



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



CERTIFIED TRUE / PHOTO COPY

TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

| | |
|---------------------------------|---------------------------------------|
| Circular Letter (CL) No. | 2020-16 |
| Date | 17 March 2020 |
| Supersedes | CL No. 2019-10 dated 22 March 2019 |

Date: _____

CIRULAR LETTER

**TO : ALL MUTUAL BENEFITS ASSOCIATIONS (MBAs)
AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : FILING OF THE 2019 ANNUAL STATEMENT FOR MUTUAL
BENEFITS ASSOCIATIONS**

Section 413 of the Amended Insurance Code (Republic Act No. 10607) directs every Mutual Benefit Associations (MBAs) authorized to do business in the Philippines, annually on or before the thirtieth (30th) day of April of each year to render to the Commission an Annual Statement (AS) in such form and detail as may be prescribed by the Commission, signed and sworn by the president, secretary, treasurer and actuary of the association, showing the exact condition of the affairs on the preceding thirty-first (31st) day of December.


Pursuant to the above Section, the following guidelines are being issued in relation to the submission of the 2019 AS and the attachments:

1. Two (2) hard copies and one (1) soft copy of the AS using the revised template as of 31 December 2019 are required to be submitted to the Life/MBAs/Trust Division.
2. The AS must be signed and sworn to by the President, Chief Operating Officer/General Manager, Secretary, Treasurer, Actuary and Chief Accountant.
3. The cover shall be "hard bound" permanent adhesive and in color "yellow".
4. It shall be on a legal size bond paper (8 ½ X 14 inches) using either the Times New Roman font size #12 or Arial font size #10 to be printed in readable size.

5. The AS shall be accompanied by an updated list of the request documents and other schedules, referred in this CL as **ANNEX A** which shall form part as attachments in the submission of the AS. The documents in the list must be submitted in a separate folder (for items required to be submitted in **hard copy**) and in flash drives (for items to be submitted in **soft copy**).
6. The exact formats, columnar headings and footnote instruction found in every page of the attached blank forms (**see attached Pro-Forma template**) of the prescribed AS, including those required formats attached to **ANNEX A** shall be strictly observed.
7. Any AS not in accordance with the prescribed format with missing detail/information and incomplete attachments shall not be accepted.

Pursuant to Section 413 of the Amended Insurance Code all AS are required to be submitted on or before 30 April 2020. The prescription of the guidelines in the CL is without prejudice to the power of the Commission under Section 437(k) of the same Code to conduct an examination to determine compliance with laws and regulations if circumstances so warrant as determined by appropriate rules and regulations. Further, any instance of non-compliance with the prescribed guidelines shall be subject to penalties in accordance with Circular Letter No. 2014-15 dated 15 May 2014 and pursuant to Section 437(o) of the same Code, which authorizes the Commission to fix and assess fees, charges and penalties in the exercise of regulation.

CERTIFIED TRUE / PHOTO COPY



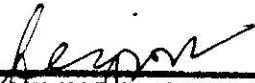
TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

