



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



ADVISORY No. 2-A- 2020

TO : ALL LIFE AND NON-LIFE INSURANCE COMPANIES DULY AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES

SUBJECT : COMPLIANCE WITH THE ₱900 MILLION MINIMUM NET WORTH AND MINIMUM CAPITAL INVESTMENT REQUIREMENTS AS OF 31 DECEMBER 2019

DATE : 11 February 2020

Section 194 of the Amended Insurance Code and IC Circular Letter No. 2015-02-A dated 13 January 2015 require all life and non-life insurance companies duly authorized to do business in the Philippines must have a Net Worth of at least Nine Hundred Million Pesos (PhP900,000,000.00) by 31 December 2019. Additionally, Section 200 of the Amended Insurance Code requires all domestic insurance companies shall at all times maintain the minimum paid-up capital and net worth requirements.

Relative thereto, to ensure compliance with the ₱900M minimum net worth requirement, the Insurance Commission required the company to submit the company's capital build-up plan duly approved by the Board of Directors and a five (5) year financial projections indicating the key assumptions duly certified and attested to by the Actuary pursuant to Circular Letter No. 2018-62 on or before 15 July 2019. Likewise, Advisory No. 13-2019 dated 02 December 2019 was issued to remind companies to comply with the ₱900M minimum net worth and minimum capital investment requirements as of 31 December 2019.

On January 2020, follow up letters were also sent to those companies with net worth below ₱900M.

For purposes of determining compliance with ₱900M minimum Net Worth requirement, IC shall use 3rd quarter Financial Reporting Framework submission of the company, including any after date transactions such as capital infusion and/or other adjustments thereof, as basis of their compliance for the year ended 31 December 2019.

In addition to the Company's Minimum Net Worth Requirement as of 31 December 2019, all insurance companies authorized to transact business in the Philippines are also required to comply with the Minimum Capital Investment Requirement pursuant to Sections 197 and 209 of the Amended Insurance Code.