

## **ANNEX A – SUPPLEMENTAL 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 the financial statements of \_\_\_\_\_ (the Company) as at and for year ended (Date) in accordance with the Philippine Standards on Auditing, on which we have rendered our report dated (Audit Report Date).

Our audit was conducted for the purpose of forming an opinion on the Company's basic financial statements 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

## **INSURANCE AND REINSURANCE ASSET AND LIABILITY ITEMS TO BE REPORTED IN THE SUPPLEMENTAL REPORT**

### **Non-Life Insurance, Non-Life Unit of Composite Insurance, and Professional Reinsurance Companies**

**Item 1, Premiums Receivable**, represents the uncollected premiums on direct business, including those arising from general agents and insurance brokers. This account shall include taxes and other charges, provided these are properly segregated and the corresponding liabilities are appropriately booked.

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

**Item 2, Due from Ceding Companies**, pertains to the uncollected premiums arising from treaty and/or facultative acceptances from ceding companies.

The Company shall provide the **aggregate** amount of **Due from Ceding Companies** and a short description thereof under Item 2.

**Item 3, Funds Held by Ceding Companies**, pertains to the portion of total reinsurance premiums due within one year from the date of retention held by ceding companies.

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

**Item 4, Loss Reserve Withheld by Ceding Companies**, pertains to a portion of reinsurance premium withheld by ceding companies under treaty and/or facultative agreements as reserve for losses.

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

**Item 5, Surety Losses Recoverable**, represents the estimated recoveries from losses on surety policies issued.

The Company shall provide the **aggregate** amount of **Surety Losses Recoverable** and a short description thereof under Item 5.

**Item 6, 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 6.

**Item 7, Due to Reinsurers**, represents the unpaid premiums arising from treaty and/or facultative arrangements with reinsurers.

The Company shall provide the **aggregate** amount of **Due to Reinsurers** and a short description thereof under Item 7.

**Item 8, Funds Held for Reinsurers**, represents the portion of 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 8.

## **Life Insurance Companies and Life Unit of Composite Insurance Companies**

**Item 1, Premiums Due and Uncollected**, represents the premiums due within the grace period but have not been paid as of the end of accounting period on all life policies which are classified as in-force in the Company's valuation records. The amount for this account shall be the gross premiums net of loadings such as commissions and premium taxes.

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

**Item 2, Due from Ceding Companies**, pertains to the uncollected premiums arising from treaty and/or facultative acceptances from ceding companies.

The Company shall provide the **aggregate** amount of **Due from Ceding Companies** and a short description thereof under Item 2.

**Item 3, Funds Held by Ceding Companies**, pertains to the portion of total reinsurance premiums due within one year from the date of retention held by ceding companies.

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

**Item 4, 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 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, Due to Reinsurers**, represents the unpaid premiums arising from treaty and/or facultative arrangements with reinsurers.

The Company shall provide the **aggregate** amount of **Due to Reinsurers** and a short description thereof under Item 6.

**Item 7, Funds Held for Reinsurers**, represents the portion of 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 7.

**Item 8.a, Segregated Fund Assets**, represents the amount of investment fund owned by unit-linked policyholders in addition to the 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.

**Item 8.b, Segregated Fund Liabilities** represents the segregated funds belonging to the unit-linked policyholders. Segregated fund liabilities are set up equal to the segregated fund assets less redemptions plus subscriptions outside segregated funds.

The Company shall provide the amount of **Segregated Fund Assets** and **Segregated Fund Liabilities** and a short description thereof under Item 8:

|   | Individual<br>Fund |
|---|--------------------|
| <b>ASSETS</b>                                     |                    |
| Cash and Cash Equivalents                         | XX                 |
| Financial Assets at Fair Value                    |                    |
| Through Profit or Loss (FVTPL)                    | XX                 |
| Available-for-Sale (AFS) Financial Assets         | XX                 |
| Held-to-Maturity (HTM) Investments                | XX                 |
| Loans and Receivables                             | XX                 |
| Investment Income Due and Accrued                 | XX                 |
| Other Assets                                      | XX                 |
| <b>TOTAL ASSETS (A)</b>                           | XX                 |
| <b>LIABILITIES</b>                                |                    |
| Accounts Payables                                 | XX                 |
| Accrued Expenses                                  | XX                 |
| Other Liabilities                                 | XX                 |
| <b>TOTAL LIABILITIES (B)</b>                      | XX                 |
| <b>SEED CAPITAL (C)</b>                           | XX                 |
| <b>SEGREGATED FUND ASSETS/LIABILITIES (A-B-C)</b> | XX                 |
| <b>RESERVE LIABILITY FOR INSURANCE CONTRACTS</b>  | XX                 |