



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. : 2014 - 10
Date : 27 March 2014

CIRCULAR LETTER

TO : All Life Insurance Companies Authorized to Do Business in the Philippines

SUBJECT : Filing of 2013 Annual Statements

In connection with the filing of the 2013 Annual Statements, the following guidelines are hereby issued:

1. The **blue** Annual Statement showing the financial condition of life cos. as of December 31, 2013 shall be signed and sworn to by the president, chief operating officer/general manager, secretary, treasurer, actuary and chief accountant and shall be on legal size bond paper (8½ x 14 inches), using either the Times New Roman font size # 12 or Arial font size # 10;
2. The Annual Statement should be "Soft Cover Binding", permanent adhesive,
3. Annex "A" is the updated list of the required documents and other schedules which shall form part as attachments in the submission of Annual Statements;
4. The exact formats, columnar headings and footnote instructions found in every page of the blank forms of the prescribed Annual Statement including those required formats attached to the Annex "A" shall be **strictly observed**; and
5. Any Annual Statement which are not in accordance with the required format and with missing data/information and incomplete attachments **shall not be accepted**.

Please file your 2013 Annual Statements on or before April 30, 2014 to avoid penalty.


EMMANUEL F. DOOC
Insurance Commissioner

Annex "A"

LIST OF DOCUMENTS TO BE SUBMITTED TO FORM PART OF THE ANNUAL STATEMENTS OF LIFE INSURANCE COMPANIES: For the Year Ended December 31, 2013

Note: Please check if the life insurance company's has microinsurance business before receiving the Annual Statement. There is a revised A/S intended for those companies with MI operation.

1. Three (3) copies of 2013 Audited Financial Statements with comparative figures for 2012, signed by an external auditor accredited by this Commission;
2. Reconciliation Statement of the Audited Financial Statements versus the Annual Statement figures (3 copies);
3. Reconciliation of figures/accounts in the Adjusted Trial Balance (breakdown/groupings) to tally with the figures/accounts in the Annual Statement (2 copies).
4. Three (3) copies of Adjusted Trial Balance as of December 31, 2013 signed by the Chief Accountant;
5. Three (3) copies of Income Statement for the year ended December 31, 2013;
6. Three(3) Soft copies of the Annual Statement and attachments.(in USB)
7. Computation of Risk Based Capital Ratio of the company;
8. For foreign companies, Annual Statement on Worldwide Business and Statement of Receipts and Disbursements as of year end;
9. Schedule V – Premiums & Claims by Market Segment & Region;
10. Extra copy each of Pages 1, 3, 4, 7, 9, 16, 17, 20 and 46;
11. Separate Analysis of Operations (Page 4) for Variable Contracts;
12. Figures on Page 7 (Exhibit 1) shall be gross of loading. Submit on a separate sheet the assumed and ceded premiums for unauthorized companies;
13. Two (2) copies of list of current members of board of directors, independent directors, their respective addresses, positions and also the chairman and members of Audit, Remuneration and Nomination committees.
14. Copy of minutes of meetings of the board and executive committees, including a copy each of the board resolutions made during the year;
15. Copy of the amended Articles of Incorporation relative to the increase of authorized capital stock and General Information Sheet.
16. A certification of the company's Comptroller or any responsible officer with the rank of at least Vice President for the items specified in Annex B of Circular Letter dated January 14, 1987;
17. Certification on the balances of all actuarial accounts and a statement of opinion on Policy Loans by the Company's Actuary duly accredited by this Commission in accordance with Circular Letter dated January 14, 1987.
18. Soft and hard copy of detailed schedule of all actuarial accounts;
19. BIR Return Form No. 2307, 1702, 2550M, 2550Q, 1601C, 1601E and 0605.
20. Schedule of investments made and sold during the year 2013;
21. Schedule showing balance sheet items in foreign currency and their peso equivalent, including a sub-schedule showing the currency breakdown in case an account consists of multiple currencies;
22. Confirmation of sales of investments in Bonds and Treasury Bills, together with Statement of Securities Account of BTr-RoSS as of December 31, 201
23. Certification from the custodian bank for dollar-denominated Bonds as of year end;
24. Schedule of dollar denominated bonds using the attached Life - Required Format No.1
25. Detailed schedules, together with the supporting documents of all investments and other asset accounts;
26. Certification from Phil. Depository & Trust Co. for the scriptless stocks certificates as of December 31, 2013;

