



IN THE MATTER OF  
LIQUIDATION OF PHILIPPINE  
PRUDENTIAL LIFE  
INSURANCE COMPANY, INC.  
(PPLIC)

CRL Reference No. 2021 - 02

## DIRECTIVE

10 December 2021

This Directive is issued by the Insurance Commission (IC) pursuant to Section 437 of Republic Act No. 10607, otherwise known as the Amended Insurance Code, in relation to Paragraph 3, Section 256 on "*Proceedings Upon Insolvency*" and for the purpose of setting the official prescribed deadline or cut-off for accepting claims against **PHILIPPINE PRUDENTIAL LIFE INSURANCE COMPANY, INC. (PPLIC)**.

In our letters dated 18 October 2016 and 21 October 2016, which was received by PPLIC on 04 November 2016, the company was ordered by this Commission to cease and desist from transacting life insurance business and simultaneously placed under Conservatorship in accordance with Section 255 of the Amended Insurance Code.

On 27 September 2017, PPLIC was placed by the Commission under Receivership in accordance with Paragraph 1, Section 256 of the Amended Insurance Code and subsequently thereafter, on 07 February 2018, under Liquidation in accordance with Paragraph 3, Section 256 of the same law.

As can be gleaned from the above-timeline, the Commission has given PPLIC over a year, from 04 November 2016 to 06 February 2018, to revive its company, considering that the process of Conservatorship and Receivership also entails a process of rehabilitation, wherein a company is given a chance to revive its operation or rehabilitate, through its own cash infusion or a buy-out by interested investors.

However, despite talks and negotiations with the alleged PPLIC's prospective investors, the supposed rehabilitation of the company has failed to materialize, which constrained this Commission to place it under Liquidation to protect the interest and welfare of PPLIC's policyholders and other stakeholders.

Simultaneous to the Liquidation Order against the company, PPLIC, through the IC-designated Liquidator, Atty. Iris Sylvia Lucero Bonifacio, was required to publish in a newspaper of general circulation, a Notice of Liquidation, requiring the company's policyholders and creditors to submit their claims against the company until 12 September 2018. Despite the said deadline, the Liquidator continues to receive claims being filed in her office to liberally accommodate the request of policyholders.

The Liquidator was also directed by this Commission, among other instructions, to submit a Liquidation Plan, which necessarily includes the details of the company's policyholders and creditors who filed their claims against the company (the Master List of Claims of PPLIC).

Moreover, considering that the company's last submitted financial statements cover only its operation for calendar year 2015, there is a need to engage the services of an IC-accredited external auditor, in order to accurately determine PPLIC's financial condition, which is also an essential component of the Liquidator's proposed Liquidation Plan.

Currently, the aforesaid external auditor's examination is still ongoing. Hence, the Liquidator has yet to finalize her proposed Liquidation Plan, though an Interim Liquidation Plan was already submitted to this Commission on 30 January 2020, and a reply, containing our observations and recommendations thereof, was transmitted by this office to the Liquidator on 18 February 2020.

Among the directives to company's Liquidator, stated in IC Letter dated 30 January 2020, is to expedite the completion of PPLIC's Seriatim List or the Master List of Policyholders ("Master List"), in order to complete the Audited Financial Statements of the company and thereafter finalize her Liquidation Plan.

On 20 July 2020, the Liquidator officially transmitted to the Commission PPLIC's Master List. However, as confirmed by the company, the aforesaid submitted Master List is still subject to validation, particularly the computation of cash values, considering that the same was prepared by PPLIC employees who do not have experience and/or skills for said computation.

In several Memoranda of the Liquidator, she explained that the cause of delay of submission to IC of the aforementioned Master List, was due to four (4) incompatible database system of the company that was allegedly were not properly turned over to the former by the previous officers of PPLIC prior to their resignation or retrenchment. Hence, the current PPLIC employees had to work from scratch with corrupted database system.