



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



Circular Letter (CL) No.:	2018-11
Date:	25 January 2018
Supplements:	Circular Letter (CL) No. 2015-11 dated 18 March 2015

CIRCULAR LETTER

TO : ALL DOMESTIC INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : LICENSING REQUIREMENTS DURING THE PENDENCY OF MERGERS AND CONSOLIDATION OF INSURANCE COMPANIES

WHEREAS, Section 437 of Republic Act No. 10607, also known as the Amended Insurance Code, provides that the Insurance Commissioner may issue such rulings, instructions, circulars, orders and decisions as may be deemed necessary to secure the enforcement of the provisions of said Code, to ensure the efficient regulation of the insurance industry and other regulated entities in accordance with global best practices and to protect the insuring public;

WHEREAS, in the exercise of such power, the Insurance Commissioner issued Circular Letter No. 2015-11 dated 18 March 2015, which provides for "*Rules and Regulations on Consolidation and Merger of Insurance Companies*";

WHEREAS, this Commission notes that existing insurance companies have resorted to mergers and consolidation as a way of complying with the increasing in statutory net worth requirements under the Amended Insurance Code;

WHEREAS, the pendency of the merger and consolidation process under Circular Letter No. 2015-11 dated 18 March 2015 does not suspend the continuing requirement of a *Certificate of Authority* under Section 193 of the same Code; and said *Certificate* is required in order for the merging and consolidating companies to be able to transact insurance business during such pendency;