



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

Circular Letter (CL) No.:	2015-47
Date:	14 September 2015
Amends:	Circular Letter No. 2015-43 dated 07 August 2015

**CIRCULAR LETTER**

**TO :**

- 1. PRE-NEED COMPANIES**
- 2. ENTITIES AUTHORIZED TO ENGAGE IN TRUST OPERATIONS AND ACT AS TRUSTEE FOR PRE-NEED COMPANIES**

**SUBJECT :** **Amendments to Circular Letter No. 2015-43 dated 07 August 2015, Changing the Term “Excess Liability Reserves of Closed Accounts” to “Excess Trust Fund Corresponding to the Closed Accounts” and Providing Additional Guidelines and Requirements for Requests for the Withdrawal of the Excess Trust Fund Corresponding to the Closed Accounts**

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Circular Letter No. 2015-43 is hereby amended as follows:

1. Section 2 (g) is hereby amended to read as follows:

*“g. **Excess Trust Fund Corresponding to the Closed Accounts** refers to the excess of the Pre Need Reserve Liability (PRL) over the actual benefit/cost paid for closed accounts.”*

2. Section 4 is hereby amended to read as follows:

*“Section 4. **Determination of the Net Surplus Fund***

*The Net Surplus Fund is an extended fund of the Trust Fund. Its availability shall be determined based on the trust fund income as of December 31 of the immediately preceding calendar year.*

The Net Surplus Fund is determined as follows:

Trust Fund Surplus (TFS)		xxxxx
Less: Provision for Adverse Deviation (PfAD)	xxxxx	
<u>Excess Trust Fund Corresponding to the Closed Accounts</u>	<u>xxxxx</u>	<u>xxxxx</u>
Net Surplus Fund		xxxxx”

3. Section 6 is hereby amended to read as follows:

**“Section 6. Withdrawal of the Excess Trust Fund Corresponding to the Closed Accounts**

Application for the withdrawal of Excess Trust Fund Corresponding to the Closed Accounts shall be on a per pre-need plan type/ category (Education Plan, Pension Plan, or Life/ Memorial Plan).

Withdrawal of the Excess Trust Fund Corresponding to the Closed Accounts from the Trust Fund may be allowed subject to the prior approval of the Commission and payment of processing fee of Fifty Thousand Pesos (P50,000.00).

Request for the withdrawal of the Excess Trust Fund Corresponding to the Closed Accounts shall be submitted within thirty (30) days from receipt by the Commission of the Actuarial Valuation Report, provided that the Actuarial Valuation Report is submitted on time together with the Annual Financial Statement.

In case the Commission acts favorably on the request, withdrawal shall be made within sixty (60) days from receipt of approval, provided it shall not be later than the end of the year when it was approved. No withdrawal after the sixty (60) day-period and beyond the end of the year mentioned above shall be allowed by the Trustee Bank.

Only a one-time withdrawal shall be allowed during the year. Any Excess Trust Fund Corresponding to the Closed Accounts not withdrawn shall revert to the corresponding Trust Fund account.

The amount of Excess Trust Fund Corresponding to the Closed Accounts to be withdrawn shall not exceed One Billion Pesos (PhP1,000,000,000.00).

The total plan deposit and Excess Trust Fund Corresponding to the Closed Accounts information per plan contract shall be included in the monthly Trust Fund Withdrawal Report submitted to the Insurance Commission.”

4. Section 7 is hereby amended to read as follows:

**“Section 7. Certification of Accredited Actuary**

*As part of the requirements, the company must submit a certification signed by its accredited actuary of the following items:*

- a. Pre-Need Reserve Liability as of the immediately preceding yearend with Provision for Adverse Deviation;*
- b. Computation of Excess Trust Fund Corresponding to the Closed Accounts; and;*
- c. Net Surplus Fund.”*


5. Section 8 is hereby added, which shall provide:

**“Section 8. Additional Requirements**

*The foregoing shall be without prejudice to the right of the Commission to require submission of additional documents and/or information needed in the evaluation of the request for withdrawal of the Excess Trust Fund Corresponding to the Closed Accounts.”*

6. Section 7 of Circular Letter No. 2015-43 is hereby renumbered as Section 9.

For your information and guidance.

  
**EMMANUEL F. DOOC**  
Insurance Commissioner 