27. Documents supporting Mortgage Loans, Guaranteed Loans, Collateral Loans, Chattel Mortgage loans, Salary Loans and Other Loans accounts
28. Bank statements/passbooks of all current, savings and time deposit accounts as of December 31, 2013 and January 2014, together with the pertinent bank reconciliation statements;
29. Detailed schedule of deposit in transit showing in columns the official receipts number, date, date deposited, name of depository bank and to be supported with Official Receipts and Validated Deposit Slips.
30. Certification of receivables from government agencies/government owned controlled corporations.
31. Detailed Schedule of EDP for the last five (5) years together with the sales invoices and official receipts to support purchases of EDP Equipment during the year;;
32. Computation of Premium Tax during the year, using the attached Life-Required Format No. 2
33. Computation of DST in accordance with BIR RA 10001 (number of policies issued and total sum insured should tally with the figures in the Annual Statement) using the attached Life – Required Format No. 3
34. Official receipts to support payments of Premium Tax, Documentary Stamps Tax and Real Estate Tax during the year 2013.
35. LOA from BIR, Agreement Form and proof of payments. (BIR Form no. 0605)
36. For companies with Variable Contracts
 - a) Separate Annual Statement for each variable account;
 - b) 2 copies of Exhibit II – Statement of Changes in Net Assets and Exhibit III – Unit Movement for the year , using the attached Life – Required Format No.4
 - c) Schedule showing balance sheet items in foreign currency and their peso equivalent, including a sub-schedule showing the currency breakdown in case an account consists of multiple currencies;
 - d) Confirmation of sales of investments in Bonds and Treasury Bills, together with the yearend Statement of Securities Account of BTr~Ross;
 - e) Certification of investments as of yearend from custodian bank for the company's dollar~denominated Bonds;
 - f) Schedule of dollar denominated bonds using the attached Life – Required Format No. 1
 - g) Statement of Account as of yearend from Philippine Depository & Trust Corp. for scriptless equity invesments;
 - h) Bank statements/passbooks of all current, savings and time deposit accounts as of December 31, 2013 and January 2014, together with the pertinent bank reconciliation statements; and,
 - i) Detailed schedule of deposit in transit showing in columns the official receipts number, date, date deposited, name of depository bank and to be supported with Official Receipts and Validated Deposit Slips.

37. For companies with Micro – Insurance business

- a) Performance Standard (SEGURO)
- b) Soft Copies of the following:

Production : Schedule showing separately in columns the name of the assured, policy number, certificate number, sum assured, premium, premium tax, DST and other taxes (per product line)

Collections : Schedule showing separately in columns the name of the assured, policy number, certificate number, sum assured, premium, premium tax, DST, other taxes, amount collected, date and number of official receipt.

Claims Paid : Schedule showing separately in columns the name of assured/claimant, Claim no., date filed, policy number, sum insured, date of loss, amount of loss, nature of claim, date paid and voucher number.

38. For companies with OFW business

- a) Computation of legal Reserve
- b) Soft Copies of the following:

b.1. Production : Schedule showing separately in columns the name of the assured, policy number, certificate number, sum assured, premium, premium tax, DST and other taxes (per product line)

b.2. Collections : Schedule showing separately in columns the name of the assured, policy number, certificate number, sum assured, premium, premium tax, DST, other taxes, amount collected, date and number of official receipt.

b.3. Claims Paid : Schedule showing separately in columns the name of assured/claimant, Claim no., date filed, policy number, sum insured, date of loss, amount of loss, nature of claim, date paid and voucher number.

b.4. Seriatim list of all policyholders indicating therein the basic information (i.e. policy number, policy holders, issue, age, issue date, plan, amount of insurance, reserves, etc.)

b.5. Schedule of policy loans indicating policy number, policyholders, outstanding balance as of December 31, 2013, interest both earned and unearned.

b.6. Schedule of net premiums, due and uncollected.

b.7. Schedule of premium deposit fund indicating the policy number, plan, amount of insurance, issue date, maturity date, annual premium, outstanding premium deposit fund amount of the plan, to be signed by the comptroller with a rank of least Vice President.

