



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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July 23, 2002

**CIRCULAR LETTER No. 12-2002**

**TO:** All Insurance Companies/Reinsurance Brokers Licensed To Do Business in the Philippines

**Subject:** Documents Required of Insurance Companies/Reinsurance Brokers to Accompany Requests for the Certifications to be issued by the Insurance Commission relative to Foreign Exchange Applications for Remittance of Net Profits, Reinsurance Premia and Payment of Loss Claims and Submission of Monthly Statement of Foreign Exchange Receipts

For easy reference, this circular letter puts together the required documents that should accompany requests for certifications relative to application for foreign exchange remittances, some of which have already been stated in Circular Letter No.3-2001 as amended by Circular Letter No. 3-2001A and the forms in Circular Letter No. 4-2001 as amended by Circular Letter No. 4-2001-A

- I. Net Profits of branches of foreign authorized insurance companies-
  1. Sworn statement of the authorized officer of the applicant company attesting that the remittance shall be from net profits to be remaining on hand after retaining unimpaired the following requirements of the Insurance Code.
    - a. The statutory deposit
    - b. The margin of solvency and
    - c. The legal reserve fund

and a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

2. Copy of the latest audited financial statement of the applicant

II. Reinsurance Premia-

1. Copy of the statement of Reinsurance Account prepared by the applicant.
2. Particulars of treaty/facultative placement covering the remittance.
3. Notice of demand and/or statement of reinsurance premium due given or prepared by the beneficiary.
4. Sworn statement of a responsible official of the applicant certifying that it has withheld the required taxes in accordance with the Internal Revenue rules and regulations.
5. A written authorization to remit premia issued by the ceding insurance company in favor of a resident reinsurance broker, in case the latter is applying for or in behalf of said company.
6. Copy of the insurance policy in case of facultative placements.

III. Payment of Claims for Losses-

1. As reinsurer:
  - a. Copy of the notice of demand or statement of account
  - b. Particulars of treaty/facultative placement
  - c. Copy of the marine hull/cargo policy and survey report in case of marine loss claims.
2. As direct writer for dollar denominated policies:
  - a. Copy of notice of claim of assured
  - b. Final report of licensed adjuster duly notarized
  - c. True copy of insurance policy

IV. For all other cases of insurance and/or reinsurance payments-

All pertinent documents to establish the legitimacy/accuracy of the amount sought to be remitted.

In any of the above cases, the following should likewise be submitted:

1. Copy of the appropriate Bangko Sentral ng Pilipinas (BSP) application form for the purchase of foreign exchange, duly accomplished and notarized.
2. Certification of an independent certified public accountant in accordance with Circular Letter dated February 10, 1975 of this Commission.

V. All concerned insurance companies and reinsurance companies are likewise required to accomplish the enclosed form of Statement of Foreign Exchange Receipts and submit the same duly accomplished within fifteen (15) days following the covered month.

No certification for purchase of foreign exchange for remittance abroad shall be issued by this Commission and no treaty agreements shall be referred to the BSP for action unless the foregoing is first complied with.

All circular letters inconsistent herewith are hereby repealed.

  
EDUARDO T. MALINIS  
Insurance Commissioner

Encl: a/s



**Statement of Foreign Exchange Receipts  
For the Month of \_\_\_\_\_**

1	2	3	4	5	6	7
Date of Receipts	Paying Entity/Unauthorized Foreign Reinsurers/Brokers	Risk (Type)	Premiums Foreign/Pesos Currency/Conversion	Loss Recoveries Foreign/Peso Currency/Conversion	Others	4+5+6 Total

N. B: Column

- (3) should indicate the risk as Fire, Marine, etc.
- (4) may include excess of loss premium, if any
- (5) is for actual net receipts arising from all recoveries on insurance losses paid
- (6) may include miscellaneous receipts from investment transaction and insurance premiums directly from company policyholders and all other cases of insurance and/or reinsurance payments received from abroad by means of telegraphic transfers and/or advice by payor thereof that his/her/its bank account maintained in the Philippines be duly debited for such purpose.

The peso conversion under columns (4), (5) and (6) should be based on the exchange rate prevailing at the time of actual receipts, net all deductions.