



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



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| Circular Letter (CL) No.: | 2020-65 |
| Date: | 20 May 2020 |
| Supersedes: | NONE |

CIRCULAR LETTER

TO : ALL ENTITIES REGULATED AND SUPERVISED BY THE INSURANCE COMMISSION AND ALL OTHER CONCERNED STAKEHOLDERS

SUBJECT : INSURANCE COMMISSION'S COMPLIANCE WITH NATIONAL BUDGET CIRCULAR (NBC) NO. 580 DATED 22 APRIL 2020 ISSUED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT ("DBM")

WHEREAS, on 22 April 2020, the Department of Budget and Management ("DBM") issued National Budget Circular ("NBC") No. 580;

WHEREAS, said NBC No. 580 was issued to implement Section 4 (v) of Republic Act No. 11469, otherwise known as the "*Bayanihan to Heal as One Act*," by which agencies of the Executive Department, including the Insurance Commission, were directed to discontinue certain appropriated programs, projects, or activities ("P/A/Ps") in the FYs 2019 and 2020 General Appropriations Acts ("GAAs"), including unreleased appropriations and unobligated released allotments;

WHEREAS, the funds that will be raised by the discontinuance of said P/A/Ps pursuant to said NBC No. 580 will be used by the National Government to "*x x x fund the operations and response measures related to the COVID-19 emergency situation*";

WHEREAS, in the interest of transparency of its public service, this Commission finds the need to disclose information as regards its compliance with NBC No. 580 issued by the DBM;

NOW, THEREFORE, in accordance with the powers granted to the undersigned pursuant to the Republic Act No. 10607, otherwise known as the Amended Insurance Code of the Philippines, Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines, and Executive Order No. 192,

Series of 2015, all entities regulated by this Commission and other concerned stakeholders are hereby informed of the following matters, to wit:

1. In accordance with the instructions of the DBM under NBC No. 580, this Commission identified and proposed to the DBM various P/A/Ps for discontinuance amounting to **Twelve Million Four Hundred Eighty-Three Thousand One Hundred Two Pesos and 20/100 (PHP 12,483,102.20)**, or **10.16%** of its allotment for Maintenance and Other Operating Expenses ("MOOE") and Capital Outlay ("CO") for FY 2020; and
2. Said regulated entities and stakeholders may refer to the enclosed *Certification of P/A/Ps for Proposed Discontinuance per DBM National Budget Circular No. 580* attached to this Circular Letter and made an integral part hereof as **Annex "A"** for information on the particular P/A/Ps for proposed discontinuance and the amount of proposed estimated savings per P/A/P.

For the information of this Commission's regulated entities and other concerned stakeholders.

This Circular Letter shall take effect immediately.


DENNIS B. FUNA
Insurance Commissioner



Department: **DEPARTMENT OF FINANCE**
 Agency: **INSURANCE COMMISSION**

CERTIFICATION OF P/A/Ps FOR PROPOSED DISCONTINUANCE PER DBM NATIONAL BUDGET CIRCULAR NO. 580

| ITEM NO. | SOURCE P/A/P FOR PROPOSED DISCONTINUANCE | SOURCE OF FUNDS | ACCOUNT CODE | ACCOUNT PARTICULARS | MFO/P.P.A. | AMOUNT OF PROPOSED ESTIMATED SAVINGS (PHP) | REMARKS |
|---|--|-----------------|--------------|------------------------------------|------------|--|---|
| <u>Maintenance and Other Operating Expenses (MOOE)</u> | | | | | | | |
| 1 | Traveling Expenses (Local) | SF 151 | 751 | Traveling Expenses (Local) | A.I.a.1 | 1,500,000.00 | Discontinued per Section 4.3.1.4. of National Budget Circular No. 580. Savings computed by subtracting estimated expenses from total allotment for FY 2020. |
| 2 | Traveling Expenses (Foreign) | SF 151 | 752 | Traveling Expenses (Foreign) | A.I.a.1 | 2,652,102.20 | Discontinued per Section 4.3.1.3. of National Budget Circular No. 580. Savings computed by subtracting total obligations as of April 2020 from allotment for FY 2020. |
| 3 | Supply of Petroleum, Oil and Lubricants for IC | SF 151 | 761 | Gasoline, Oil & Lubricant Expenses | A.I.a.1 | 105,900.00 | Discontinued per Section 4.3.2.2. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |

