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Department of Finance
INSURANCE COMMISSION
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CIRCULAR LETTER

TO : All Insurance Companies and Mutual Benefit Associations Doing Business in the Philippines

SUBJECT : *Cash and Cash Equivalent Deposits in Financially Sound Commercial Bank or Trust Company*

It has come to the attention of this Commission that some insurance companies and mutual benefit associations doing business in the Philippines have been maintaining deposits with banks not in accordance with Section 196 (1) of the Insurance Code.

Your attention is therefore invited to the requirement under Section 196 (1) of the Insurance Code quoted hereunder:

“ There shall be allowed and admitted as assets only such assets owned by the insurance company concerned and which consists of:

1. Cash in the possession of the insurance company or in transit under its control, and the true and duly verified balance of any deposit of such company in a financially sound commercial bank or trust company.

xxx”

Strict compliance with the above-quoted provision is hereby enjoined.



Evangelina Crisostomo Escobillo
EVANGELINE CRISOSTOMO-ESCOBILLO
Insurance Commissioner