



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Circular Letter:	<u>10-2010</u>
Date:	March 9, 2010
Superseding:	Nil

CIRCULAR LETTER

To : All PRE-NEED COMPANIES

Subject : Filing of Audited Financial Statements and Annual Statements of Trust Funds

Pursuant to the provisions of the Pre-need Code of the Philippines, all pre-need companies are required to submit, not later than April 30 the following year, Audited Financial Statements covering the fiscal period ending December 31 of each year. Thus, submissions covering the 2009 fiscal period are due on or before April 30, 2010.

Please observe the following:

- a) Submission shall be done in two (2) copies with comparative figures for the reporting year and prior year signed by an accredited external auditor, duly stamped "Received" by the BIR;
- b) The financial statements shall be submitted together with the Annual Statements of all trust funds for each type of plan issued by the pre-need company, signed and sworn to by at least two (2) of the highest ranking officers of the company, together with all the documents listed in Annex A; and,
- c) Any financial statement submitted with incomplete attachments shall not be accepted.

The penalty for late filing shall be P5,000.00 basic fine plus P100.00 for each day of delay.

For strict compliance.


SANTIAGO JAVIER RANADA
Insurance Commissioner

LIST OF MINIMUM DOCUMENTS REQUIRED TO BE SUBMITTED TOGETHER WITH THE
FILING OF AUDITED FINANCIAL STATEMENTS OF PRE-NEED COMPANIES:
For the Year Ended December 31, 2009

A. Documents in 2 copies each, together with a soft copy:

1. Adjusted Trial Balance, signed by the Chief Accountant;
2. Reconciliation Statement of the Audited Financial Statements versus the Adjusted Trial Balance figures;
3. Detailed schedules of all assets and liability accounts (Use attached pro-forma);
4. Summary of Monthly Deposits to the Trust Fund (Use attached pro-forma);
5. Summary of Monthly Withdrawals from the Trust Fund (Use attached pro-forma);
6. List of Investment Accounts under the Insurance Premium Fund as of year-end, together with supporting detailed schedule of all accounts;

B. One copy for each of the following documents:

1. List of fully paid plans as of year-end;
2. List of availing plans for the year 2010;
3. Income Statement (Use attached pro-forma);
4. List of current members of board of directors, their respective addresses, positions and committee membership;
5. Copy of minutes of meetings of the board and executive committees, including a copy each of the board resolutions made during the year;
6. Statement of Management's Responsibility signed under oath by the company's Chairman of the Board, Chief Executive Officer and Chief Financial Officer containing the declaration stated in Section 42 of the Pre-need Code;
7. Annual Pre-need Reserve Valuation Report;
8. Sworn Statement from the responsible officers of the company stating that:
 - 1) The valuation was based on complete and accurate data;
 - 2) Only withdrawals allowed by the Commission have been made from the Trust Fund;
 - 3) Any deficiency in the Trust Fund has been duly addressed, attaching proofs of the same.
9. Sworn statement from the Insurer certifying the coverages or guarantees assumed by the insurance company indicating the extent, term and duration of such coverages/guarantees;
10. Bank statements, passbooks and certificates of all current, savings and time deposit accounts, respectively, as of December 31, 2009 and January 2010, together with the pertinent bank reconciliation statements;
11. Official receipts, bank validated deposit slips and bank statements to support year-end deposits in transit, if any;
12. Confirmation of sales of investments in Bonds and Treasury Bills, together with the Statement of Securities Account as of year-end issued by the Bureau of Treasury - Registry of Scriptless Securities;
13. Statement of Holdings as of year-end from the company's custodian bank for dollar-denominated Bonds;
14. Statement of Account as of year-end from Philippine Depository & Trust Corp. for scriptless stock investments;
15. Report from a licensed real estate appraiser, accredited by the Philippine Association of Real Estate Appraisers, to support any increase or decrease in the value of Real Estate properties;
16. Documents supporting investments in commercial papers;
17. Documents supporting Mortgage Loans and other Loans accounts;
18. Official receipts to support 2009 payments of Value-added and Documentary Stamps Taxes.

**Attachments to be submitted together with Audited Financial Statements
of Pre-Need Companies**

Exhibits and Schedules

As of December 31, 2009

1	Exhibit	1	Balance Sheet
2		2	Monthly Summary of Deposits to the Trust Fund
3		3	Monthly Summary of Withdrawals from the Trust Fund
4	Schedule	A	Investments in Trust Funds
5		B	Bonds
6		C	Treasury Bills
7		D	Stock
8		E	Real Estate Owned
9		F	Mortgage Loans
10		G	Planholders' Loans
11		H	Other Loans
12		I	Cash on Hand and in Banks
13		J	Commercial Papers
14		K	Other Investments
15		L	Insurance Premium Fund
16		M	Installment Contracts Receivable
17		N	Accounts / Notes Receivable
18		O	Accounts / Notes Payable
19	Others - Stats Form		Income Statement
20			Investment at Cost

