



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Circular Letter:	<u>10-2010</u>
Date:	March 9, 2010
Superseding:	Nil

CIRCULAR LETTER

To : All PRE-NEED COMPANIES

Subject : Filing of Audited Financial Statements and Annual Statements of Trust Funds

Pursuant to the provisions of the Pre-need Code of the Philippines, all pre-need companies are required to submit, not later than April 30 the following year, Audited Financial Statements covering the fiscal period ending December 31 of each year. Thus, submissions covering the 2009 fiscal period are due on or before April 30, 2010.

Please observe the following:

- a) Submission shall be done in two (2) copies with comparative figures for the reporting year and prior year signed by an accredited external auditor, duly stamped "Received" by the BIR;
- b) The financial statements shall be submitted together with the Annual Statements of all trust funds for each type of plan issued by the pre-need company, signed and sworn to by at least two (2) of the highest ranking officers of the company, together with all the documents listed in Annex A; and,
- c) Any financial statement submitted with incomplete attachments shall not be accepted.

The penalty for late filing shall be P5,000.00 basic fine plus P100.00 for each day of delay.

For strict compliance.


SANTIAGO JAVIER RANADA
Insurance Commissioner



**LIST OF MINIMUM DOCUMENTS REQUIRED TO BE SUBMITTED TOGETHER WITH THE
FILING OF AUDITED FINANCIAL STATEMENTS OF PRE-NEED COMPANIES:
For the Year Ended December 31, 2009**

A. Documents in 2 copies each, together with a soft copy:

1. Adjusted Trial Balance, signed by the Chief Accountant;
2. Reconciliation Statement of the Audited Financial Statements versus the Adjusted Trial Balance figures;
3. Detailed schedules of all assets and liability accounts (Use attached pro-forma);
4. Summary of Monthly Deposits to the Trust Fund (Use attached pro-forma);
5. Summary of Monthly Withdrawals from the Trust Fund (Use attached pro-forma);
6. List of Investment Accounts under the Insurance Premium Fund as of year-end, together with supporting detailed schedule of all accounts;

B. One copy for each of the following documents:

1. List of fully paid plans as of year-end;
2. List of availing plans for the year 2010;
3. Income Statement (Use attached pro-forma);
4. List of current members of board of directors, their respective addresses, positions and committee membership;
5. Copy of minutes of meetings of the board and executive committees, including a copy each of the board resolutions made during the year;
6. Statement of Management's Responsibility signed under oath by the company's Chairman of the Board, Chief Executive Officer and Chief Financial Officer containing the declaration stated in Section 42 of the Pre-need Code;
7. Annual Pre-need Reserve Valuation Report;
8. Sworn Statement from the responsible officers of the company stating that:
 - 1) The valuation was based on complete and accurate data;
 - 2) Only withdrawals allowed by the Commission have been made from the Trust Fund;
 - 3) Any deficiency in the Trust Fund has been duly addressed, attaching proofs of the same.
9. Sworn statement from the Insurer certifying the coverages or guarantees assumed by the insurance company indicating the extent, term and duration of such coverages/guarantees;
10. Bank statements, passbooks and certificates of all current, savings and time deposit accounts, respectively, as of December 31, 2009 and January 2010, together with the pertinent bank reconciliation statements;
11. Official receipts, bank validated deposit slips and bank statements to support year-end deposits in transit, if any;
12. Confirmation of sales of investments in Bonds and Treasury Bills, together with the Statement of Securities Account as of year-end issued by the Bureau of Treasury - Registry of Scriptless Securities;
13. Statement of Holdings as of year-end from the company's custodian bank for dollar-denominated Bonds;
14. Statement of Account as of year-end from Philippine Depository & Trust Corp. for scriptless stock investments;
15. Report from a licensed real estate appraiser, accredited by the Philippine Association of Real Estate Appraisers, to support any increase or decrease in the value of Real Estate properties;
16. Documents supporting investments in commercial papers;
17. Documents supporting Mortgage Loans and other Loans accounts;
18. Official receipts to support 2009 payments of Value-added and Documentary Stamps Taxes.

