

## ANNEX A

### **AMENDED GUIDELINES ON THE PREPARATION OF FORMS, NON-FINANCIAL REQUIREMENTS AND DISCLOSURE REQUIREMENTS TO THE NOTES TO THE AUDITED FINANCIAL STATEMENTS (AFS)**

- I. All accounts to be used shall follow CL No. 2021-69 or the “Revised Standard Chart of Accounts for Insurance and/or Reinsurance Brokers” as issued by the Commission, and its amendments and the applicable accounting standards in the Philippines.
- II. These schedules will be submitted in electronic format and uploaded to the IC Online Uploading Portal thru this link: <https://onuploading.insurance.gov.ph/templates/login>
- III. Downloadable Schedules (Form A, Form B and Form C)

#### A. Form A. Certification

The Company's Management shall also submit a Certification that the documents and schedules provided (either hard or digital copy) are reviewed accordingly.

<p>(Company's Letterhead)</p> <p>CERTIFICATION</p> <p>To whom it may concern:</p> <p>I hereby certify that I have reviewed all the documents and schedules as of 31 December 20__ submitted to the Insurance Commission in accordance with the requirement prescribed per IC Circular Letter (CL) No. 2021-65. Any errors found by the Commission will be subject to penalty, in accordance with Section VII(C)(16) of IC CL No. 2014-15 Fees and Charges.</p> <p>Sincerely,</p> <p>Signature over printed name Company Head</p>
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- B. Form B. Revised Checklist of Documents – contains a list of financial and non-financial requirements for regulated broker companies. Under Section 5.3 of CL No. 2021-65, the regulated broker company shall supply any document or information that is requested by the Commission.

"FORM B"

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Name of Broker-Regulated Company  
As of December 31, 20\_\_

**CHECKLIST OF DOCUMENTARY REQUIREMENTS**

PARTICULARS		Via IC Portal	
		PDF	EXCEL
_____	1. Certification ( <i>Form A</i> )	X	
_____	2. Audited Financial Statements, signed and stamped "Received" by the Bureau of Internal Revenue (BIR) and the Securities and Exchange Commission (SEC) <i>(attach email notification if submitted electronically)</i>	X	
_____	3. Financial Information Form ( <i>Form C</i> ), signed by the Finance Head <i>(sign the pdf copy of the Form's Profile tab only)</i>	X	X
_____	4. Latest General Information Sheet filed with the SEC	X	
_____	5. Copies of Latest Surety Bond and Errors and Omissions Policies	X	
_____	6. Certificate of Authority/License	X	
_____	7. Minutes of the Board of Directors and Stockholders' Meetings or Annual Report, <i>if any</i>	X	
_____	8. External Auditor's Letter of Comments or Recommendations, <i>if any</i>	X	
_____	9. Amendment/s to the Articles of Incorporation and/or By-laws, <i>if any</i>	X	

• *Note: The list above is not exhaustive and the IC may request additional schedule/documents during the examination.*

Prepared by: \_\_\_\_\_

Signature over Printed Name and Designation

Received by: \_\_\_\_\_

Date Received: \_\_\_\_\_

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C. Form C. Financial Information Form

Fill-out/Complete the following information on the following tabs:

a. Profile

1. Company Name – select using the dropdown function
2. Broker Type – select using the dropdown function
3. License Number and its Expiry Date
4. Company Head – can be a President/Chief Executive Office or General Manager
5. Finance Head – can be the Chief Financial Officer, Finance Manager or the authorized representative of the Company who will sign the PDF copy of the Profile tab on Form C.
6. External Auditor Information
7. Number of Officers and Employees
8. Certification Section – it attests that the Finance Head prepared all the information provided and all the documents submitted are true and accurate. Sign-off can be made in the PDF copy of the Profile tab.

b. Prudential Requirements

Indicate the Transaction Type using the dropdown function. All other fields (i.e., Net Worth and Fiduciary Ratio requirements) are automatically computed based on the amounts encoded in the Audited Trial Balances.

c. Bonds and Policies

Indicate the issuer, coverage period and the amount of surety bonds and errors & omissions policies.

- d. Statement of Business Operations (SBO) – Insurance Broker – summary of Company's premium and commission production related to insurance and HMO business.
- e. SBO – Reinsurance Broker – summary of Company's premium and commission production related to reinsurance and HMO business.
- f. SBO – Reconciliation – presents the differences between the balances in SBO and Audited Trial Balance templates
- g. Audited Trial Balance – Statement of Comprehensive Income – summary of nominal accounts per CL No. 2021-69.
- h. Audited Trial Balance – Statement of Financial Position – summary of real accounts per CL No. 2021-69.
- i. Compliance and Governance – provides supplemental information on the Company's business structure (i.e., broker's license, significant changes in the Company's production, and information on the parent company, if any)

#### IV. Non-Financial Requirements

In addition to the AFS and its supporting schedules, the Company is also required to submit digital/electronic copies of non-financial records. Items A to D shall be provided with other documents enumerated in Form B. On the other hand, items E to L shall be provided during on-site examination or upon request.

