



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

11 December 2014

MR. REYNALDO C. CENTENO

Chairman
Interim Governance Board (IGB)
National Life Insurance Company of the Philippines (NLIC)
NLIC Building, 6762 Ayala Avenue
Makati City

SUBJECT: Granting of an Additional Extension to comply with the Requirements of the IC Directive on the Rehabilitation of NLIC

Dear Mr. Centeno and Mr. Napa:

This is in reply to your letter dated 03 December 2014 requesting for an additional one hundred eighty (180) day extension within which to comply with the requirements for the rehabilitation of NLIC as provided for in the Directive issued by the Insurance Commission dated 08 November 2013. The extension is necessary to successfully complete the sale of the Horizon Hotel and to choose the best strategic investor for NLIC. The same was granted by IC through its letter dated 12 August 2014.

It is important to note that the conservator of NLIC was initially granted six (6) months to implement the Modified Rehabilitation Plan of NLIC and accomplish the goal of rehabilitating the company pursuant to the Directive. The Interim Governance Board (IGB) was constituted and held weekly meetings with the conservator in order to monitor the operational and financial performance of NLIC. Part of such endeavor is the determination of the qualified strategic investor for the company.

Due to compelling reasons, the IC has granted two (2) additional periods of extension regarding the rehabilitation of NLIC, to wit; (a) 90-day extension or until 15 August 2014 through a letter dated 10 May 2014; and (b) 120-day extension or until 14 December 2014 through a letter dated 12 August 2014. The extensions were granted in order to give potential investors more time to conduct the necessary due diligence and for IGB and IC to study the proposals in the best interest of the policyholders.

Your request for an additional 180-day extension is evaluated in light of the reasons for its necessity and the accomplishments that the IGB and the conservator achieved for the last year of rehabilitation. The IC notes the significant efforts that the IGB had undertaken in order to achieve the goals of the modified rehabilitation plan. By reason of such efforts, the IGB has identified at least four (4) possible investors who can hopefully address the liquidity and solvency concerns of the company. Further, the company is in the process of addressing its operational and financial concerns through the intervention of the IGB and the conservator. In fact, important issues, such as payment of reinsurance premium, death claim benefits and outstanding debts, are given necessary significance by the IGB.

Time and strategic actions are necessary in order to successfully rehabilitate NLIC. It is apparent that IGB requires an additional period to ensure that all the components of the rehabilitation plan are effectively implemented. Nevertheless, only a reasonable time should be extended to the company given the urgency of the matter.

Accordingly, after consideration of the request, the IC hereby grants additional ninety (90) days to comply with all the requirements set forth in the 08 November 2013 IC Directive on the rehabilitation of NLIC. However, the IGB and the Conservator are enjoined to take the necessary measures to ensure that the effective rehabilitation of NLIC will be realized on or before the said period. The IC will continuously and closely monitor the developments of the rehabilitation process.

For your strict compliance.

Very truly yours,



EMMANUEL F. DOOC
Insurance Commissioner