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| 4 | Water Expenses | SF 151 | 766 | Water Expenses | A.I.a.1 | 100,000.00 | Discontinued per Section 4.3.2.2. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |
| 5 | Electricity Expenses | SF 151 | 767 | Electricity Expenses | A.I.a.1 | 770,000.00 | Discontinued per Section 4.3.2.2. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |
| 6 | Telephone Expenses (Landline) | SF 151 | 772 | Telephone Expenses (Landline) | A.I.a.1 | 150,000.00 | Discontinued per Section 4.3.2.2. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |
| 7 | Representation Allowance | SF 151 | 783 | Representation Allowance | A.I.a.1 | 366,200.00 | Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |
| 8 | Training and Scholarship Expenses | SF 151 | 753 | Training and Scholarship Expenses | A.I.a.1 | 673,900.00 | Discontinued per Section 4.3.2.4. of National Budget Circular No. 580. Savings computed by obtaining ten percent (10%) of allotment for said account for FY 2020. |

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|----|---|--------|-----|-----------------------|---------|----------------------|---|
| 9 | IC Employees' Welfare Development (ICEWA Day) | SF 151 | 969 | Other MOOE | A.I.a.1 | 2,000,000.00 | Lease of venue, food, transportation service, team building facilities and facilitators, team building paraphernalias, prizes, and other miscellaneous and incidental expenses. Discontinued per Section 4.3.1.5. of National Budget Circular No. 580. |
| 10 | IC GADFS Planning Workshop 2020 | SF 151 | 969 | Other MOOE | A.I.a.1 | 350,000.00 | Program, Logistics, Food. Discontinued per Section 4.3.1.5. of National Budget Circular No. 580. |
| 11 | Administration of the 2020 Mandatory Drug Testing | SF 151 | 765 | Other Office Supplies | A.I.a.1 | 100,000.00 | Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| 12 | Radio Placement | SF 151 | 780 | Advertising Expenses | A.I.a.1 | 1,500,000.00 | For General public awareness and know the importance of Insurance in everyday lives and intends to increase insurance penetration and to champion the growth of financial literacy in the Philippines. Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| | TOTAL AMOUNT OF MOOE FOR PROPOSED DISCONTINUANCE | | | | | 10,268,102.20 | |

| Capital Outlay (CO) | | | | | | | |
|----------------------------|---|--------|-----|---------------------------|---------|---------------------|---|
| 13 | Procurement of Power Generator Set (750 KVA) for IC Cebu District Office | SF 151 | 223 | IT Equipment and Software | A.I.a.1 | 750,000.00 | Supply, Delivery and Instalaltion of 750KVA Genset to supplement power source during brownouts and to prevent interruption of ACE. Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| 14 | Procurement of Power Generator Set (750 KVA) for IC Davao District Office | SF 151 | 223 | IT Equipment and Software | A.I.a.1 | 750,000.00 | Supply, Delivery and Instalaltion of 750KVA Genset to supplement power source during brownouts and to prevent interruption of ACE. Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| 15 | Supply and Installation of Outdoor Stainless Steel IC Logo and Name with LED Lights | SF 151 | 223 | IT Equipment and Software | A.I.a.1 | 365,000.00 | Provision for the replacement of Outdoor IC Logo and name in front of the IC Building. Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| 16 | Optical Reader Mark Machine, Hardware and Software | SF 151 | 223 | IT Equipment and Software | A.I.a.1 | 350,000.00 | Provision for digital scanning of Paper and Pen Special Agent's examination. Discontinued per Section 4.3.2.5. of National Budget Circular No. 580. |
| | TOTAL AMOUNT OF CO FOR PROPOSED DISCONTINUANCE | | | | | 2,215,000.00 | |

SUMMARY:

Total MOOE FY 2020 for Proposed Discontinuance 10,268,102.20
Total CO FY 2020 for Proposed Discontinuance 2,215,000.00
Total SF 151 Allotment for Proposed Discontinuanc 12,483,102.20

Total Unobligated MOOE Allotment as of April 2020 86,166,945.21
Total Unobligated CO Allotment as of April 2020 10,746,336.00
Total Unobligated SF 151 Allotment as of April 2020 96,913,281.21

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|---|----------------|
| TOTAL SF 151 (MOOE + CO) ALLOTMENT FOR FY 2020 | 122,855,000.00 |
| TOTAL SF 151 ALLOTMENT FOR PROPOSED DISCONTINUANCE | 12,483,102.20 |
| PERCENTAGE OF SF 151 ALLOTMENT FOR PROPOSED DISCONTINUANCE | 10.16% |

Prepared by:



ALWYN FRANZ P. VILLARUEL

Officer-in-Charge
Budget Division

Recommending Approval:



ERICKSON H. BALMES

Deputy Insurance Commissioner
Management Support Services Group

Approved by:



DENNIS B. FUNA
Insurance Commissioner