



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



**IN THE MATTER OF THE
CLOSURE AND TERMINATION
OF THE LIQUIDATION PROCEEDINGS
OF DEVELOPMENT INSURANCE AND
SURETY CORPORATION (DISCOR)**

CRL Ref. No. 2023-02

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DIRECTIVE

18 January 2023

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 **DEVELOPMENT INSURANCE AND SURETY CORPORATION (DISCOR)**.

DISCOR was registered with the Securities and Exchange Commission as company authorized to enter into non-life insurance business in October 1962. The Insurance Commission (IC) issued its Certificate of Authority to transact non-life insurance business likewise in October 1962, which was being renewed every year thereafter.

However, on November 11, 2004, in view of DISCOR's failure to cover up in full the balance of its capital impairment and margin of solvency deficiency amounting to P100,463,301.79 as of December 31, 2002, its Certificate of Authority was suspended and was ordered to cease and desist from transacting insurance business of any kind and character. On December 10, 2004, this Commission appointed a Conservator for the company.

On December 6, 2005, the company was placed under receivership and subsequently on April 26, 2007, DISCOR was placed under liquidation pursuant to the provisions of Section 249 of the Insurance Code.

In publication made in a newspaper of general circulation on December 02, 09, 16 and 23, 2007, the deadline set for the filing of verified claims against the company was on June 23, 2008.

A second and final Notice was published on September 15, 22 and 29, 2022 requiring those who were able to file their claims within the June 23, 2008 deadline to submit until October 29, 2022 proof of filing made. The Notice likewise gave the last chance to: 1.) all parties who were able to file their claims but failed to substantiate them and 2.) those who have not yet filed their claims with the said company, to file their claims under oath with the Conservatorship, Receivership and Liquidation Division (CRLD) of the Insurance Commission (IC) either personally or by mail not later than October 29, 2022. The said filing of claims must be supported with documents and/or relevant proofs detailing the character, basis and amount of each and every claim for consideration in the company's liquidation in accordance with pertinent provisions of Republic Act No. 10607, otherwise known as The Amended Insurance Code of the Philippines.

, the total current available and distributable asset of the company for payment of claims is Four Million Five Hundred Thirty Thousand Three Hundred Eighty-Four Pesos & 83/100 (Php4,530,384.83). Considering that the said amount is not sufficient to pay in full each and every insurance claim against the company, the settlement of said claims shall be on a pro-rata basis. The liquidation raBased on the records of the Insurance Commission, DISCOR has existing liabilities to its policyholders and claimants in the aggregate amount of Seventy-Two Million Six Hundred Fifty-Five Thousand Five Hundred Fifty-Two Pesos & 91/100 (Php72,655,552.91). Meanwhiletio is computed at 6.24%.

Insurance claims which are unsatisfied by the remaining security deposit and security fund shall be added to other liabilities which will be settled by the remaining corporate assets.

Considering that there are no preferred claims among the corporate liabilities, the same shall be distributed pro-rata among all corporate claimants in consonance with the provisions of Articles 2245 and 2251 (2) of the New Civil Code of the Philippines, in relation to the pertinent provisions of the Labor Code, and rules and regulations of this Commission.

Considering the long duration of the liquidation proceedings for DISCOR and considering further that the claimants and creditors of the company have been given enough opportunities to file their claims, this Commission has decided that the liquidation proceedings of DISCOR be now formally CLOSED AND TERMINATED. Hence, settlement of claims against the said company shall now proceed.

The Commission shall appoint a Distribution Officer (DO) in accordance with IC Circular Letter No. 2022-31 dated 22 June 2022, to distribute DISCOR's current available and distributable assets to its claimants with liquidation value equivalent to 6.24% only of their total claims.

While the distribution of the current available and distributable assets of DISCOR is on-going, the Commission, through the Conservatorship, Receivership and Liquidation Division (CRLD), with the assistance of the DO or recommended real estate broker and legal consultant, if needed, shall continue with its efforts to dispose

of DISCOR's real estate properties in accordance with IC's existing guidelines, procedures and rules and regulations.

The proceeds of the sale of said corporate assets shall be distributed by the DO during the subsequent tranche distribution to all its policyholders, claimants, creditors and stockholders who were already considered in the list of liabilities, until all the proceeds of said assets are fully exhausted up to the extent of DISCOR's liabilities to its policyholders, claimants and creditors.

The designated DO shall cause the publication in a newspaper of general circulation of a Notice informing the public of the closure and termination of the liquidation proceedings of DISCOR. She shall also cause the posting in the IC website of the list of the claimants of the company.

Within one (1) year from the publication of the aforesaid Notice, the claimants of DISCOR must claim the liquidation value of their unpaid benefits. Otherwise, the same shall be considered as "*abandoned benefits*" and thereafter redistributed in accordance with IC-Circular Letter No. 2022-31 dated 22 June 2022.

Further, the public is hereby advised that the responsibility of filing dissolution with the Securities and Exchange Commission (SEC) is now lodged with DISCOR after payment of all its debts and liabilities, and all concerns against it shall now be directly addressed by the concerned company or the designated DO.

SO ORDERED.

Manila, Philippines, _____ 18 January 2023 .


DENNIS B. FUNA
Insurance Commissioner

