



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



Circular Letter No.:	2019-60
Date:	30 October 2019
Amends	None

CIRCULAR LETTER

TO : ALL DOMESTIC INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES FOR THE DECLARATION AND/OR DISTRIBUTION OF DIVIDENDS

Pursuant to the powers vested in the Insurance Commissioner to issue circulars as may be deemed necessary to secure the enforcement of the Code and to ensure the efficient regulation of the insurance industry under Section 437 of The Insurance Code, as amended by Republic Act No. 10607, the Commission hereby prescribes the following guidelines for the declaration and/or distribution of dividends.

Section 1. **Applicability.** – This guidelines shall govern the following dividend declarations of domestic insurance companies doing business in the Philippines, to wit:

- a) Cash dividend;
- b) Property dividend; and,
- c) Stock dividend.

Section 2. **Definition of Terms.** – For the purposes of these Rules, the following terms shall mean or be understood as follows:

- a) “*Commissioner*” – the Insurance Commissioner;
- b) “*Retained Earnings*” – This represents the accumulated earnings of the company reduced by any losses the company may incur during a certain accounting period or by dividend declaration;
- c) “*Unrestricted Retained Earnings*” – This represents the accumulated earnings of the company available for dividend declaration;