



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



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Supersedes:	NONE

CIRCULAR LETTER

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

SUBJECT : GUIDELINES FOR THE DETERMINATION OF COMPLIANCE WITH STATUTORY MINIMUM UNIMPAIRED PAID-UP CAPITAL REQUIREMENTS FOR PRE-NEED COMPANIES

WHEREAS, Section 9 of Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines, provides that existing pre-need companies shall comply with the following minimum unimpaired paid-up capital: (a) One Hundred Million Pesos (P 100,000,000.00) for companies selling at least three (3) types of plan; (b) Seventy-Five Million Pesos (P 75,000,000.00) for companies selling two (2) types of plan; and (c) Fifty Million Pesos (P 50,000,000.00) for companies selling a single type of plan;

WHEREAS, pursuant to said provision of the Pre-Need Code of the Philippines, the maintenance of a prescribed minimum unimpaired paid-up capital is dependent upon the number of types of plans a pre-need company **“sells”**;

WHEREAS, consequently, the threshold amount of said minimum statutory unimpaired paid-up capital shall be determined based on the number of types of plans a particular pre-need company actually offers for sale in the market;

WHEREAS, for the avoidance of confusion, this Commission likewise finds the need to prescribe minimum unimpaired paid-up capital requirements for pre-need companies with servicing licenses and/or those that are not offering any type of plan for sale in the market;

NOW, THEREFORE, pursuant to the power granted to this Commission to “[p]repare, approve, amend or repeal rules, regulations and orders x x x” under Section 6 (k) of the same Code, the following *Guidelines for the Determination of Compliance with Statutory Minimum Unimpaired Paid-Up Capital Requirements for Pre-Need Companies* are hereby promulgated and adopted, to wit: