

ANNEX A – SUPPLEMENTARY REPORT

SAMPLE REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE INSURANCE COMMISSION

The Board of Directors and Stockholders
Company Name
Company Address

We have audited in accordance with the Philippine Standard on Auditing the financial statements of _____ (the Company) as at and for year ended (Date), on which we have rendered our report dated (Audit Report Date).

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the “Annex” is the responsibility of the Company’s management.

The supplementary information is presented for purposes of complying with the Insurance Commission Circular Letter No. ____ and is not a required part of the Company’s basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company’s basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Name and Signature of External Auditor / Auditing Firm

ITEMS TO BE REPORTED IN THE SUPPLEMENTARY REPORT BY THE NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES

Item 1, Premiums Earned but Uncollected, represents the portion of the premiums already earned but still uncollected as of the end of the accounting period arising from direct insurance and inward reinsurance businesses.

The Company shall provide the **aggregate** amount of **Premiums Earned but Uncollected** and a short description thereof under Item 1.

Sample:

Case 1: Premium received is higher than the amount of premium earned.

Case 2: Premium earned is higher than the amount of premium received.

	Case 1	Case 2
Premium Received	P 100	P 100
Premium Earned	(40)	(160)
Insurance Contract Liability (Asset) / Premium Uncollected	P 60	P (60)

Under Case 1, no amount will be included in the supplementary report since the amount of premium earned is lower than the amount of premium received.

Under Case 2, the portion of the premium earned amounting to P60 will be reported in the supplementary report since it is already earned but remains uncollected.

Item 2, Amounts Recoverable from Reinsurers, pertains to the uncollected share of the reinsurers in paid and unpaid losses and loss adjustment expenses in connection with treaty and facultative arrangements.

The Company shall provide the **aggregate** amount of **Amounts Recoverable from Reinsurers** and a short description thereof under Item 2.

Item 3, Funds Held for Reinsurers, represents the portion of the reinsurance premiums ceded to reinsurers, which are withheld by the company in accordance with the reinsurance agreements and/or laws, rules, and regulations.

The Company shall provide the **aggregate** amount of **Funds Held for Reinsurers** and a short description thereof under Item 3.

Item 4, Funds Held by Ceding Companies, represents amounts pertaining to a certain percentage of the total reinsurance premiums due within one year from date of retention being held by ceding companies.

The Company shall provide the **aggregate** amount of **Funds Held by Ceding Companies** and a short description thereof under Item 4.

ITEMS TO BE REPORTED IN THE SUPPLEMENTARY REPORT BY THE LIFE INSURANCE COMPANIES

Item 1, Premiums Due and Uncollected, represents the portion of the premiums already earned but still uncollected as of the end of the accounting period arising from direct insurance and inward reinsurance businesses.

The Company shall provide the **aggregate** amount of **Premiums Earned but Uncollected** and a short description thereof under Item 1.

Item 2, Amounts Recoverable from Reinsurers, pertains to the uncollected share of the reinsurers in paid and unpaid losses and loss adjustment expenses in connection with treaty and facultative arrangements.

The Company shall provide the **aggregate** amount of **Amounts Recoverable from Reinsurers** and a short description thereof under Item 2.

Item 3, Funds Held by Ceding Companies, represents amounts pertaining to a certain percentage of the total reinsurance premiums due within one year from date of retention being held by ceding companies.

The Company shall provide the **aggregate** amount of **Funds Held for Reinsurers** and a short description thereof under Item 3.

Item 4, Funds Held for Reinsurers, represents the portion of the reinsurance premiums ceded to reinsurers, which are withheld by the company in accordance with the reinsurance agreements and/or laws, rules, and regulations.

The Company shall provide the **aggregate** amount of **Funds Held by Ceding Companies** and a short description thereof under Item 4.

Item 5, Policy Loans, represents the outstanding balances of loans granted to policyholders at prescribed interest rates, fully secured by the cash surrender value of the underlying insurance policy.

The Company shall provide the **aggregate** amount of **Policy Loans** and a short description thereof under Item 5.

Item 6, Segregated Fund Assets, represents the amount of investment fund owned by unit-linked policyholders in addition to insurance coverage. These constitute unit-linked premium collections that are placed to segregated funds, which are generally managed by a trustee bank/asset-management company.

Segregated Fund Liabilities, represent the segregated funds belonging to the unit-linked policyholders. Segregated fund liabilities are set up equal to the segregated fund assets less redemptions and plus subscriptions outside segregated funds.

The Company shall provide the aggregate amount of **Segregated Fund Assets** and **Segregated Fund Liabilities** and a short description thereof under Item 6:

	Aggregate
ASSETS	
Cash and cash equivalents	XX
Financial Assets at Fair Value	XX
Through Profit or Loss (FVTPL)	XX
Financial Assets at Fair Value	XX
Through Other Comprehensive Income (FVOCI)	XX
Investment Securities at Amortized Cost (AC)	XX
Loans and Receivables	XX
Investments Income Due and Accrued	XX
Other Assets	XX
TOTAL ASSETS (A)	XX
LIABILITIES	
Accounts payables	XX
Accrued expenses	XX
Other Liabilities	XX
TOTAL LIABILITIES (B)	XX
SEED CAPITAL (C)	XX
SEGREGATED FUND ASSETS/LIABILITIES (A-B-C)	XX
RESERVE LIABILITY FOR INSURANCE CONTRACTS	XX