



**IN THE MATTER OF THE
CLOSURE AND TERMINATION
OF THE LIQUIDATION PROCEEDINGS
OF VALUEGEN FINANCIAL INSURANCE,
INC. AND PHILIPPINE ASSOCIATION
FOR VOCATIONAL EDUCATION, INC.
MAS FUNDS**

CRL Ref. No. 2022-01

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DIRECTIVE

08 September 2022

This Directive is issued pursuant to Section 437, in relation to Section 256, of Republic Act No. 10607, otherwise known as the Amended Insurance Code, and for the purpose of closing and terminating the liquidation proceedings of **VALUEGEN FINANCIAL INSURANCE, INC. (VALUEGEN)** and **PHILIPPINE ASSOCIATION FOR VOCATIONAL EDUCATION, INC. MAS FUNDS (PAVE MAS)**.

A. For VALUEGEN

VALUEGEN FINANCIAL INSURANCE, INC. (VALUEGEN) voluntarily ceased doing insurance business effective June 30, 2010.

Result of the examination conducted by the IC Examiners as of March 31, 2010 showed that the company is not insolvent. The result of the 2009 examination of the company showed that it is fully compliant with the Margin of Solvency, Capital Investment, Reserve Investment; Minimum Statutory Networth and Minimum Risk Based Capital Ratio requirements of IC;

On August 3, 2010, a Memorandum of Agreement (MOA) was executed by and between MAA General Assurance Philippines, Inc. (MAA Gen) and Valuegen Financial Insurance, Inc. (Valuegen), transferring the latter's remaining portfolio (unexpired portion

of policies of covered individuals beginning July 1, 2010 until the respective expiration of the policies) to the former. In a letter to IC dated September 8, 2011, MAA Gen confirmed implementation of the MOA of the portfolio transfer;

B. For PAVE MAS

On January 25, 2006, a Conservator for PAVE MAS Funds was appointed in view of the impairment in the reserves of the Association for the years 1999, 2001, 2003 and 2004;

On July 10, 2007, the PAVE Board of Directors passed Resolution No. 01, s.2007, entitled "A Resolution to Terminate the Operation of the PAVE MAS and to Refund 50% of the Total Contributions of All Members";

On December 5, 2007, the Insurance Commission (IC) approved the liquidation of the Philippine Association for Vocational Education, Inc. (PAVE) MAS Funds. A Notice to the Public regarding liquidation of PAVE's Mutual Aid System (MAS) and requiring the filing of claims under oath not later than August 1, 2008 was published in a newspaper of general circulation on January 11, 18, 25 and February 1, 2008;

The guaranty fund of the Association was released to settle PAVE's payables which consisted of the return of 50% of the members' equity and established claims (death benefits);

Upon request of the Association, the services of the Conservator was terminated effective June 30, 2008. A Committee on Liquidation was constituted by the Association. The Association thru its Chairman from time to time submitted to IC, reports of payments made;

C. For Both VALUEGEN and PAVE MAS

On June 10, 17 and 24, 2022, the IC caused another Notice to be published in a newspaper of general circulation, giving parties having claims against Valuegen and PAVE MAS Funds the last chance to file their claims under oath, not later than July 24, 2022, together with all supporting documents and/or relevant proofs detailing the character, basis and amount of each and every claim directly with the CRL Division. As of today, no claims were filed against said company/Association's MAS Funds with the CRL Division in compliance with the said publication;

Records of the IC show that Valuegen and PAVE MAS Funds have both been undergoing liquidation proceedings for more than ten (10) years already. Furthermore, their respective offices and officers can no longer be contacted and/or located.

During the course of the respective liquidation proceedings of said company/Association's MAS Funds, the IC through the CRL Division, found that both company and association have neither security deposit/guaranty fund nor other assets available for distribution to their respective policyholders/members, stockholders and other creditors. Accordingly, it is believed that it is impracticable and unreasonable to continue said liquidation proceedings.

In view of the foregoing, this Commission hereby orders the respective liquidation proceedings of VALUEGEN FINANCIAL INSURANCE, INC. and PHILIPPINE ASSOCIATION FOR VOCATIONAL EDUCATION, INC. MAS FUNDS **CLOSED and TERMINATED**. No further proceedings shall be undertaken as regards the liquidation of said company and Association MAS Funds.

It is further ordered that a Notice to the Public be published in a newspaper of general circulation once a week for two (2) consecutive weeks observing the guidelines set forth in the Commission's Circular Letter No. 2016-34 dated 21 June 2016 (Re: "Newspaper Publication Requirement"), which shall advise the general public of the closure and termination of the liquidation proceedings of the said company and Association MAS Funds.

SO ORDERED.

City of Manila, Philippines, 08 September 2022.

DENNIS B. FUNA
Insurance Commissioner

