



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



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Supersedes:	Circular Letter No. 24-2005A dated 2 September 2005
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CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : RULES ON INFUSION OF REAL PROPERTY TO COVER NET WORTH DEFICIENCIES AND CAPITAL IMPAIRMENT

WHEREAS, all domestic life or non-life insurance companies are required to comply with the minimum statutory paid-up capital or net worth requirements under Section 194 of Republic Act No. 10607, otherwise known as the Amended Insurance Code of the Philippines, before the same can engage in insurance business;

WHEREAS, the Insurance Commissioner is authorized under Section 437 (m) and (k), respectively, of the same Code to “[inquire] into the solvency and liquidity of the institutions under its supervision and enforce prompt corrective action,” and “[conduct] an examination to determine compliance with laws and regulations if the circumstances so warrant as determined by appropriate rules and regulations;”

WHEREAS, relative to the determination of the financial condition of insurance companies, Section 202 of the same Code provides that:

*“Section 202. In any determination of the financial condition of any insurance company doing business in the Philippines, there shall be **allowed and admitted as assets** only such assets legally or beneficially owned by the insurance company concerned as determined by the Commissioner which consist of:*

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*(b) Investments in securities, including money market instruments, and in **real property acquired or held in accordance with and subject to the applicable provisions of this Code and the income realized therefrom or accrued thereon.***