CIRCULAR LETTER

TO: ALL NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES

SUBJECT: FILING OF 2018 ANNUAL STATEMENT

Under the provision of Section 229 of Republic Act (RA) No. 10607, otherwise known as the "Amended Insurance Code", every insurance company doing business in the Philippines shall submit annually, on or before the thirtieth (30th) day of April of each year, a statement signed and sworn to by the chief officer of such company showing the exact condition of its affairs on the preceding thirty-first (31st) day of December, in accordance with the financial reporting framework as determined by the Commission.

Pursuant to the above-quoted provision, the following guidelines are being issued in relation to the submission of the 2018 Annual Statement (AS):

1. Two (2) hard copies and one (1) soft copy of the AS are required to be submitted to the Non-Life Division;

2. The cover must be "hard bound" and in color "pink". (see attached Pro-forma template);

3. It shall be on a legal size bond paper (8½ x 14 inches), using either the Trebuchet MS #10 or Arial font size #10;

4. The exact formats, columnar headings and footnote instructions found in every page of the attached blank forms (see attached Pro-forma template) of the prescribed AS should be strictly observed;

5. The submitted AS shall include supporting documents necessary to authenticate the contents of the AS, as seen in Annex “A”.

Head Office, P.O. Box 3589 Manila | Facsimile No. (02) 522-1434 | Telephone Nos. (02) 523-8461 to 70 | www.insurance.gov.ph
Pursuant to Section 229 of the Amended Insurance Code, all AS are required to be submitted on or before 30 April 2019. The prescription of the guidelines in the CL is without prejudice to the power of the Commission under Section 229 of the Amended Insurance Code to require other relevant information in relation to matters that may come to its attention. Further, any instance of noncompliance with the prescribed guidelines shall be subject of penalties in accordance with CL No. 2014-15, dated 15 May 2014, and pursuant to Section 437(o) of the Amended Insurance Code, which authorizes the Commission to fix and assess fees, charges and penalties in the exercise of regulation.

DENNIS B. FUNA
Insurance Commissioner
ANNEX “A”

CHECKLIST OF SUPPORTING DOCUMENTS
OF NON-LIFE INSURANCE COMPANIES
For the year ended 31 December ______

NAME OF COMPANY

<table>
<thead>
<tr>
<th>Remarks</th>
<th>DOCUMENT</th>
<th>HARD COPY</th>
<th>SOFT COPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Copy of ____ Audited Financial Statements with comparative figures for ____, signed by an external auditor accredited by this Commission.</td>
<td>✓</td>
<td>✓ (PDF format)</td>
</tr>
<tr>
<td>2.</td>
<td>Copy of Adjusted Trial Balance as of 31 December ____ signed by the Chief Accountant.</td>
<td>✓</td>
<td>✓ (Excel format)</td>
</tr>
</tbody>
</table>
| 3.      | Reconciliation of figures if the company adopts IFRS 9 – Financial Instrument:  
|         | b. Income Statement- Annual Statement VS Income Statement- Audited Financial Statements | ✓ | ✓ (Excel format) |
|         | c. Balance Sheet and Income Statement- Annual Statement VS Adjusted Trial Balance | ✓ | ✓ (Excel format) |
| 4.      | Computation of Risk Based Capital Ratio as prescribed under CL No. 2016-68. | ✓ | ✓ (Excel format) |
| 5.      | For foreign companies, Annual Statement on Worldwide Business and Statement of Receipts and Disbursements as of year-end. | ✓ | |
| 6.      | List of current members of board of directors, their respective addresses, positions and committee membership. | ✓ | ✓ (Excel format) |
| 7.      | Amended Articles of Incorporation relative to the increase in the Authorized Capital Stock and General Information Sheet. | ✓ | |
| 8.      | CASH IN BANK ACCOUNTS:  
  a. Bank Reconciliation Statements (Adjusted Balances Method) as of 31 December ____ and 31 January ____, with Bank statements/passbooks of all current, savings and time deposit accounts. | ✓ | |
<p>|         | b. Schedule of Deposit in Transit indicating the official receipt number, date of OR and date deposited, bank name, amount per OR &amp; amount deposited accompanied by copies of official receipts and validated deposit slips. | ✓ | |
|         | c. Summary List of Bank Accounts under the following columnar headings: BANK NAME, COMPLETE ADDRESS OF THE BANK, | ✓ | ✓ (Excel format) |</p>
<table>
<thead>
<tr>
<th>Remarks</th>
<th>DOCUMENT</th>
<th>HARD COPY</th>
<th>SOFT COPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Sales invoices and official receipts to support purchases of IT Equipment during the year.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>PREMIUMS RECEIVABLE ACCOUNT</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>a.</td>
<td>Copy of the Premiums Receivable ledger for the current year.</td>
<td>✓</td>
<td>(Excel format)</td>
</tr>
<tr>
<td>b.</td>
<td>Summary of Monthly Production for the year, under the following columnar headings: GROSS PREMIUMS, RETURNS &amp; CANCELLATIONS, VAT, DST, FST, PT, LGT, NOTARIAL FEES AND COMMISSIONS.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>c.</td>
<td>Summary of Monthly Collections of Premiums Receivable during the year under the following columnar headings: PREMIUMS, VAT, DST, FST, PT, LGT, NOTARIAL FEES AND COMMISSIONS.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>d.</td>
<td>Summary of Monthly Collections of RI Commissions during the year.</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>e.</td>
<td>AFTER DATE COLLECTIONS OF PREMIUMS RECEIVABLE: For non-life insurance companies with deficiency in net worth, the 1st Quarter collections of the over 90-days Premiums Receivable shall be reconsidered as after-date transactions: e1. Schedule of over 90-day Premiums Receivable showing separately under the following columnar headings: 1. Name of Assured 2. Policy Number 3. Line of Business 4. Premium Amount 5. DST 6. VAT 7. FST 8. LGT 9. Other Taxes 10. Amount Due 11. Amount Collected 12. OR Number &amp; Date</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>e2.</td>
<td>Copies of official receipts, validated deposit slips, passbooks and/or banks statements evidencing collections. (Said documents shall be required after the examiner has determined if the company has net worth deficiency. The same shall be submitted within 3 days upon examiner’s request.)</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Amortization Schedule for each investment in debt securities.</td>
<td>✓</td>
<td>(Excel format)</td>
</tr>
<tr>
<td>13.</td>
<td>TAXES PAYABLE ACCOUNT a. BIR tax returns, validated deposit slip and/or EFPS Payment confirmation for Premium Tax, Documentary Stamp Tax and VAT with schedule</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
indicating the amount, date paid and reference number for each kind of tax.