Date: _____


DENNIS B. FUNA
Insurance Commissioner



CERTIFIED TRUE / PHOTO COPY


TRANQUILINO ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

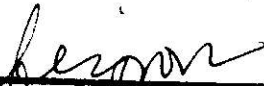
Date: _____

ANNEX A

**CHECKLIST OF SUPPORTING DOCUMENTS
 OF MUTUAL BENEFIT ASSOCIATIONS
 For the Year Ended 31 December 2019**

| NAME OF ENTITY | | | |
|----------------|---|-----------|----------------------------|
| | DOCUMENT | HARD COPY | SOFT COPY |
| | 1. Copy of the 2019 Annual Statement | ✓ | ✓ |
| | 2. 2019 Audited Financial Statements with comparative figures for 2018, signed by an External Auditor accredited by the Insurance Commission, and duly received by the Bureau of Internal Revenue (BIR) | ✓ | ✓ (PDF/ scanned format) |
| | 3. Adjusted Trial Balance as of 31 December 2019 signed by the Chief Accountant | | ✓ (PDF/ scanned format) |
| | 4. Reconciliation of figures/accounts in the Adjusted Trial Balance (breakdown/groupings) to tally with the figures/accounts in the Audited Financial Statements and Annual Statement (MBA Format No. 1, 1A, 2, 2A) | | ✓ |
| | 5. Computation of Risk-based Capital Ratio of the company | ✓ | ✓ |
| | 6. 2019 General Information Sheet filed with Securities and Exchange Commission | ✓ | |
| | 7. Accredited actuary's certification on actuarial and all related accounts / Statement of Opinion on Policy Loans (e.g. Basic contingent benefit reserve, Optional benefit reserve, Liability on individual equity, Members' certificate/Policy loans, Member's contributions /premiums due & uncollected, Members' assessment receivable, Claims payable on basic contingent benefit/Optional benefits) | ✓ | ✓ (PDF/ scanned format) |
| | 8. Certification of the association's comptroller or any responsible officer with the rank of at least Vice President for the accounts: Members' fees, dues & fees receivable, Liability on individual equity, Unremitted members' contributions, dues & fees/premiums, Members' deposit, Members' contributions /premiums received in advance | ✓ | ✓ (PDF/ scanned format) |


CERTIFIED TRUE / PHOTO COPY


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

| DOCUMENT | | HARD COPY | SOFT COPY |
|----------|---|--------------------------------------|--------------------------------------|
| 9. | Detailed schedule of the following actuarial accounts (with printed copies of the (i) First Page and (ii) Last Page (Showing the totals of the said schedules) | ✓ <i>(1st and last page only)</i> | ✓ <i>(Microsoft Excel format)</i> |
| | a. Seriatim List of all members indicating therein the minimum basic information using the attached Life-Required (MBA Format No. 3) | | |
| | b. Membership certificate/policy Loans (Cash Loan & Automatic Premium Loan) if any, indicating therein the minimum basic information: <i>Membership certificate/Policy number, Name of member/policyholder, Membership date, Policy /Effectivity Date, Plan, Basic Benefit, Amount of Insurance, Maturity Date of Insurance, Date of Loan, Maturity Date of Loan granted, Amount of Loan granted, Interest (Earned & Unearned), Outstanding Balance of Loan, Cash values as of 31 December 2019, Reserves as of 31 December 2019.</i> | | |
| | c. Members' fees, dues & fees receivable, Unremitted members contributions, dues & fees, unremitted premiums, Members' assessment receivable indicating therein the minimum basic information: <i>Membership certificate/Policy number, Name of Member/Policyholder, Membership/Policy Date, Basic benefit, Amount of Insurance, Last payment of contribution/premium, Account balance as of 31 December 2019, Equity value as of 31 December 2019;</i> | | |
| | d. Claims payable on basic contingent benefit, Claims payable on optional benefit, Other benefit payable on Basic/Optional policies as of 31 December 2019 (MBA Format No. 4) | | |
| | e. All claims filed (paid or unpaid) for Basic & Optional insurance in the first quarter of 2020 indicating therein the minimum information same in requirement 10.d | | |
| | f. Members' contributions received in advance/Premiums received in advance indicating therein the minimum basic information: (MBA Format No. 5) | | |
| 10. | Statement of Securities Account of BTR-ROSS/ Securities Account for Tax Tracking as of 31 December 2019. | ✓ | |
| 11. | Certification from the Custodian Bank for Dollar-denominated Bonds as of 31 December 2019. | ✓ | |

