.

From the beginning, Sid has always run the business with his customers in mind. He prides himself in creating personalized, cost effective and bespoke insurance products and because of this, was able to push forward, expanding his client base and building a reputation for tireless service. In his first year, he achieved P3M premium income. Over the next 10 years, he reported annual growth rates of nearly 50% and by the end of the decade, hit the P100M mark in premiums. Starting with purely non-life products, Trinity moved onto providing employee benefits and life insurance for individuals and groups and by 2015, the business finally reached the P1B mark. On its 30th anniversary last year, Trinity reported to

investors, partners and customers that it has P1.5B or close to US\$30M in today's exchange rate, in booked premiums. Sid proudly says that as their clients grew, Trinity grew along with them, evidencing the profound synergies it has with its partners.

The Philippines

More importantly, Sid sees only a bright future for his company and the country. The Philippines, with 7,100 islands and the fifth longest coastline in the world, has undergone an economic resurgence over the past decade. Among Asian countries, its growth rates are consistently high and the Philippines is now experiencing growth in construction, infrastructure, business process outsourcing and tourism. These industries are the main targets of Trinity which has its headquarters in a seven-storey building aptly called the Trinity Insurance Centre, in the heart of the Philippines' business and entertainment capital.

Traditionally known for its pristine beaches and friendly people, the Philippines is becoming a desired location for business

process outsourcing. The country's ranked seventh in the 2016 AT Kearney Global Services Location Index, contributing around 9% of GDP and employing some 1.3M people. Some studies have shown that by 2020, the Philippines will have cornered as much as 19% of this global market. In tourism, the Philippines has seen a consistent rise in visitors over the past few years. People are now discovering the many wonders of this country and consider its beaches to be the best in the world. Being a group of islands, shipping is a vital connection tool and shipping companies are hard-pressed to meet people's increasing demands. With these sectors growing, the government is now in 'build, build, build' mode, boosting the construction industry.

With so much happening in the country, Sid reminds us of the key areas he believes are the foundations for future company growth: the courage to innovate, the importance of providing an outstanding service and the need to follow your core values.

Innovation

Trinity is proud to have pioneered some of the Philippines most innovative car insurance programmes. Trinity's worry-free insurance products reduced the many steps and processes customers had to go through to claim from their insurance providers. With the submission of just an affidavit, a claim estimate and the driver's licence, Trinity was able to instantly process claims and provide funds to repair covered cars.

Trinity was also the first insurance broker to provide healthcare cover for seafarers and their dependents. Filipinos are reputed to be some of the most sought-after and in-demand sailors in the world. According to the Philippine Department of Labour and Employment, 25% of the 1.5M mariners in the world are Filipinos. Until Trinity came along however, healthcare cover for this huge market was sorely lacking. In the early 1990s, Charlie Salinas from Philippine Transmarine asked Trinity to create a package to provide healthcare cover for seafarers. Given they were always abroad, seafarers at the time were considered to be an undesirable market and high risk. Despite concerns, Trinity packaged an insurance product for them and soon many of the country's major manning agencies looked to Trinity to cover their seamen. Today, Trinity provides cover for around 37,000 Filipino seafarers and their families.

Service

Asked what sets Trinity apart from their competitors, Sid, without batting an eye, says it's their customer service. Sid realises that as clients grow, they sometimes fail to appreciate their relationship with their insurance brokers. They start commoditizing insurance and choose products based solely on price, ignoring the value of their brokers' services. Sid considers this to be the greatest threat to the company, and firmly believes in the importance of finding the right combination of product, prices and people, with emphasis on the latter. Sid says clients choose Trinity as their primary broker because they see the company as not only a seller of insurance products, but as an advisor to help solve their growing problems. According to Sid: "Our value is advisory. We identify the problems of our clients, then suggest and implement solutions. Brokers offer the same product; it is our service that differentiates us."

Realizing its capacity to serve not just the people of Metro Manila, Trinity went onto establish a sister company in Cebu, the shipping centre of the Philippines. Cebu is the second biggest market in the country and Trinity's presence there gave the firm nationwide access to a whole new market and a gateway to the nearby Visayas islands and the southern provinces in Mindanao.

Being a national player however, is only the tip of the iceberg. Recognizing the world's getting smaller, in 2005 Sid helped found, with other brokers, the Pan Asia Alliance of independent insurance brokers. In May 2008, Sid was privileged to host the Pan Asian Alliance conference in Boracay Island; an event that provided the springboard for talks between the Pan Asian Alliance, Brokerslink (Europe) and Alinter (South America), to merge the three networks. This became a reality later that year when Brokerslink as a global network was born.