- A. Surety Bond and Errors and Omissions Policies;
- B. Articles of Incorporation; By-laws and Amendments;
- C. Minutes of Stockholders' and Board of Directors meetings;
- D. Auditor's management letter, where applicable;
- E. Stock and transfer books;
- F. Manual Operating Procedures;
- G. Changes in key functions and significant owners;
- H. Financial links with financial institutions; insurers and other intermediaries (such as through related party structures or service contracts);
- I. Types of products sold;
- J. Claims data;
- K. Complaints data; and
- L. Other data or information as deemed necessary.

#### V. Disclosure Requirements

The Commission, in promoting greater disclosure and transparency to the public, recognizes the importance of providing additional financial information on the broker-regulated companies, which will be useful to the public in understanding the true condition of the broker-regulated companies.

The following minimum disclosure requirements shall ensure that the matters regarding the broker-regulated companies' financial condition and methods of doing business are properly disclosed.

The broker-regulated company has the option to disclose the following minimum information in its notes to the financial statements or in a separate supplementary report:

- A. Segregation of Clients' Money Account;
- B. Net Worth Compliance;
- C. Fiduciary Ratio Computation; and
- D. Offsetting Arrangements.

### **Option A — Additional disclosure to the notes to the AFS**

#### Supplemental Opinion\*

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE INSURANCE COMMISSION

The Board of Directors and Stockholders  
Company Name  
Company Address

We have audited, in accordance with the Philippine Standards on Auditing, the financial statements of (the Company) as at and for the year ended (Date), on which we have rendered our report dated (Audit Report Date). Our audit was made for the purpose of forming an opinion on the financial statements of the Company taken as a whole. The minimum information presented in Notes \_\_\_ is the responsibility of the Company's management, and is presented for purpose of complying with the Insurance Commission Circular Letter No. 2021-65 and 69 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company's financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Name and Signature of External Auditor / Auditing Firm

*\*supplemental opinion can be presented either (1) in the same page of audit opinion or (2) in a separate page*

#### Disclosure Requirements

Item 1, Segregation of Client's Money Account, may be considered as relevant information about or component of the Company's cash and cash equivalents OR in restricted cash account. The Company shall include a short description of the account, method of presentation (cash/other assets) and its balances.

Items 2, Net Worth Compliance, and 3, Fiduciary Ratio Computation, may be used in conjunction with required disclosures on externally imposed capital requirements under Philippine Accounting Standards 1 (paragraph 134-135). The Company shall disclose the fiduciary asset and liability accounts, the fiduciary computation and its compliance to the net worth and fiduciary requirements.

In case of non-compliance with Items 2 and 3, the Company shall disclose the management plan/s or action to address the deficiencies.

Item 4, Offsetting Arrangements, can be covered by disclosure requirements on offsetting financial assets and financial liabilities.

## **Option B - SUPPLEMENTARY REPORT**

### Supplemental Opinion

REPORT OF INDEPENDENT AUDITOR TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING WITH THE INSURANCE COMMISSION

The Board of Directors and Stockholders

Company Name

Company Address

We have audited, in accordance with the Philippine Standards on Auditing, the financial statements of (the Company) as at and for the year ended (Date), on which we have rendered our report dated (Audit Report Date). Our audit was made for the purpose of forming an opinion on the financial statements of the Company taken as a whole. The minimum information attached is the responsibility of the Company's management, and is presented for the purpose of complying with the Insurance Commission Circular Letter No. 2021-65 and 69 and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company's financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Name and Signature of External Auditor / Auditing Firm

### Disclosure Requirements – may be presented in tabular or paragraph format

Item 1, Segregation of Client's Money Account, The Company shall include a short description of the account and method of presentation (cash/other asset) and its balances.

Items 2. Net Worth Compliance and 3. Fiduciary Ratio Computation. The Company shall disclose the fiduciary asset and liability accounts, the fiduciary computation and its compliance to the net worth and fiduciary requirements.

In case of non-compliance with Items 2 and 3, the Company shall disclose the management plan/s or action to address the deficiencies.

Item 4, Offsetting Arrangements, shall present and include a short description of the financial assets and financial liabilities offset.