



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



PRESS RELEASE
21 November 2016

IC Oversees Payment of Redemption Values to NLIC Policyholders

The Insurance Commission (IC) will supervise and direct the distribution of the redemption values to concerned policyholders of National Life Insurance Company of the Philippines (NLIC) that will commence today at the IC Head Office.

The First Distribution of redemption values will be made in favor of policyholders covered by the “mandatory redemption” or those policies of which any portion of the premiums paid was derived or taken or paid from the premium deposit fund. The distribution will be made in four (4) batches depending on the anniversary month of the policy.

Policyholders will receive the redemption amount computed based on the cash surrender value of the policy as of the December 31, 2014 multiplied by 60%, less policy loans and other obligations to the NLIC.

A total of 2,958 policies will be redeemed with an aggregate redemption value of P284.7M for the first distribution.

All concerned policyholders were notified as to the redemption amount, the date of release and the location where they can claim their checks, which, unless otherwise directed, shall be conducted within the premises of the IC Head Office.

The policyholders or their authorized representatives are required to present the original and duplicate copies of two (2) valid government-issued IDs bearing the policyholder’s picture and signature as well as the policy contract. In case of unavailability of the policy contract, a notarized Affidavit of Loss is required to be submitted. If the checks will be claimed by a representative, he/she is also required to present a notarized Special Power of Attorney and two (2) valid government-issued IDs bearing the representative’s picture and signature.

The Second Distribution, which is targeted to be made in the first quarter of 2017, will be made in favor of qualified policyholders for “optional redemption” who chose to have their policies redeemed. The policies that are covered by optional redemption are those with premiums fully paid for in cash. Notices will be sent to policyholders who are qualified for optional redemption.

In 2013, the IC issued a Directive ruling out the liquidation of NLIC and decided that the rehabilitation of the company would provide better options for all interested parties, especially the policyholders.

The IC then approved a Modified Rehabilitation Plan for NLIC taking into consideration the proposals from NLIC policyholders and IC-appointed conservator Mr. Ermilando D. Napa. A major component of the IC-approved Rehabilitation Plan is the entry of a strategic investor who will acquire NLIC and who must continue to operate the life insurance business and service the policyholders, among other conditions.

In May 2016, or almost after a decade since NLIC was placed under conservatorship due to deficiency in its capital and margin of solvency, the Insurance Commission approved the sale of NLIC in favor of 6762 Holdings Corporation after it emerged as the winning bidder pursuant to the IC-approved 2013 Modified Rehabilitation Plan for NLIC.

The May 2016 Sale and Purchase Agreement contains provisions which must be complied with before the completion of the transaction, including the redemption of insurance policies, payment of cash surrender values, and conversion of term policies.

NLIC was established in 1933 during the American colonization period engaged in the business of selling insurance products.

Concerned NLIC policyholders are advised to visit the website of the Insurance Commission at www.insurance.gov.ph for updates or contact the IC's Conservatorship, Receivership and Liquidation Division at telephone numbers (02) 5238461 to 70 local 105 or (02) 3540991. Policyholders may also contact NLIC at (02) 810-0251.


ATTY. JOANNE FRANCES D.C. CASTRO
Media Relations Officer
jfdc.castro@insurance.gov.ph