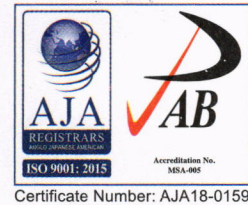




Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
1071 United Nations Avenue  
Manila



Circular Letter (CL) No.:	2019-06
Date:	15 March 2019

## CIRCULAR LETTER

**TO : ALL PRE-NEED COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES**

**SUBJECT : Submission of Quantitative Impact Assessment Report relative to the Regulatory Relief provided to the Pre-Need Industry**

**WHEREAS**, the Insurance Commission (IC) on 28 November 2012 issued Circular Letter (CL) No. 23-2012 entitled "Valuation of Transitory Pre-Need Reserves" to provide regulatory leeway to pre-need companies in the valuation of pre-need reserves for old basket of plans previously approved by the Securities and Exchange Commission (SEC);

**WHEREAS**, on 14 November 2018, IC issued CL No. 2018-58 entitled "Regulatory Relief for the Pre-Need Industry due to High Volatility in the Philippine Financial Market" in order to stabilize the impact on the pre-need industry of high volatility in the Philippine financial market;

**NOW THEREFORE**, pursuant to the authority vested to the Insurance Commission by the provisions of Section 6 of the Pre-Need Code, the following rules and regulations are hereby promulgated:

### SECTION 1. OBJECTIVE

To monitor and assess the overall impact of the regulatory relief provided for under CL No. 2018-58 to pre-need companies for the year 2018 and to further improve the regulations for the pre-need companies.

### SECTION 2. REPORTORIAL REQUIREMENT(S)

All pre-need companies authorized to transact business in the Philippines shall submit the following quantitative impact assessment reports:

- a. With and without regulatory relief comparative balance sheet (statement of financial position) as of 31 December 2018 of the pre-need company following the format prescribed in **Annex A**;

- b. With and without regulatory relief comparative balance sheet (statement of financial position) as of 31 December 2018 of the trust fund account(s) following the format prescribed in **Annex B**; and
- c. With and without regulatory relief comparative reserve valuation report as of 31 December 2018 following the format prescribed in **Annex C**.

All reports shall be duly certified and signed by the accountant and IC-accredited Actuary together with the Chief Financial Officer (CFO) or its equivalent.

The above reports shall form an **integral part** of the Annual Statement and must be submitted on or before 31 May 2019.

### **SECTION 3. PENALTY**

Failure to submit and incomplete submission of the reportorial requirement(s) on the deadline of submission shall be subject to penalty of five thousand pesos (PHP5,000.00) per day of delay as prescribed under CL No. 2014-15 on Fees and Charges.

Moreover, wrong data entry of material information in said reports or revision of any material statement or figure shall be subject to a penalty of five hundred pesos (PHP500.00) per item in accordance with CL No. 2014-15.

### **SECTION 4. EFFECTIVITY**

This Circular shall take effect immediately.

For strict compliance.

  
**DENNIS B. FUNA**  
Insurance Commissioner