Attachments to be submitted together with <u>Audited Financial Statements</u> of Pre-Need Companies			
Exhibits and Schedules			
As of December 31, 2009			
1	Exhibit	1	Balance Sheet
2		2	Monthly Summary of Deposits to the Trust Fund
3		3	Monthly Summary of Withdrawals from the Trust Fund
4	Schedule	A	Investments in Trust Funds
5		B	Bonds
6		C	Treasury Bills
7		D	Stock
8		E	Real Estate Owned
9		F	Mortgage Loans
10		G	Planholders' Loans
11		H	Other Loans
12		I	Cash on Hand and in Banks
13		J	Commercial Papers
14		K	Other Investments
15		L	Insurance Premium Fund
16		M	Installment Contracts Receivable
17		N	Accounts / Notes Receivable
18		O	Accounts / Notes Payable
19	Others - Stats Form		Income Statement
20			Investment at Cost

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of *(Pre-need Company)*

Exhibit 1 - Balance Sheet

ASSETS	Current Year	Previous Year
1. Investments in Trust Funds (Schedule A)		
2. Bonds (Schedule B)		
3. Treasury Bills (Schedule C)		
4. Stocks (Schedule D)		
5. Real Estate (Schedule E)		
6. Mortgage Loans (Schedule F)		
7. Planholders' Loans (Schedule G)		
8. Other Loans (Schedule H)		
9. Cash on Hand & in Banks (Schedule I)		
10. Commercial Papers (Schedule J)		
11. Other Investments (Schedule K)		
12. Insurance Premium Fund (Schedule L)		
13. Installment Contract Receivables (Schedule M)		
14. Accrued Investment Income		
15. Accounts / Notes Receivable (Schedule N)		
16. Property and Equipment		
17. Inventories		
18. Other Assets		
Total Assets		
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LIABILITIES		
1. Pre-need Reserves		
2. Insurance Premium Reserve		
3. Other Reserves		
4. Planholders' Benefits Payable		
5. Unearned Investment Income		
6. Accounts / Notes Payable (Schedule O)		
7. Taxes Payable		
8. Accrued Expenses		
9. Other Liabilities		
Total Liabilities		
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STOCKHOLDERS' EQUITY		
10. Capital Stock Paid-up		
11. Additional Paid-in Capital		
12. Deposit for Future Subscription		
13. Special Surplus Funds:		
Fluctuation Reserve - Stocks		
Fluctuation Reserve - Foreign Exchange		
Revaluation Reserve - Real Estate		
14. Retained Earnings - Trust Fund		
15. Retained Earnings		
Total Stockholders' Equity		
Total Liabilities & Stockholders' Equity		
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FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

EXHIBIT 2 - MONTHLY SUMMARY OF DEPOSITS TO THE TRUST FUND

Period (1)	Amount of Required Deposit (2)	Amount of Actual Deposit (3)	Date of Deposit (4)	Remarks (5)
	January			
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
TOTALS				

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

EXHIBIT 3 - MONTHLY SUMMARY OF WITHDRAWALS FROM THE TRUST FUNDS

Period	Total Amount of Withdrawal (2)	Breakdown / Purpose of Withdrawal				Description for "Others" (7)	Remarks (8)
		Planholders' Benefits (3)	Trustee's Fees (4)	Taxes (5)	Others (6)		
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
TOTALS							

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE A - INVESTMENTS IN TRUST FUNDS

Description*	VALUE OF INVESTMENTS				INTEREST / DIVIDEND / RENTAL INCOME			
	MEMORIAL (2)	PLAN			Collected During the Year (6)	Accrued Previous Year (7)	Accrued Current Year (8)	Earned During the Year (9)
		PENSION (3)	EDUCATIONAL (4)	TOTAL (5)				
Bonds								
Treasury Bills								
Stocks								
Real Estate								
Mortgage Loans								
Planholders' Loans								
Cash in Savings/Time Deposits								
Commercial Papers								
Other Investments								
TOTALS								

* Attach supporting Schedules for each investment account, separately using the same pro-forma Schedules of B, C, D, E, F, G, H, I, J, & for K.

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE B - BONDS

DESCRIPTION (1)	DATE		Maturity (4)	Serial No. (5)	CERTIFICATES		Underwriting Discount / Premium (8)	Acquisition Cost (9)	Annual Rate (10)	How Paid* (11)	Collected during the Year (12)	INTEREST				
	Acquired (2)	Issued (3)			Per Certificate (6)	Face Value Total (7)						Accrued Previous Year (13)	Accrued Current Year (14)	Earned During the Year (15)		
Domestic Issues:																
Sub-total																
Foreign Issues:																
Sub-total																
TOTALS																

*Indicate whether annually, semi-monthly, quarterly or monthly.