Aligning with Brokerslink allowed Trinity to service clients all over the world. Trinity was also able to harness insurance and risk management resources and make them available to clients in the Philippines and abroad. Being part of Brokerslink allows Trinity to be a global player. It will not shy away from the challenge of a moving into a bigger more vibrant market, particularly as its service proposition has no boundaries.

Core Values

During Trinity's 30th anniversary celebrations, – a glittering affair at the Marriot Hotel grand ballroom in Resorts World Manila – Sid's brother, Professor Edmundo G Garcia, spoke on behalf of his family. When describing his sibling, he said: "Sid has followed the lessons learned from our parents: he is honest and works hard, he's loyal, he has a loving heart he shares with those whose lives he's touched, he gives generous service to others and puts service above himself, throughout his lifetime." He added: "Trinity also exhibits these qualities when dealing with partners and clients. You can trust the people of Trinity, they will never let you down."

Every Trinitarian (as Trinity employees are called) knows what lies at the core of the company. Its values follow the mnemonic devise – **EPIC** – Excellence, Passion, Integrity and Courage. All employees believe excellence begins with them and this is shared with customers, clients and partners. Passion describes their full commitment to put their heart and soul into their work. They follow a strict ethical code and are guided by their moral principles (as without integrity their work means nothing). Lastly, they challenge themselves to have the courage to innovate, to move beyond mediocrity, and take a leap into the unknown.

Led by these core beliefs Trinity has rocketed to the upper echelons of the insurance brokerage industry. Today, Trinity is among the top 20 industry players and in December 2016, was ranked one of the top five independent brokers in the country.

These beliefs define Trinity. They're the vision of a man driven by the call to serve, shared by 120 hard working, innovative men and women.



Anthony Lim (Acclaim), Sid Garcia (Trinity), Patrick Chan (Nova Insurance)

“Aligning with Brokerslink allowed Trinity to service clients all over the world. Trinity was also able to harness insurance and risk management resources and make them available to clients in the Philippines and abroad. Being part of Brokerslink allows Trinity to be a global player.”

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Technology is the way to go, there is no option – our clients should be able to reach us at the touch of a button and we should reach our clients faster.”



Iñigo Garcia, Kevin Tan, Maui Garcia

The Future

Despite its many successes, Sid and Trinity are not complacent. Technological advances, the growing inter-connectivity of countries and people, regional developments like ASEAN Integration, the continuing growth of the Philippine economy and the improving sophistication and education of its markets, means Trinity cannot stagnate and must constantly strive to improve.

When asked where he sees the company going in the near future, Sid says: “Within the next five years we want to be a top 10 industry player and the leading independent broker. We are strengthening our global reach – creating customized and cost-effective products for clients – and as they grow, even outside the country, we will strengthen our ability to serve them.” In order to develop leaders who can lead Trinity in the future, Sid has set up the Trinity Academy, providing employee training programmes.

In addition, Trinity is undergoing a digital change. Sid continues: “We’re transforming the company, using technology to improve our service capabilities, whether for renewals, risk management or claims handling, and developing mobile applications and our website to perform basic transactions. Technology is the way to go, there is no option – our clients should be able to reach us at the touch of a button and we should reach our clients faster.”

In response, Trinity launched its new website in 2018 with the aim to make it an interactive space where clients can address their insurance needs from the comfort of their homes. Trinity is moving into the virtual marketplace.

Recognising the need to prepare for the next generation, Sid has brought his two boys into the company, Iñigo and Immanuel, who are responsible for different areas of the business. He has also appointed independent board directors and management professionals into key positions. This growing complement of young energetic employees, means while Trinity is anchored to its tried-and-tested principles, it has sails billowing towards future progress.

While EPIC stories may start humbly, they grow in breadth and stature to become larger than life. Trinity is poised to take the next step in its journey and become even bigger and better. With the help and support of its stakeholders, partners, customers and people, Trinity is on the road to success. •

The Philippines' Insurance Market

The Philippines is an archipelago comprising 7,100 islands grouped into three major island groups; Luzon, Visayas and Mindanao. It's the third largest English-speaking country in the world.

