



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



Circular Letter (CL) No.:	2018-15
Date:	02 March 2018
Amends:	Item 11.B.1.d.iii. Fully Paid Plans of IC Circular Letter 2018-01

TO : ALL PRE-NEED COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : Amendment to item 11.B.1.d.iii. Fully Paid Plans of Insurance Commission Circular Letter 2018-01 on the Adoption and Implementation of the Manual of Examination of Pre-Need Companies

WHEREAS, IC Circular Letter No. 2018-01 dated 03 January 2018 on the Adoption and Implementation of the Manual of Examination of Pre-Need Companies was adopted by the Commission for the guidance of all its examiners in conducting examination/verification of the annual statements of pre-need companies.

WHEREAS, the Commission shall have the authority to make, amend and rescind such accounting rules and regulations applicable for pre-need companies. The Commission may prescribe, among other things, the form or forms in which required information shall be set forth, the items or details to be shown in the components of the financial statements, and the recognition and measurement basis to be adopted for each account, after considering the nature of the operation of the pre-need industry. Pre-need companies shall strictly comply with such accounting rules and regulations as prescribed by the Commission.¹

NOW THEREFORE, pursuant to the authority of the Insurance Commissioner under Section 6 of the Pre-Need Code, Item 11.B.1.d.iii. Fully Paid Plans of IC Circular Letter No. 2018-01 on the Adoption and Implementation of the Manual of Examination of Pre-Need Companies shall now read as follows:

“(iii) Fully Paid Plans

- (1) For those due for payment within the next five (5) years, the reserve shall be the present value of future maturity benefits discounted at the attainable rate; as determined and certified by the company’s trustee using industry best practices and principles which shall indicated in such certification;

¹ Section 47 of the Pre-Need Code.

(2) For those not yet due for payment within the next five (5) years, the reserve shall be at present value of future maturity benefits discounted in accordance with IC Circular Letter No. 23-2012.”

This Circular shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