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE C - TREASURY BILLS

	Purchased From (1)	Custodian (2)	DATE		Conf of Sale Number (5)	Serial No (6)	Face Value (7)	Acquisition Cost (8)	Net Discount (9)
			Acquired (3)	Maturity (4)					
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
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19									
20									
TOTALS									

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE E - REAL ESTATE OWNED

(TCT No.; City/Province)	Area & Description of Lot & Building	Name of Vendor	Date Acquired	Estimated Life of Building	Actual Cost	Accumulated Depreciation Building	Net Book Value	Market Value per Appraisal	RENTAL INCOME				Encumbrance (if Any)
									Collected During the Year	Accrued Previous Year	Accrued Current Year	Earned During the Year	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Occupied by the company:													
Lot													
Building													
Sub-total													
<u>Other Real Estate Producing Income</u>													
Lot													
Building													
Sub-total													
GRAND TOTALS													

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE I - CASH ON HAND & IN BANKS

Name & Location of Bank	Account Number	Outstanding Balance	INTEREST			Earned During the Year (7)
			Collected During the Year (4)	Accrued Previous Year (5)	Accrued Current Year (6)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Cash in Company's Office:						
Petty Cash Fund						
Revolving Fund						
Commission Fund						
Sub-total						
Cash in Bank:						
Current Accounts:						
Savings Accounts:						
Time Deposit Accounts:						
Sub-total						
GRAND TOTALS						

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE K - OTHER INVESTMENTS

Description	Account Number	Date of Placement	Number of Shares	Acquisition cost	Market Value	INTEREST			
						Collected During the Year (7)	Accrued Previous Year (8)	Accrued Current Year (9)	Earned During the Year (10)
<u>Mutual Funds:</u>									
1	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2									
<u>Unit Investment Trust Funds:</u>									
1									
2									
<u>Others:</u>									
1									
2									
TOTAL									

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 of (Pre-need Company)

SCHEDULE L - INSURANCE PREMIUM FUND

Description of Investments *	(1)	Acquisition Cost (2)	Book Value (3)	Face Value (4)	Market Value (5)	INTEREST/DIVIDEND			
						Collected During the Year (6)	Accrued Previous Year (7)	Accrued Current Year (8)	Earned During the Year (9)
1. Bonds	Schedule B-1								
2. Treasury Bills	Schedule B-2								
3. Stocks	Schedule B-3								
4. Cash in Savings/Time Deposits	Schedule B-4								
5. Commercial Papers	Schedule B-5								
TOTALS									

* Attach supporting Schedules for each investment account, separately using the same pro-forma Schedules of B, C, D, E & for K.

INVESTMENT AT COST for the year ended December 31, 20__

	PENSION	LIFE	EDUCATIONAL	TOTAL
1. BONDS				
A. GOVERNMENT				
A.1 Fixed Rate Treasury Notes				
A.2 Floating Rate Treasury Notes				
A.3 PEA Bonds				
A.4 ST Denominated Bonds (ERAP)				
A.5 Agrarian Reform Bonds/Landbank				
A.6 Philippine Issued Eurobonds (P, \$)				
B. PRIVATE BONDS				
C. FOREIGN BONDS				
2. STOCKS				
3. REAL ESTATE				
4. PURCHASE MONEY MORTGAGES				
5. MORTGAGE LOANS ON REAL ESTATE				
6. COLLATERAL LOANS				
7. GUARANTEED LOANS				
8. OTHER LOANS				
8.1 Car Loans				
8.2 Chattel				
8.3 Other Loans				
9. SHORT-TERM INVESTMENTS				
9.1 Short-Term Government Bonds				
9.1.1 Treasury Bills				
9.2 Commercial Papers				
9.3 Promissory Note				
9.4 Fixed Income				
9.5 Repurchase Agreement				
10. OTHER INVESTMENTS				
10.1 Contract Receivables				
10.2 Proprietary Shares				
10.3 Long-Term Commercial Papers				
11. FIXED DEPOSITS				
11.1 Super/Special Savings				
11.2 Time Deposits				
TOTAL INVESTMENTS				

NAME OF COMPANY _____

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