



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



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Supersedes/ Amends:	

### CIRCULAR LETTER

**TO : ALL CONSERVATORS, RECEIVERS, AND LIQUIDATORS (CRLrs) OF INSURANCE COMPANIES AND MUTUAL BENEFIT ASSOCIATIONS (MBAs) UNDER CONSERVATORSHIP, RECEIVERSHIP, OR LIQUIDATION**

**SUBJECT : REINSURANCE OF OUTSTANDING POLICIES OF INSURANCE COMPANIES AND MBAs UNDER CONSERVATORSHIP, RECEIVERSHIP, OR LIQUIDATION**

WHEREAS, Section 256 (3) of Republic Act No. 10607, otherwise known as the Amended Insurance Code of the Philippines, provides that a duly appointed Liquidator of an insurance company or MBA placed under liquidation "*shall x x x reinsure all its outstanding policies*";

WHEREAS, this Commission recognizes that the duly appointed Conservators and Receivers of insurance companies or MBAs under conservatorship or receivership may likewise reinsure said companies' outstanding policies as part of a rehabilitation strategy to restore said companies to financial viability, in accordance with Sections 255 and 256 (1) of the same Code;

WHEREAS, "*outstanding policies*," as used in this Circular Letter, refer to policies with unexpired policy periods, and/or policies with outstanding or potential liabilities, as of the date the concerned company is placed under conservatorship, receivership, or liquidation;

WHEREAS, there is a need to adopt a mechanism for the reinsurance of outstanding policies of companies under conservatorship, receivership, or liquidation;

NOW THEREFORE, by virtue of the powers vested in the undersigned in accordance with Section 437 of the same Code, the following rules and regulations as regards reinsurance of outstanding policies of companies under conservatorship, receivership, or liquidation are hereby prescribed and adopted, viz: