



Circular Letter (CL) No.:	2022-44
Date:	10 October 2022
Supersedes:	CL No. 2015-61 CL No. 2021-13

CIRCULAR LETTER

TO : ALL PRENEED COMPANIES AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES

SUBJECT : AMENDED QUARTERLY REPORTORIAL REQUIREMENTS OF PRE-NEED COMPANIES

WHEREAS, under Section 6 (c) of Republic Act (RA) No. 9829, known as the "Pre-Need Code of the Philippines ("Code")," the Insurance Commission (IC) has the power to regulate, supervise and monitor the operations and management of pre-need companies to ensure compliance with the provisions of the Pre-Need Code;

WHEREAS, Circular Letter (CL) No. 2015-61 dated 23 December 2015 provides the quarterly reportorial requirements for pre-need companies;

WHEREAS, CL No. 2021-13 dated 03 March 2021 amends CL No. 2015-61 to provide additional quarterly reports for pre-need companies.

WHEREAS, on 18 July 2022, the IC issued CL No. 2022-37 to amend the guidelines on allowable investments for pre-need trust funds;

WHEREAS, reports under CL No. 2015-61 and CL No. 2021-13 need to be updated in accordance with the new requirements of CL No. 2022-37;

WHEREAS, under Section 6 (k) of the Code, the IC has the authority to prepare, approve, amend, or repeal rules, regulations and orders, and issue opinions and provide guidance on and supervise compliance with such rules, regulations, and orders;

NOW, THEREFORE, in view of all the foregoing and in accordance with the Insurance Commissioner's power under Section 6 of the Code, the following guidelines are hereby promulgated:

SECTION 1. APPLICABILITY

This CL shall be applicable for all future reporting periods starting 3rd quarter of 2022 onwards.

SECTION 2. QUARTERLY REPORTORIAL REQUIREMENTS

Pre-Need companies shall submit the following quarterly reportorial requirements:

A. Interim Financial Statements (IFS)

1. The IFS consist of the following with comparative figures from the immediately preceding audited financial statements and duly signed by the President and Finance Officer of the company:
 - i. Balance Sheet; and
 - ii. Income Statement.
2. The IFS shall be prepared in accordance with the current financial reporting requirements issued by the IC applicable to pre-need companies¹.

B. Consolidated Trust Fund Statements (CTFS)

Pre-Need companies shall consolidate the trust fund statements from their trustee bank/entities for each type of plan at a given quarter.

The consolidated trust fund statements shall be signed by the authorized representative of the pre-need company.

C. Amount of Availing Plans for the Succeeding Year (AVPSY)

To ensure that the trustee maintains a liquidity reserve, which shall be sufficient to cover at least fifteen percent (15%) of the trust fund but in no case less than one hundred twenty-five percent (125%) of the amount of the availing plans for the succeeding year, the pre-need company shall quarterly submit the benefits payable with the following breakdown:

1. Availing for succeeding year; and
2. Matured but unclaimed benefits.

D. Other Reports

In addition to IFS, CTFS and AVPSY, the following reports shall also form part of the quarterly reports to be submitted by the pre-need companies:

1. Breakdown of Pre-Need Reserves and Benefit Obligations/Payables per line of business/type of plan; and
2. Breakdown of Investments in Trust Funds per line of business/type of plan.

¹ Financial reporting refers to the framework as prescribe by the Insurance Commission (i.e. PNUCA)

The abovementioned data shall be segregated according to old basket (processed by the Securities and Exchange Commission (SEC) and new basket (processed by the Insurance Commission).

Templates of the reports mentioned above are attached as Annex "A," "B," "C" and "D" respectively.

Pre-Need companies shall also submit a cover letter in accordance with the prescribed format attached as Annex "E."

SECTION 3: DEADLINE OF SUBMISSION

The submission for each quarterly report of pre-need companies are due on or before the following dates:

Quarter Ending	Due Date
March 31	April 30
June 30	July 30
September 30	October 30
December 31	January 30

Penalty for late filing shall be Php5,000.00 basic fine plus Php500.00 for each day of delay pursuant to CL No. 2014-15 dated 15 May 2014.

If the deadline falls on a Saturday, Sunday or a holiday, the deadline shall be moved to the next working day.

SECTION 4: METHOD OF SUBMISSION

The quarterly reports mentioned under Section 2 A to D, including the cover letter, of this CL shall be uploaded in electronic copies (both PDF and Excel formats) through an upload link to be provided by the Pre-Need Division to the company's authorized representative.

The detailed process for the uploading documents is attached as Annex "F."

SECTION 5. SEPARABILITY CLAUSE

If any provision of this Circular shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SECTION 6. REPEALING CLAUSE

All CLs, rules and regulations or parts thereof, which are inconsistent with the provisions of this CL, are deemed repealed, superseded or modified accordingly.

SECTION 7. EFFECTIVITY CLAUSE

This Circular shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner



Attachments: As stated