CIRCULAR LETTER

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

SUBJECT: Financial Assistance Program for Officers, Employees and for Sales Associates under Contractual Relationship

In addition to the assets enumerated in Section 202 of the Amended Insurance Code (RA 10607), the following shall qualify as admitted assets:

1. Car loans/lease-purchase plans for officers, employees and sales associates subject to a maximum availment per borrower;

2. Financial assistance/emergency loans to officers, employees and sales associates;

3. Loans to officers, employees and sales associates for the purchase of computers and office equipment, secured by chattel mortgage over such equipment; and

4. Salary loans up to a maximum of six (6) months salary.

The abovementioned are subject to the following terms and conditions:

(a) The benefits shall be under a written employee benefit programs/sales associates benefit programs duly approved by the Board of Directors and copy furnished the Insurance Commission. Sales Associates shall include licensed agents;

(b) The loans shall be adequately documented as to the assignments of cars and/or other benefits;

(c) The loans shall be paid regularly under the terms and conditions of such loans;
(d) The aggregate amount of these loans shall not exceed six per centum (6%) of the net worth of the company as shown in its latest approved synopsis; and

(e) These shall be considered surplus investment.

[Signature]

EMMANUEL F. DOOC
Insurance Commissioner