



Circular Letter (CL) No.:	<b>2021-02</b>
Date:	<b>7 January 2021</b>
Supersedes	<b>CL No. 2019-60</b>

## CIRCULAR LETTER

**TO : ALL REGULATED ENTITIES AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : REVISED GUIDELINES ON THE DECLARATION AND/OR DISTRIBUTION OF DIVIDENDS**

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**WHEREAS**, Section 437 of the Insurance Code, as amended, gives the Commissioner the authority to issue circulars as may be deemed necessary to secure the enforcement and efficient regulation of the insurance industry;

**WHEREAS**, Section 6 of the Pre-Need Code, gives the Commissioner the authority to regulate, supervise, and monitor the operations and management of pre-need companies to ensure compliance with the provisions of this Code, existing laws, rules and regulations;

**WHEREAS**, Section 4 of the Executive Order No. 192, s. 2015, gives the Commissioner the authority to regulate, supervise, and monitor the operations and management of Health and Maintenance Organizations (HMOs) to ensure compliance with this Order, existing laws, rules, and regulations, and such other directives and circulars issued by the Insurance Commissioner;

**WHEREAS**, the Insurance Commission has perceived the need to include all regulated entities from the coverage of the existing guidelines on the declaration and distribution of dividends;

**NOW, THEREFORE**, in view of all the foregoing and in accordance with the Insurance Commissioner's power under Section 437 of the Amended Insurance Code, Section 6 of the Pre-Need Code, and Section 4 of the Executive Order No. 192, s. 2015, the following guidelines are hereby promulgated:

### **Section 1. Applicability**

The guidelines shall govern the following dividend declarations and declarations of all regulated entities authorized to do business in the Philippines, to wit: