



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



**PROPOSAL FOR THE CORPORATE
REHABILITATION OF
PRUDENTIALIFE PLANS, INC. UNDER
REPUBLIC ACT NO. 9829 (NOW IN
LIQUIDATION STATUS)**

CRL Ref. No. 2018- 001

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DIRECTIVE

28 February 2018

This *Directive* is issued pursuant to Section 6, in relation to Sections 50 and 52, of Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines, and in the interest of facilitating the distribution of liquidation values to the concerned eligible planholders of **PRUDENTIALIFE PLANS, INC.** (“PPI”) in accordance with other pertinent *Directives* previously issued by this Commission.

It may be recalled that this Commission ordered the liquidation of PPI through the issuance of the *Directive* dated 19 October 2012. This Commission found that the company can no longer be restored to financial viability and ordered, among others: (1) the appointment of the San Diego Ycasiano Macias Estorco Castañeda Sanchez (“SYMECS”) Law Offices as the liquidator of PPI’s trust fund assets; (2) the submission of a liquidation and distribution plan within thirty (30) days from the taking of SYMECS Law’s oath of office as PPI’s Liquidator; and (3) that the Liquidator should follow certain guidelines in the formulation of the liquidation plan.

On 11 July 2013, this Commission held in another *Directive* that:

“The official basis for applying the Accumulation Method and distributing the trust fund assets shall be the planholder list (masterlist) extracted from the PPI database system in October 2012 adjusted according to the subsequent submissions by the planholders. This means that planholders not in the said masterlist but who were able to subsequently submit either their Pre-Need Contracts or Certificates of Full Payment, will be considered as bona fide planholders.”

Later on 29 June 2015, this Commission issued another *Directive*, which provided that:

“In the interest of justice, since the filing of the liquidation case¹ of PPI has yet to be instituted, claims submitted to PPI’s Liquidator (SYMECS Law) and/or the Commission should be accepted until such time that PPI’s liquidation case² is instituted. Planholders who would then still fail to timely submit their claims before the

¹ This pertains to the case for the liquidation of PPI’s corporate assets in accordance with Sections 52 (a) and (b) of the Pre-Need Code of the Philippines.

² *Ibid.*

Commission may participate in the liquidation case³ once the liquidation case⁴ has been filed as an ordinary creditor.”

During the course of the liquidation of PPI's trust fund assets and implementation of the liquidation plan, this Commission and SYMECS Law have encountered various issues as regards certain classes of PPI's pre-need plans that this Commission finds that should be included in the distribution of PPI's trust fund assets. These classes of plans are and have been previously referred to as “*Special Cases*”.

This *Directive* resolves the issues concerning these “*Special Cases*”, to wit:

1. In the interest of ensuring the greatest participation of PPI planholders in the distribution of trust fund assets and for compassionate considerations, all claims filed until thirty (30) days from the date of this *Directive*, or until 30 March 2018, shall be considered for inclusion in the distribution of said assets. All claims against PPI's trust fund assets that will be filed after 30 March 2018 shall be barred forever and deemed denied.

Note, however, that this is without prejudice to any and all claims filed and will be filed in the proceedings in the case entitled “*In Re: Liquidation of Prudentiallife Plans, Inc.; Insurance Commission, Petitioner,*” docketed as Case No. R-MKT-17-02195-SP and now pending before the Honorable Regional Trial Court of Makati City, Branch 147, involving the liquidation of PPI's corporate assets.

2. As a rule, PPI plans that were classified in the PPI database as “*CANCELLED*”, “*TERMINATED*”, or “*BENEFITS SERVED*” shall not be included in the distribution of PPI's trust fund assets. However, said classification in the database only constitutes *prima facie* proof of said status. Said plans of PPI planholders who contested the status of their plans by timely⁵ adducing and submitting substantial proofs in support of their respective claims shall be included in the distribution of PPI's trust fund assets.

3. As a rule, PPI plans with the status “*ACTIVE; FULLY PAID*” in the PPI database that matured prior to this Commission's issuance of the *Stay Order* on 6 February 2012 are presumed to have been already paid. Said plans belonging to planholders who have timely⁶ claimed otherwise (i.e., claimed that they have not been paid) by submitting substantial proofs to this Commission and/or SYMECS Law shall be included in the distribution of PPI's trust fund assets.

