



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Head Office:
P.O. Box 3589 Manila
FAX No. 522-14-34
Tel. Nos. 523-84-61 to 70
Website : www.insurance.gov.ph

Circular Letter No.	: 2013 - 26
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CIRCULAR LETTER

TO : ALL PRE-NEED COMPANIES & TRUST ENTITIES AUTHORIZED TO ACT AS TRUSTEE FOR PRE-NEED TRUST FUNDS

SUBJECT : AMENDMENT TO THE REVISED TEMPLATE OF TRUST AGREEMENT

To maintain the purpose of the Trust Fund which is "at all times for the sole benefit of planholders" and to harmonize the provisions on trust fund withdrawals as incorporated in Chapter VIII - Section 30 of the Pre-Need Code, Rule 8 Section 32 of its Implementing Rules and Regulations, Terms and Conditions of Certificate of Registration/Conversion and Permit to Offer Pre-Need Plans for Sale, with that of the Revised Template of Trust Agreement prescribed under Circular Letter No. 2-2013, the phrase "contributions of cancelled plans to the Fund" has to be deleted from Article III of the latter. The said Article should now read as follows:

Article III

Withdrawals and Payments Made Out of the Trust Fund

No withdrawal shall be made from the Trust Fund except for paying the Benefits such as monetary consideration, the cost of services rendered or property delivered, trust fees, bank charges and investment expenses in the operation of the Trust Fund, termination values payable to the Planholders, annuities, and taxes on Trust Funds. Furthermore, only reasonable withdrawals for minor repairs and costs of ordinary maintenance of trust fund assets shall be allowed. Except as otherwise provided under this Article, the Pre-Need Code and its implementing Rules and Regulations, no withdrawal shall be made from the TRUST FUND unless approved by the Commission. The TRUST FUND shall at all times be sufficient to cover the required pre-need reserve.

All existing trust agreements are deemed to have incorporated the said amendment.

This Circular shall take effect immediately.

EMMANUEL F. DOOC
Insurance Commissioner