The Philippines is a free market economy with a Presidential form of government. It's the 34th biggest economy in the world and in March 2018, Business Insider ranked it number one in 'the 20 best countries to invest in now'. It has a population of 105 million Filipinos and is the 12th most densely populated country in the world. While still primarily agricultural, the country's other economic sectors are growing. The Philippines is known as a business process outsourcing giant, rivalling countries like India. Slowly industrializing, its export industries – especially semi-conductors – is one of the largest in the world. With a relatively young population, the Philippines is seen as a vibrant new economy with great potential for growth and expansion.

Insurance was introduced to the Philippines in the Spanish era of 1829 when Lloyd's of London appointed Strachman, Murray & Co as its representative in the region. In 1898, the first life insurance company, Sun Life Assurance of Canada, was established and the first domestic non-life insurance firm, Yek Tong Lin Insurance

Company, was founded in 1906. The insurance supervisory authority – the Insurance Commission – was instituted by Presidential Decree on 18 December,

1974 – the same time the Insurance Code was written. Four years later, all insurance laws were consolidated into the single Insurance Code of 1978.

	2013	2014	2015	2016	2017
number of licensed companies	101	99	99	98	98
direct – writing	100	98	98	97	97
composite	4	4	4	4	4
Domestic	3	3	3	3	3
foreign*	1	1	1	1	1
Life	26	27	27	27	29
Domestic**	20	21	20	18	20
Servicing Companies					2
Foreign*	6	6	7	9	9
Non-Life	70	67	67	66	64
Domestic**	63	60	60	58	53
Servicing Companies					6
Foreign*	7	7	7	8	11
Professional Reinsurer (PR)	1	1	1	1	1
Domestic	1	1	1	1	1

* per PSA National Income Account (base year 2000)

** Philippine Statistical Authority

Source: Key Statistical Data, 2013-2017 Insurance Commission. Available online www.insurance.gov.ph/statistics/key-data

Insurance companies play a vital role in the Philippine economy. The Philippines' insurance sector has grown in recent years and this is due to several factors: a competitive landscape, innovative products and solutions and a growing middle class that is investing and consequently seeking to protect its assets. However, the country still has a large number of citizens who are still underinsured.

According to statistics from the Insurance Commission¹, in 2017, the insurance industry reported a total premium of ₱259,820.4 billion, 12.5% higher than 2016. The life sector accounted for 78% of this and the non-life sector, 22%.

In 2017 the insurance penetration as a percentage of Gross Domestic Product (GDP) rated at 1.65%, showing an increase of 1.61% from 2016. The insurance density (average amount

spent on insurance per person) also increased from ₱2,254.10 in 2016 to ₱2,482.3 in 2017. •

1. Key Statistical Data, 2013-2017 Insurance Commission. Available online www.insurance.gov.ph/statistics/key-data/

Penetration/Density

Market premium as a percentage of GDP and expenditure on a per capita basis expressed in USD are shown below for the year 2017; comparisons are made with Hong Kong, Indonesia and Malaysia.

	Life Including riders		Non-life (P&C)		Personal Accident & Healthcare*		Total	
	%	per capita	%	per capita	%	per capita	%	per capita
Philippines	1.29	38.29	0.55	16.34	n/a	n/a	1.83	54.63
Hong Kong	16.59	7,692.32	0.81	377.05	0.54	250.97	17.95	8,320.33
Indonesia	1.35	52.04	0.40	15.47	n/a	n/a	1.75	67.52
Malaysia	2.75	273.67	1.14	113.38	0.17	16.43	4.06	403.48

Note: *PA & Healthcare data represents PA & Healthcare business other than life riders, whether written by life, non-life or specialist healthcare insurers. Due to rounding some totals may not equal the breakdown above. Source: Axco global Statistics / Industry Associations and Regulatory Bodies

Gross Domestic Product

2017 – 313,595,21 Billion Dollars²



Population⁴

2017 – 105,3 Millions

2. The World Bank

3 & 4. The Philippine Statistical Authority (PSA)

Kumain ka na ba?

by SID GARCIA



Boracay

Please allow me the pleasure of sharing with you some of my personal recommendations, should you happen to find yourself visiting the Philippines – this pearl of the Orient and archipelago of 7,100 islands.

RESTAURANTS

Every Filipino appreciates the value of dining. In most countries people are greeted with “How are you?”, “Welcome, what can we do for you?”, “Glad to make your acquaintance” or simply “Hello.” In the Philippines, while we have similar greetings, it is not uncommon when invited to someone’s house, to be welcomed upon arrival with, “Kumain ka na ba?” which translates to “Have you eaten?”