b. Official Receipts and quarterly statement for Fire Service Tax and Real Estate Tax with schedule indicating the amount, date paid and reference number for each kind of tax.

c. CTPL Business - Summary of Taxes Paid together with the validated deposit slips/EFPS Payment Confirmation.

d. Schedule of Production of the following:
   d.1. Personal Accident - per policy indicating the amount of insurance for the year.
   d.2. Indemnity Bond – per policy indicating the amount of premium for the year.
   d.3. Zero-rated and Tax-exempt policies (collected and uncollected premium).

e. BIR Return Form No. 1604E

14. For companies writing Micro-insurance business:
   a. Performance Standard (SEGURO) (per IC CL No. 2016-63) including breakdown or composition of the accounts (i.e. Total Available Assets, Total Liabilities, Current Assets, Current Liabilities, Operating Expenses, etc.) in determining the ratio for SEGURO.

   b. Schedule of Production **PER PRODUCT/LINE** showing separately under the following columnar headings:
      1. Name of Assured
      2. Location/Address
      3. Policy Number
      4. Certificate Number
      5. Sum Insured
      6. Premium Amount
      7. Premium Tax
      8. DST
      9. FST
      10. VAT
      11. LGT
      12. Other Taxes

   c. Schedule of Collection **PER PRODUCT/LINE** showing separately under the following columnar headings:
      1. Name of Assured
      2. Inception Date
      3. Maturity Date
      4. Policy Number
      5. Certificate Number
      6. Sum Insured
      7. Premium Amount
      8. Premium Tax
      9. DST
      10. FST
      11. VAT
      12. LGT
      13. Other Taxes
      14. Amount Collected
      15. OR Number
      16. OR Date

   d. Schedule of Losses Paid **PER PRODUCT/LINE** showing separately under the following columnar headings:
      1. Name of Assured
      2. Claim Number
      3. Date Filed
      4. Policy Number
      5. Sum Insured
      6. Date of Loss
      7. Amount of Loss
      8. Nature of Claim
      9. Date Paid
      10. Voucher Number

IC-FNL-DP-001-F-02 Rev.1
Page 3 of 4
**Remarks**

<table>
<thead>
<tr>
<th>DOCUMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note:</strong> Hard copy to be signed by the Claims Manager.</td>
</tr>
</tbody>
</table>

15. **For companies writing OFW business:**

- **a. Schedule of Production** showing separately under the following columnar headings:
  1. Name of Assured
  2. Policy Number
  3. Premium Amount
  4. DST
  5. FST
  6. VAT
  7. LGT
  8. Other Taxes
  9. Amount Due

- **b. Schedule of Collection** showing separately under the following columnar headings:
  1. Name of Assured
  2. Policy Number
  3. Premium Amount
  4. DST
  5. FST
  6. VAT
  7. LGT
  8. Other Taxes
  9. Amount Collected
  10. OR Number
  11. OR Date

- **c. Schedule of Losses Paid** showing separately under the following columnar headings:
  1. Name of Claimant/Policyholder
  2. Claim No.
  3. Date Filed
  4. Policy Number
  5. Date of Loss/Damage
  6. Amount of Loss/Loss of Adjustment Expense
  7. Amount of Losses Paid
  8. Difference/Discrepancy (per schedule in the A/S vs. Amount Paid)
  9. Nature of Claim (Repatriation, Death, etc.)
  10. Date Paid
  11. Check Number

16. **FLASH DRIVE** – Except Audited Financial Statements and Reserve Valuation Report, which shall be submitted in PDF format, the Annual Statement and all other items in the checklist (with ✓ under Soft Copy column) are required to be submitted in Excel Format.

Remarks: __________________________

Submitted by: __________________________

Signature over Printed Name __________________________

Designation __________________________

**Note:**
- Order of payment should be in duplicate
- Filing Fee = P40,000.00 + P5,000.00/day of delay including Saturday, Sunday and Holidays
- This checklist of required documents is subject to change.