



Circular Letter (CL) No.:	2025-05
Date:	17 March 2025
Supersedes:	CL Nos. 2022-12 and 2024-20

CIRCULAR LETTER

TO : ALL HEALTH MAINTENANCE ORGANIZATIONS (HMOs) IN THE PHILIPPINES

SUBJECT : APPLICATION OF PHILIPPINE FINANCIAL REPORTING STANDARD 17-INSURANCE CONTRACTS (PFRS 17) IN THE AUDITED FINANCIAL STATEMENTS (AFS) AND PREPARATION OF IC REPORTORIAL REQUIREMENTS

WHEREAS, the Financial and Sustainability Reporting Standards Council (FSRSC) and Professional Regulatory Board of Accountancy (PR-BOA) adopted International Financial Reporting Standard 17-Insurance Contracts as Philippine Financial Reporting Standard 17-Insurance Contracts (PFRS 17), which was later adopted by the Securities and Exchange Commission (SEC) as part of its financial reporting framework;

WHEREAS, through FSRSC Pronouncement dated 21 December 2021, PR-BOA Resolution No. 1, s. 2022, and IC Circular Letter (CL) No. 2022-12 the adoption of PFRS 17 was deferred from 1 January 2023 to 1 January 2025;

WHEREAS, due to gaps in the industry's preparation for PFRS 17 and the need for additional time to ensure a smooth transition while maintaining regulatory stability, the IC, FSRSC, and SEC are discussing an effective, proportionate, and well-coordinated PFRS 17 framework;

WHEREAS, the FSRSC and the PR-BOA have set the new effectivity date of PFRS 17 to 1 January 2027;

WHEREAS, the IC issued CL No. 2025-04 to establish the implementation framework of PFRS 17 for insurance companies;

WHEREAS, there is a need to align the implementation framework of PFRS 17 for HMOs to ensure the industry's effective adoption;

NOW, THEREFORE, in view of the foregoing and pursuant to the powers granted to the Insurance Commissioner under Section 4 of Executive Order 192, s. 2015, the following rules and regulations are hereby promulgated:

SECTION 1. APPLICATION OF PFRS 17 IN THE AUDITED FINANCIAL STATEMENTS (AFS)

All HMOs shall adopt PFRS 17 in their AFS for submission to the SEC effective 1 January 2027. However, companies are allowed to adopt PFRS 17 in their AFS beginning 1 January 2025.

SECTION 2. PREPARATION OF IC REPORTORIAL REQUIREMENTS

All HMOs shall continue to prepare the following IC reportorial requirements based on the existing CLs:

Reportorial Requirements	Basis for Preparation
a. Quarterly reporting	CL No. 2018-68
b. Annual reporting	
c. Actuarial Valuation Report (AVR)	CL Nos. 2020-22 and 2022-49

SECTION 3. SUBMISSION OF QUARTERLY PFRS 17 STATUS REPORTS

All companies shall be required to submit PFRS 17 status reports as required attachments to their quarterly Interim Financial Statements (IFS). These reports shall be duly approved and signed by the company's President, Chief Executive Officer, or its authorized representative.

At a minimum, the status report shall include the following:

- A summary of implementation activities in preparation for the adoption of PFRS 17 by 1 January 2027;
- An overview of risks, challenges, and issues encountered with corresponding mitigation measures or action taken to address them;
- An assessment of PFRS 17 preparedness; and
- The company's PFRS 17 accounting policies.

The PFRS 17 status report shall be submitted in Excel format (.xls/.xlsx) using the attached template (**Annex A**) and must be uploaded to the IC Online Uploading Portal (<https://onuploading.insurance.gov.ph>) on or before the specified dates.

Quarter Ending	Due Date
March 31	April 15*
June 30	July 15
September 30	October 15
December 31	January 15

**For Q1 2025, the report is due on 31 May.*

SECTION 4. REPORTING OF PFRS 17 VALUATIONS

Companies implementing PFRS 17 shall include an additional schedule (**Annex B**) in their annual reporting. This schedule shall detail the changes or movements in the PFRS 17 reserve valuations, which shall form part of the Commission's reserve requirements pursuant to CL Nos. 2020-22 and 2022-49.


REYNALDO A. REGALADO
Insurance Commissioner

