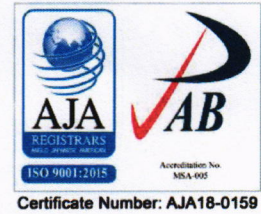




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



CIRCULAR LETTER (CL) NO:	2018-62
DATE:	23 November 2018
SUPPLEMENTS:	CL No. 2017-30 CL No. 2017-15

CIRCULAR LETTER

TO : **ALL LIFE, NON-LIFE AND PROFESSIONAL REINSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES**

SUBJECT : **REGULATORY REQUIREMENTS AND ACTIONS FOR THE NEW REGULATORY FRAMEWORK**

As part of this Commission's implementation of the regulatory requirements and actions indicated under Circular Letter Nos. 2017-15 and 2017-30 dated 10 March 2017 and 02 May 2017, respectively, all Life, Non-Life and Professional Reinsurance Companies upon submission of the quarterly reports within two (2) months after the end of each quarter shall be subject to the following:

1. In addition to the regulatory actions that shall be enforced to all life, non-life and professional reinsurance companies doing business in the Philippines who were not able to comply with the required minimum net worth and RBC2 as prescribed under CL 2015-02 A and CL No. 2016-68, respectively, all **significant concerns** shall also be addressed by the company within ten (10) working days.
2. **Significant Concerns** shall include, but not limited to the following:
 - a. Any material findings to the effect that the total admitted assets of the company, on a going-concern basis, are no longer adequate to cover the total liabilities of the company.
 - b. Internal Control weaknesses that could materially lead to financial reporting problems.
 - c. Discovery of material breach of laws or IC's rules and regulations.
 - d. Matters on corporate governance that may require urgent action by the Commission.
 - e. Net worth and/or RBC2 requirement that is projected to be non-compliant by 2019 and onwards.

3. Only the life, non-life and professional reinsurance companies who failed to comply with the above requirements shall receive a report on the result of the quarterly submission and shall be required to respond within the prescribed period including the following:
 - a. Company's plan of action duly approved by the Board of Directors; and
 - b. Five (5) year financial projections indicating the key assumptions duly certified and attested to by the actuary.

This Circular shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

