



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

**PRESS RELEASE**  
**17 January 2022**

**BSP ISSUES MEMORANDUM CIRCULAR  
RECOGNIZING IC AUTHORITY TO APPOINT  
CONSERVATORS, RECEIVERS, AND LIQUIDATORS**

On 20 December 2021, the Bangko Sentral ng Pilipinas (BSP) issued Memorandum Circular No. M-2021-068 addressed to all regulated banks, which recognized the Insurance Commission's (IC) authority to appoint conservators, receivers, and liquidators of insurance companies and pre-need companies in accordance with the provisions of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, and Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines.

Said Memorandum Circular No. M-2021-068, issued by Deputy Governor Chuchi G. Fonacier, enjoined all banks to comply with the requests, orders, and directives of the Insurance Commission in relation to the said authority pertaining to bank accounts of insurance and pre-need companies that are placed under conservatorship, receivership, and liquidation (CRL).

The issuance of the Memorandum Circular was prompted by a letter from Insurance Commissioner Dennis Funa dated 20 October 2021 notifying Governor Benjamin E. Diokno of the BSP of the fact that there are certain banks that are "recalcitrant to [the IC's] requests, orders, and directives" pertaining to bank accounts of insurers and pre-need companies under CRL.

In its letter-request to the BSP seeking assistance, Commissioner Funa referred to requests for change in bank signatories and requests for bank confirmations in connection with the powers of a conservator, receiver, or liquidator to "take charge of assets" of insurers and pre-need companies pursuant to Sections 255 and 256 of the Insurance Code and Sections 49 to 52 of the Pre-Need Code. Commissioner Funa also highlighted the appropriate sections of Republic Act No. 10142, otherwise known as the "Financial Rehabilitation and Insolvency Act (FRIA) of 2010", that "legal title to and control of assets of an insurance company, except those that may be exempt from execution, are deemed vested in [the IC]."

"The IC greatly appreciates the support and assistance given by the BSP in issuing Memorandum Circular No. M-2021-068. This issuance will greatly facilitate our statutory mandate of protecting policyholders, planholders, and creditors of our regulated entities in the course of the latter's conservatorship, receivership, and liquidation," Commissioner Funa stated.

**ATTY. ALWYN FRANZ P. VILLARUEL**  
Media Relations Officer  
afp.villaruel@insurance.gov.ph