Submitted by: _____
Received by: _____
Date: _____

Life – Required Format No. 1
Dollar Denominated Bonds

Description	Face Value		Acquisition Cost		Price (%)	Dollar Rate at the time of acquisition
	Peso	Dollar	Peso	Dollar		
Total						

Life – Required Format No. 1
Refer to items nos. 24 & 36.f of Life – Annex “A”

Life – Required Format No. 2
Computation of Premium Tax

Particulars	Column 1 (Traditional)	Column 2 (Variable)	Column 1 minus Column 2
Exhibit IA of the Annual Statement			
Line 4 - Collected during the year – direct business, 1 st year	XXXX	XXXX	XXXX
Line 11- Single premium & consideration, direct business	XXXX	XXXX	XXXX
Line18- Collected during the year – direct business, renewal	XXXX	XXXX	XXXX
Total			XXXX
Add/Deduct adjustments:			
1. Cost of Insurance			XXXX
2. Zero Rated Premiums			XXXX
3.			XXXX
4.			XXXX
5.			XXXX
6.			XXXX
7.			XXXX
Total – tax base			XXXX
Multiply by the tax rate			2%
Premium Tax during the year			XXXX

Note: Please refer to your AS on Exhibit 1A lines 4, 11 & 18 of column 1 & 2 to fill up the space provided above. All the adjustments are to be supported and subject to verification.

Life - Required Format No. 2
Refer to item no. 32 of Life – Annex A”

Life – Required Format No. 3
Computation of DST

Bracket	Rate	No. of Policies Issued	Sum Insured	DST
If the amount of insurance does not exceed Php100,000.00	Exempt			
If the amount of insurance exceeds Php 100,000.00 but does not exceed Php 300,000.00	Php 10.00			
If the amount of insurance exceeds Php 300,000.00 but does not exceed Php 500,000.00	Php25.00			
If the amount of insurance exceeds Php 500,000.00 but does not exceed Php 750,000.00	Php50.00			
If the amount of insurance exceeds Php 750,000.00 but does not exceed Php 1,000,000.00	Php75.00			
If the amount of insurance exceeds Php1,000,000.00	Php100.00			
Total		XXXXX	XXXXX	XXXXX

Note: The total number of policies issued and sum insured should tally with the AS figures.

Life – Required Format No. 3
Refer to item no. 33 of the Life Annex "A"

Life – Required Format No. 4

**ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013 OF THE**

EXHIBIT II - STATEMENT OF CHANGES IN NET ASSETS

Net Assets, Beginning of the year		Ps	_____
Additions:	Deposits, Net of Withdrawals		_____
	Gross Investment Income:		_____
	Interest in Bonds	Ps	_____
	Dividend Income		_____
	Interest on Bank Deposits		_____
	Interest on Loans		_____
	Other Income (Specify)		_____
	Total Additions		_____
Deductions:	Investment Expenses:		
	Investment Management Fees		_____
	Taxes		_____
	Other Expenses (Specify)		_____
	Total Deductions		_____ (_____)
Net Assets, End of the Year		Ps	=====

EXHIBIT III - UNIT MOVEMENT FOR THE YEAR

Outstanding Units at the beginning of the year	Ps	_____
Add/ (Deduct) Deposits/(Withdrawals) during the year		_____
Outstanding Units at the end of the year	Ps	=====

**Life – Required Format No. 4
Refer to item no. 36.b Annex "A"**