4. PPI plans with the status “*ACTIVE; FULLY PAID*” in the PPI database that matured after the issuance of the *Stay Order* on 6 February 2012, which were not included in the previous distributions/tranches of payment, shall also be included in the distribution of PPI's trust fund assets. This is regardless whether or not the planholders with said plans have filed their claims. However, the checks corresponding

³ *Ibid.*

⁴ *Ibid.*

⁵ Filed until thirty (30) days after the issuance of this *Directive*, or until 30 March 2018.

⁶ *Ibid.*

to the liquidation values of said plans shall only be released to the concerned planholders upon their presentation of the prescribed documentary requirements.

5. PPI plans that are payable on a staggered basis, the benefits of which have been partially availed of as of the issuance of the *Stay Order* on 6 February 2012 shall likewise be included in the distribution of PPI's trust fund assets; provided, that said plans shall have a positive liquidation value after deduction of the total amount of the partial availments.

6. PPI plans that were not yet fully paid as of the issuance of the *Stay Order* on 6 February 2012, the planholders of which have been actively paying said plans prior to said date, shall be included in the distribution of PPI's trust fund assets subject to the presentation by these planholders of substantial proof/s of their respective entitlements. The liquidation values of these PPI plans shall be computed following the Accumulation Method consistent with this Commission's *Directive* dated 11 July 2013.

7. PPI plans with the status "*INACTIVE; OVER 60 DAYS*" in the PPI database, but which inactivity is still within the two (2)-year reinstatement period, and belonging to planholders who were unable to exercise their right to reinstatement because of the issuance of the *Stay Order* on 6 February 2012 shall be included in the distribution of PPI's trust fund assets.

8. Claims as regards PPI plans, the original copies of which were surrendered to the company and have been scheduled for payment as evidenced by "*Claims Stubs*", but were not paid by reason of the issuance of the *Stay Order* on 6 February 2012 shall likewise be included in the distribution of PPI's trust fund assets.

9. PPI plans that are not included in the PPI database but whose planholders have and shall have presented their original pre-need contracts and certificates of full payment until thirty (30) days from the issuance of this *Directive*, or until 30 March 2018, shall be included in the distribution of PPI's trust fund assets as well.

10. Planholders with foreign currency denominated plans that were previously erroneously valued in the local currency shall be subject to re-computation and accordingly included in the distribution of PPI's trust fund assets.

This Commission hereby directs SYMECS Law, the duly appointed Liquidator of PPI's trust fund assets, to cause the computation of the respective liquidation values of the PPI plans falling under said "*Special Cases*" by the consulting actuary; and to undertake distribution of said liquidation values to concerned eligible PPI planholders in a succeeding tranche of payment.

PPI planholders and/or other creditors having claims against PPI and not falling within the above-mentioned "*Special Cases*" are highly encouraged to file their claims with Atty. Dionne Marie M. Sanchez of SYMECS Law, who was correspondingly appointed by the Liquidation Court as the Liquidator of PPI's corporate assets in the above-mentioned case.

This Commission shall continue to release instructions from time to time in order to clarify or resolve other issues submitted for consideration. Accordingly, all stakeholders are enjoined to visit this Commission's website (<https://www.insurance.gov.ph>) for announcements.

SO ORDERED.

City of Manila, Philippines; 28 February 2018.



DENNIS B. FUNA
Insurance Commissioner



Copy furnished:

San Diego Ycasiano Macias Estorco
Castañeda Sanchez (SYMECS) Law Offices
Liquidator of Prudentiallife Plans, Inc.
3109 One Corporate Center
Julia Vargas corner Meralco Avenues,
Ortigas, Pasig City

Prudentiallife Plans, Inc.
c/o SYMECS Law
3109 One Corporate Center
Julia Vargas corner Meralco Avenues,
Ortigas, Pasig City

Mr. Lyndon Fadri
Consulting Actuary
actuarialconsultant@yahoo.com