



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Manila



PRESS RELEASE

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IC PROBES PRIME CARE KAAGAPAY LIFE PLAN OVER SUSPICIOUS AND POSSIBLY FRAUDULENT BANK CERTIFICATIONS

Insurance Commissioner Dennis B. Funa issued a show cause order against Prime Care Kaagapay Life Plan, Inc. (Prime Care Kaagapay)— a pre-need company— over questions on its compliance with the required capitalization requirement under Republic Act No. 9829 otherwise known as The Pre-Need Code of the Philippines.

This is in line with the ongoing investigation by the Insurance Commission into Prime Care Kaagapay’s compliance with the minimum paid-up capital of P100 million in relation to its application for the renewal of its license to act as a pre-need company.

According to Commissioner Funa, “Upon investigation, it was discovered that Prime Care Kaagapay has submitted bank certifications to the Commission bearing the same serial number pertaining to the same account but with different amount of available balances.”

The submission of bank certifications is extremely crucial in serving as proof that a company possesses the required capitalization under the Pre-Need Code.

According to Commissioner Funa, the company submitted a bank certification when it applied for an original license to act as a pre-need company. However, this turned out to be spurious, as certified by the bank manager of the company’s depository bank.

“Upon verification with the depository bank of Prime Care Kaagapay, it was revealed that the bank certification, which was supposed to prove that it has the required P100 million minimum capitalization under the Pre-Need Code, was spurious,” said Commissioner Funa.

He added, “The depository bank made a certification effectively proving that the bank certification submitted by the company to the Insurance Commission is spurious.”

Based on the certification issued by the depository bank, the authentic bank certification actually reflects an outstanding balance below the minimum required paid-up capital for new pre-need companies.