



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



Circular Letter (CL) No.	: 2018 - 45
Date	: 5 September 2018
Amends/Supersedes	: None

CIRCULAR LETTER

TO : ALL NEW AND EXISTING INSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES ON THE MINIMUM CAPITALIZATION AND NET WORTH REQUIREMENTS FOR COMPOSITE INSURANCE COMPANIES UNDER THE AMENDED INSURANCE CODE

WHEREAS, Presidential Decree No. 63 otherwise known as "The Insurance Act, as amended" enacted on 20 November 1972 prohibited an insurance company to transact the business of life insurance and non-life insurance concurrently;

WHEREAS, Presidential Decree No. 612 otherwise known as "The Insurance Code" enacted on 18 December 1974 allowed an insurance company to transact the business of life and non-life insurance concurrently provided it is specifically authorized to do so but failed to expressly provide for the minimum paid-up capital of the same;

WHEREAS, Department Order No. 27-92 issued on 17 March 1992 by the Department of Finance required new composite insurance companies to possess a paid-up capital of at least One Hundred Fifty Million Pesos (Php150 million), Seventy Five Million Pesos (P75 million) of which shall pertain to the non-life account and the other Seventy Five Million Pesos (Php75 million) to the life account, and a contributed surplus fund of at least Fifty Million Pesos (Php50 million), Twenty Five Million of which shall pertain to the non-life account and the other half to the life account;

WHEREAS, Department Order No. 15-2012 issued on 01 June 2012 by the Department of Finance required that a) the paid-up capital of the life and non-life units of an existing composite insurance company should each comply with the minimum