



Circular Letter (CL) No.:	2020-112
Date:	9 December 2020
Amendment:	NONE

CIRCULAR LETTER

TO : All Pre-Need Companies under Liquidation and Designated Liquidators

SUBJECT : Guidelines on Formal Closure of Liquidation Proceedings for Pre-Need Companies under Liquidation and Final Disposal and Distribution of Assets Including Unclaimed Benefits

WHEREAS, a number of pre-need companies have been under varying stages of conservatorship, receivership and liquidation proceedings since 2010 when Republic Act No. 9829 (Pre-Need Code of the Philippines) took effect;

WHEREAS, as a result of prudent investment, change of plan conditions, novation, negotiations, agreement, recovery of unbooked assets, appreciation of property values by mere passage of time, sale of assets at a premium, or other unforeseen favorable events, some pre-need companies under liquidation may have excess trust funds or corporate freehold assets, or both still under the custody of the trustee banks, the liquidators, or the Insurance Commission (IC);

WHEREAS, a number of planholders have not, so far, claimed the liquidation value of their benefits despite repeated notices and the lapse of considerable number of years;

WHEREAS, despite the lapse of a number of years, the funds corresponding to the said unclaimed or abandoned benefits remain with the custody of the trustee banks, the liquidators, or the IC;

WHEREAS, a number of companies have very minimal or no more remaining assets where the continuation of the liquidation proceedings would amount to absurdity;

WHEREAS, there has to be a final and formal closure of liquidation proceedings and final disposal of documents after all the necessary liquidation steps have been fully undertaken and a considerable number of years have already lapsed;

WHEREAS, before a final declaration and publication of a statement of formal closure can be done, issues on the treatment of unclaimed benefits, surplus trust funds, and residual corporate freehold assets must first be addressed;