



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



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| Circular Letter No.: | <b>2020-58</b>     |
| Date:                | <b>14 May 2020</b> |
| Amends:              | <b>None</b>        |

## CIRCULAR LETTER

**TO : ALL NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : REGULATORY RELIEF ON THE ADMITTANCE OF PREMIUMS RECEIVABLE DUE TO THE COVID-19 PENDING**

**WHEREAS**, due to the COVID-19 outbreak, this Commission has issued various Circular Letters to ease up the operations of insurance companies such as moving the deadlines for the filing financial reports and relaxation of certain regulatory requirements;

**WHEREAS**, the IC regulation requires that only Premiums Receivable Account (direct agents, general agents and insurance brokers) covering policies within ninety (90) days from inception as of the cut-off date shall be considered admitted provided that these receivables are supported by an aging schedule showing details per policy; and copies of policies and other pertinent documents are made available to the examiners for verification, otherwise, unverified accounts will be disallowed;

**WHEREAS**, due to the COVID-19 pandemic situation and the Enhanced Community Quarantine implemented, policyholders are experiencing difficulties in paying premiums which has caused non-life companies to be unable to collect receivables which are past due;

**WHEREAS**, the delay in the premium-payments of these policyholders causes an adverse impact to the admissibility of such assets and, subsequently, to the Net Worth of the insurance companies;

**WHEREAS**, the IC finds the need relax the admittance rule over Premium Receivable account in order to provide the necessary relief to these companies and to ensure that they are considered solvent and compliant with the Net Worth requirements of IC;

**NOW, THEREFORE**, in view of all the foregoing and in accordance with the undersigned's powers under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, the following are promulgated as follows:

**SECTION 1. RELAXATION ON THE ADMITTANCE OF PREMIUMS RECEIVABLE**

The basis for admitting Premium Receivable account (direct agents, general agents and insurance brokers) for all non-life insurance and professional reinsurance companies shall be adjusted from ninety (90) days to one hundred eighty (180) days from the date of issuance of the policies.

**SECTION 2. APPLICABILITY**

This rule shall be applied to annual and quarterly financial reports for the year 2020 unless extended or changed as deemed necessary by this Commission.

This Circular shall take effect immediately.



**DENNIS B. FUNA**  
Insurance Commissioner