Filipinos love to feed their guests. If you happen to go to a fiesta in even the smallest provincial town, it’s likely you’ll be invited into a complete stranger’s home and given a feast. In some towns, it’s customary for visitors to go from house to house sampling each home’s different specialty. Talk about a buffet! During my Rotary work, I usually find myself in some very economically-challenged areas and yet residents offer biscuits, coffee or rice cakes whenever I visit. If guests leave our homes hungry, it appears it is an affront to our sensibilities.

Given this, it’s no wonder eateries can be found in every nook and cranny of the country. Personally, I love places which serve really good traditional Filipino food. My top choice is Milky Way, a long-time restaurant found in Makati City. It serves food I have grown to love since my youth. The pancit luglug (rice noodles with a rich shrimp-based sauce) is an all-time favourite and being partial to fish, I always order the crispy hito (mudfish), eaten best with atchara (preserved papaya strips) and rice.

Then there is Via Mare, another well-established restaurant. Its breakfast menu of tapa (marinated beef strips), tocino (sweetened pork), longganisa (breakfast sausages) or crispy adobo flakes (soy sauce and vinegar marinated pork and chicken) provides comfort like no other. Regular visitors to Via Mare though readily recommend its bibingka and puto bumbong. These rice cakes served with cheese, salted eggs, shredded coconut and unrefined sugar are perfect with coffee anytime of the day.

I've recently started to frequent Conti's, a family restaurant that opened its first small branch in the suburbs of Paranaque and has since expanded across the Philippines. Its baked salmon, prawn thermidor and salpicao are must-haves and cakes/pastries are amazing.

Last in my food recommendations is Balay Dako in Tagaytay. The food really makes this place. Try their breakfast buffet and a choice of native Filipino dishes. One distinct pleasure is the 'make your own fried rice' station where you can choose the ingredients of your morning fried rice. Only your imagination limits what you can do.

GETAWAY

When asked where I go to 'get away from it all', I readily say Terrasas de Punta Fuego. This gated community in the Province of Batangas is where my second home, my rest house, is located. Here, I have access to a peaceful private beach with clear blue waters. I often rent a boat and go around the waters of Nasugbu town and when I have an urge to hit the greens, I go to Club Punta Fuego for a quick round on an executive course. Then when hunger pangs strike, I order the freshest catch of the day and enjoy a sumptuous meal. I can think of no other place I would rather be when I need to recharge.

Then of course there is Tagaytay. Found in the ridge of an active volcano, Tagaytay opens up to a majestic view of Taal Lake. The weather in Tagaytay is several degrees lower than in metro Manila which makes this area an ideal getaway from the heat and humidity. You can stay in hotels along the main road or rent private homes to relax in.



Masungi Georeserve

The food in this area is wonderful; it boasts many restaurants providing different kinds of dishes. It is also home to various museums and parks. Tagaytay is on the route to and from my rest home and I often make a pit stop here to just enjoy the atmosphere.

HISTORY

The Philippines has a very rich history. It was colonized by the Spanish from 1521 to 1898 and then by the Americans until the end of World War II (with a three-year period under Japanese rule). The country is a mix of cultures, sharing its indigenous ways with those inherited from colonizers. To get a feel of life during the Spanish era, visit the ruins of Intramuros and join one of the many walking tours. Intramuros was the location of the old city of Manila with thick garrison walls to protect it from attackers. The walled city was historically the centre of power and once housed the seven famous churches of Manila (only two survived after World War II).

Manila just happens to have one of the oldest China Towns in the world. Crossing the bridge into the Binondo district transports you into a seemingly different country where Chinese culture rules. This place is of course renowned for its food and a Binondo Food tour is a must.

To learn more about Philippine history, visit the Ayala Museum in Makati. Presented through dioramas, it shares the entire written history of the Philippines from our pagan ancestors to modern times. Walk through and discover the significant moments and exhibits that made us the country we are today. Of particular interest is the virtual reality presentation of the execution of our national hero, Jose Rizal, seen from three view points; from him, the firing squad and the on-lookers.

I have always been a man of very simple tastes. I do however have food, places and sites I like to share with foreign friends when they visit the Philippines. Perhaps I can play host to some of you one day. Should that time come, expect me to wonder first if, "Kumain ka na ba?" •