



Advisory No.:	RS-2022-008
Classification:	Regulatory and Supervisory Advisory
Date:	02 March 2022

INSURANCE COMMISSION ADVISORY

TO : MICROINSURANCE MBA ASSOCIATION OF THE PHILIPPINES, INC. (MiMAP) or RIMANSI

SUBJECT : SUBMISSION OF A COMPREHENSIVE STUDY/ANALYSIS TO JUSTIFY EXEMPTION FROM APPLICATION OF PHILIPPINE FINANCIAL REPORTING STANDARD 17 – INSURANCE CONTRACTS (PFRS 17) TO MICROINSURANCE MBAs

Section 2 of the Insurance Commission (IC) Circular Letter (CL) No. 2018-69 dated 28 December 2018 entitled “*Deferral of Implementation of International Financial Reporting Standard 17 – Insurance Contracts (IFRS 17)*,” states that “*MBA’s shall maintain to comply with the current accounting standards until further required by this Commission to comply with the new accounting standard.*”

Section 437 of the Amended Insurance Code also provides that “The Commissioner may issue such rulings, instructions, circulars, orders and decisions as may be deemed necessary to secure the enforcement of the provisions of this Code, to ensure the efficient regulation of the insurance industry in accordance with global best practices and to protect the insuring public.”

The Microinsurance Mutual Benefit Associations (MBAs) through the Microinsurance MBA Association of the Philippines (MiMAP) requested for exemption in the application of PFRS 17. In view thereof, MiMAP is hereby directed to submit a comprehensive study/analysis that shall, at the minimum, include the following:

1. Cost-benefit analysis of applying PFRS 17 to a small, medium and large Microinsurance MBA;
2. Breakdown for each cost/expense (e.g. system, manpower, trainings/seminars and other related cost/expenses) based on reasonable estimate or actual quotation from experts (Actuaries who are members of the Actuarial Society of the Philippines, Accountants from established audit/accounting firms, IT professionals who have experience with engineering of complex systems and softwares and Other relevant professionals);
3. Financial impact on the operations based on historical experiences or forecasts;
4. Citations of references related/relevant to local and/or international studies (ex. IAIS and A2ii) on the applicability/non-applicability of PFRS 17 to MBAs, mutual benefit societies, mutual aid society, fraternal benefit associations, burial societies, and/or farm mutuals that issue insurance contracts; and
5. Confirmation from the Financial Reporting Standards Council that based on its study/analysis, Microinsurance MBAs will be permanently or temporarily exempted from the application of PFRS 17.

Such study/analysis shall be the basis of this Commission to decide whether or not Microinsurance MBAs shall be exempted from the application of PFRS 17.

Kindly submit said study/analysis to the Life/MBAs/Trust Division (LMTD) of this Commission through the following e-mail addresses on or before **15 July 2022**.

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DENNIS B. FUNA
Insurance Commissioner

