CIRCULAR LETTER

TO : All Insurance Brokers and/or Reinsurance Brokers

SUBJECT : Annual Filing of Brokers Audited Financial Statements and Attachments

As part of the overall requirements for renewal of Certificates of Authority, the Audited Financial Statements together with the items enumerated in “Annex A” hereof must be submitted on or before 31 May of each year.

Please submit the 2014 audited financial statements together with the complete set of attachments promptly to avoid penalty of P 5,000.00 per day of delay pursuant to Title VII.B of IC Circular Letter No. 2014-15 dated 15 May 2014.

For strict compliance.

EMMANUEL F. DOOC
Insurance Commissioner
Name of Insurance/Reinsurance Broker
For the Year Ended December 31, 20__

ATTACHMENTS TO THE AUDITED FINANCIAL STATEMENTS
OF INSURANCE AND REINSURANCE BROKERS

☐ A. Two (2) copies of Audited Financial Statements, signed by external auditor accredited by this Commission one copy for Broker Examination Division and one copy for Statistics Division.

☐ B. Certification of IC accredited auditor.

☐ C. Adjusted Trial Balance as of December 31, 20__, signed by the Chief Accountant.

☐ D. Reconciliation statement of figures/accounts in the Adjusted Trial Balance to tally with the figures/accounts in the Audited Financial Statements.

☐ E. Two (2) copies of Statement of Business Operations.

☐ F. Detailed schedules and supporting documents of the following accounts:

   ☐ 1. Cash on Hand and in Banks
      i. Certification of Custodian for Petty Cash Fund, Revolving Fund, etc.
      ii. Official Receipts, bank validated deposit slips, and bank statement for Undeposited Collections.
      iii. Bank statements/passbooks showing the name of the Company and account number/ and bank reconciliation statements using adjusted balance method as of 31 December 20__ and 31 January 20__.
      iv. Certificate of Time Deposits and proof of roll-over if applicable.
      v. Detailed schedule of deposit in transit showing in columnar format the official receipt number, date of official receipt, date deposited, name of depositary bank and to be supported by Official Receipts and Bank Validated Deposit Slips.
2. Investment in Bonds and Treasury Bills
   i. Confirmation of sales of investments in bonds and treasury bills, together with Statement of Securities Account of BTr-ROSS as of 31 December 20__.

3. Investment in Stocks and Other Investments
   i. Photocopies of stock certificates.
   ii. Certification from Philippine Depository & Trust Co. for scriptless stocks as of December 31, 20__ showing that the investment is for the account of the broker.

4. Real Estate Owned
   i. Photocopies of Owner’s Duplicate Copy of Transfer of Certificate Titles (TCTs) and Condominium Certificate of Titles (CCTs), Latest Payment of Real Estate Tax, Deed of Sale/Deed of Assignment, and other applicable supporting documents.

5. Premium Receivable/Due From Reinsurers – with aging of accounts within and over 90 days due
   i. Detailed schedule with the following information
      - Name of Assured
      - Policy Number
      - Inception Date
      - Amount of Premiums Receivable
      - Date Collected
      - Commission, Vat on Commission
      - Net Due to (Premiums Payable)
      - Date Remitted
   ii. Proof of collection such as official/acknowledgement receipts, bank validated deposit slips, passbook/bank statements and proof of remittances such as official/acknowledgement receipts from insurance companies including direct payment

6. Commissions Receivable – with aging of accounts
   i. Proof of collection such as official/acknowledgement receipts, bank validated deposit slips, passbook/bank statements.

7. Accounts/Notes/Loans Receivable
   i. Documents to support accounts/notes/loans receivable account. (Such as board resolution and term of payments)
   ii. Proof of collection such as official/acknowledgement receipts, bank validated deposit slips, passbook/bank statements.
8. **EDP Equipment**
   i. Sales invoices and official receipts to support purchases of EDP equipment during the year and lapsing schedule.

9. **Other Assets**
   i. Documents to support Other Assets accounts. (such as creditable withholding taxes with BIR Form 2307 and copy of prepayments).

10. **Premiums Payable/Due to Insurers/Reinsurers** – per principal-with aging of accounts (including direct payments).
   i. Detailed schedule with the following information:
      - Name of Assured
      - Policy Number
      - Inception Date
      - Insurance Company/Principal
      - Amount of Premiums Payable
      - Date Remitted
   ii. Proof of remittances such as official receipts/acknowledgement receipts from insurance companies.

11. **Accounts/Notes/Loans Payable**
    i. Documents to support accounts/notes/loans payable account.

12. **Advances to/from Officers and Stockholders**
    i. Documents to support advances to/from officers and stockholders. (such as terms of payment, collaterals and Board Resolution)
   ii. Proof of collections such as official receipts, bank validated bank deposit slips and passbook/bank statements.

13. **Taxes Payable**
    i. BIR Form No. 1702 (Annual Income Tax Return) duly stamped by the BIR.
    ii. BIR Form No. 2307 (Certificate of Creditable Tax Withheld at Source).
14. Stockholders' Equity
   i. Detailed schedule of the following:
      a. Capital Stock Paid Up
      b. Fluctuation/Revaluation Reserve – Stocks, Bonds and Real Estate
      c. Deposit for Future Subscriptions with attached amended articles of incorporation filed with SEC.

G. Corporate Records
   1. Latest General Information Sheet filed with the SEC.
   2. Lists of Current Members of the Board of Directors and Officers, their respective addresses and position.

H. Others

Submitted by:

Signature over Printed Name and Designation of Responsible Officer

Date Submitted: __________________________
Received by: __________________________
Date: __________________________