



<b>Circular Letter No.:</b>	<b>2023-09</b>
<b>Date:</b>	<b>14 March 2023</b>
<b>Amends:</b>	<b>Annex A of CL No. 2021-65</b>

## CIRCULAR LETTER

**TO : ALL INSURANCE COMMISSION BROKER-REGULATED COMPANIES AND EXTERNAL AUDITORS**

**SUBJECT : AMENDMENT TO ANNEX A OF CIRCULAR LETTER (CL) NO. 2021-65**

**WHEREAS**, the Insurance Commission (IC) Circular Letter (CL) No. 2021-65 was issued on 05 November 2021 or the “Revised On-Site Examination/Off-Site Verification Rules and Procedures for all Insurance and/or Reinsurance Brokers Authorized to do Business in the Philippines and IC-accredited External Auditors”;

**WHEREAS**, Annex A of IC CL No. 2021-65 enumerates the guidelines on the preparation of forms, non-financial requirements and disclosure requirements to the notes to the Audited Financial Statements (AFS);

**WHEREAS**, the Commission enhanced the forms stated in the Annex A of the revised Circular, in preparation for the Commission’s conduct of training sessions for both the preparers of the documentary requirements and external auditors;

**WHEREAS**, the revised form aims to summarize and collect data more efficiently that will assist in the primary functions of the Division;

**NOW, THEREFORE**, in view of the foregoing and pursuant to the powers vested in the Insurance Commissioner under Section 437 of the Amended Insurance Code, attached is the amended Annex A of IC CL No. 2021-65.

### SECTION 1. AMENDMENTS IN THE ANNEX A OF IC CL NO. 2021-65

The following are the amendments in the Annex A:

OLD	AMENDMENT	CHANGES
Form B (Attestation Certificate)	Form A (Company Certification)	Changed from Form B to Form A

OLD	AMENDMENT	CHANGES
Form A (Checklist of Documents)	Form B (Revised Checklist of Documents)	<p>Removed the detailed schedules and supporting documents of the following accounts:</p> <ul style="list-style-type: none"> <li>• Client's money on Hand and in Banks</li> <li>• Premium and Commissions Receivable</li> <li>• Premiums Payable</li> <li>• Proof of collections and remittances</li> </ul>
<ul style="list-style-type: none"> <li>• Form C (Premium-related Accounts Schedule) <ul style="list-style-type: none"> <li>- Summary Page</li> <li>- Client's Money schedule</li> <li>- Premium-related Receivables</li> <li>- Premium-related Payables</li> <li>- Reconciliation of Premium-related Receivables and Payables</li> </ul> </li> <li>• Form D – Statement of Business Operations</li> </ul>	Form C (Financial Information Form)	<ul style="list-style-type: none"> <li>• Merged Form C and Form D</li> <li>• Removed the detailed schedules and supporting documents: <ul style="list-style-type: none"> <li>- Client's money on Hand and in Banks</li> <li>- Premium and Commissions Receivable</li> <li>- Premiums Payable</li> <li>- Proof of collections and remittances</li> </ul> </li> <li>• Included the following: <ul style="list-style-type: none"> <li>- Computation of Net Worth and Fiduciary Ratio</li> <li>- Trial Balance – Statement of Comprehensive Income</li> <li>- Trial Balance – Statement of Financial Position</li> <li>- Corporate Governance (i.e., licensing, significant changes, holding company)</li> </ul> </li> </ul>
Disclosure Requirements – focused only on minimum information	Supplemental Opinion and Disclosure Requirements	Included the suggested language for supplemental opinion

## SECTION 2. EFFECTIVITY

This Circular shall take effect immediately.



**DENNIS B. FUNA**  
Insurance Commissioner



Attachment:

Annex A – Amended Guidelines on the Preparation of Forms, Non-Financial Requirements and Disclosure Requirements to the Notes to the Audited Financial Statements (AFS)