CIRCULAR LETTER

TO : ALL INSURANCE/REINSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : Admitted Assets under the Amended Insurance Code (RA 10607)

The following assets, legally or beneficially owned by the insurance company concerned, as determined by the Commissioner, shall be considered admitted assets:

1. Under Section 202

1.1. Cash on hand and in transit, cash in banks;

1.2. Investments in securities, including money market instruments;

1.3. Real property acquired or held, and the income realized therefrom or accrued thereon;

1.4. Policy loans and other policy assets and liens on policies, contracts or certificates of a life insurance company;

1.5. Net amount of uncollected and deferred premiums and annuity considerations due in the case of a life insurance company;

1.6. Reinsurance recoverable by the ceding insurer:

1.6.1. From an authorized insurer – the full amount thereof; and

1.6.2. From an insurer not authorized to do business in the country – net of the amount withheld under a reinsurance treaty;

1.7. Funds withheld by a ceding insurer under a reinsurance treaty;
1.8. Deposits or amounts recoverable from underwriting associations, syndicates, reinsurance funds or from any suspended banking institution;

1.9. Electronic data processing equipment; (please refer to related circular)

1.10. Investments in mutual funds, real estate investment trusts, salary loans, unit investment trust funds and special deposit accounts; and

1.11. Other assets not inconsistent with the provisions of Section 202 which are deemed by the Commissioner to be readily available and realizable for the payment of claims.

2. Under Section 204 (Paragraphs a to i); and 205:

2.1. Loans granted by the insurance company.

In addition, premiums due from the following entities shall be considered admitted assets under the conditions given:

2.1.1. The Government of the Philippines, its political subdivisions or instrumentalities, including government owned or controlled corporations, whether as insured, general agent, insurance broker, mortgagee or trustee, provided that in case any of said entities assumes the role of a trustee, the insurance company concerned shall present proof that such premiums are held by such entity as trustee of the said company.

2.1.2. Premiums Receivable Account (direct agents, general agents and insurance brokers) covering policies within 90 days from inception as of the cut-off date, provided that these receivables are supported by an aging schedule showing details per policy; and copies of policies and other pertinent documents are made available to the examiners for verification, otherwise, unverified accounts will be disallowed.

2.1.3. Marine Hull Premiums covered by Deferred Premiums Clause "1" attached to the policy and payable in four quarterly installments provided that the installments to be considered as admitted assets are only the installments due within 90 days as of cut-off date including all installments not yet due as of the cut-off date and provided further that these receivables are supported by an aging schedule showing details per policy and copies of policies and other pertinent documents shall be made available to the examiners for verification, otherwise, those accounts not verified will be disallowed.
For strict compliance.

EMMANUEL F. DOOC
Insurance Commissioner