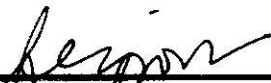
CERTIFIED TRUE / PHOTO COPY


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

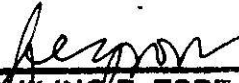
| DOCUMENT | | HARD COPY | SOFT COPY |
|----------|---|-----------|-------------------------------|
| 12. | Schedule of Dollar-denominated Bonds using the attached MBA Format No.6. | | ✓ |
| 13. | Supporting documents of all investments not presented during the inventory | ✓ | |
| 14. | Detailed schedule showing the computation of Fair Market or Book Value of Schedule of Bonds and Treasury Bills, together with the pricing documents (Column 13 of Schedule A1 and A2 of Annual Statement. (MBA Format No. 7)) | | ✓ (Microsoft Excel format) |
| 15. | Complete set of financial statements for IMA accounts | ✓ | |
| 16. | Supporting documents as of purchase date and NAVPU as of 31 December 2019 for Mutual Fund, Unit Investment Trust and Real Estate Investment Trust | ✓ | |
| 17. | Certification from Philippine Depository & Trust Corp. (PDMC) for the Scriptless Stock Certificates as of 31 December 2019 | ✓ | |
| 18. | Breakdown/Computation/Schedule of Fluctuation Reserve-Bonds/Stocks and Revaluation Reserve –Real Estate as reported in the Annual Statement | ✓ | |
| 19. | Bank Statements/Passbooks of all Current, Savings and Time Deposit accounts as of 31 December 2019 and 31 January 2020, together with the pertinent Bank Reconciliation statements | ✓ | |
| 20. | Detailed schedule of Deposits-in-Transit and Undeposited Collections, showing in columns the Official Receipt Number, Official Receipt Date, Date Deposited and Name of Depository Bank MBA Format No. 12 | ✓ | |
| 21. | Certification of Receivables from Government Agencies/Government-owned and Controlled Corporations as of 31 December 2019 | ✓ | |
| 22. | Sales Invoices and Official Receipts to support purchases of Electronic Data Processing (EDP) Equipment during the year ended 31 December 2019 | ✓ | |
| 23. | Official Receipts to support payments of Premium Tax, Documentary Stamps Tax and Real Estate Tax during the year ended 31 December 2019 | ✓ | |
| 24. | Schedule of Reinsurance Recoverable and Due to Reinsurers as of year-end, if any, using the attached MBA Format No. 8 | ✓ | ✓ |

CERTIFIED TRUE / PHOTO COPY


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

| DOCUMENT | | HARD COPY | SOFT COPY |
|----------|--|-----------|--------------------------------------|
| 25. | Summary of in-force certificates and policies by plan of insurance as of December 31, 2019 using the attached MBA - MBA Format No. 9. | ✓ | ✓ |
| 26. | Schedule showing balance sheet items in foreign currency, if any, and their peso equivalent, including a sub-schedule showing the currency breakdown in case an account consists of multiple currencies. | | ✓ |
| 27. | List of current members of board of directors and trustees, independent directors/trustees and their respective addresses, positions and also the chairman and members of Audit, Remuneration and Nomination committees. | | ✓ <i>(Microsoft Excel format)</i> |
| 28. | Minutes of Meetings of the Board and Executive Committees, including a copy of Board Resolutions made during the year ended 31 December 2019 | | ✓ <i>(PDF/ scanned format)</i> |
| 29. | Claims paid/denied during the year (MBA Format No. 10). | | ✓ |
| 30. | Schedule of Members' Fees/Dues/Contributions Due & Unpaid (MBA Format No. 11). | | ✓ |
| 31. | Latest copy of Certificate of Tax Exemption issued by the Bureau of Internal Revenue (BIR) pursuant to BIR Revenue Memorandum Order No. 38-2019 | ✓ | |
| 32. | For MBAs with Microinsurance business | | |
| | a. Enhanced Performance Indicators and Standard in Microinsurance (i.e., SEGURO) using Insurance Commission Circular 2016-63 dated 16 December 2016; and | | ✓ <i>(Microsoft Excel format)</i> |
| | b. Report/assessment of Institute of Corporate Director (ICD) on company's corporate governance score card for the year 2018 | ✓ | |
| | c. Copy of the following: | | |
| | c.1. Production: | | |
| | Schedule showing separately in columns the Certificate Number, Policy Number, Name of the Member/Assured, Sum Assured, Premium, Premium Tax, Documentary Stamp Tax, and Other Taxes (per Product Line), Total Premium Production | | ✓ <i>(Microsoft Excel format)</i> |


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

| DOCUMENT | | HARD COPY | SOFT COPY |
|----------|--|-----------|-----------|
| | c.2. Collections: Schedule showing separately in columns the Certificate Number, Policy Number, Name of the Assured, Sum Assured, Premium, Premium Tax, Documentary Stamp Tax, Other Taxes, Amount Collected, Official Receipt Number, and Official Receipt Date. Total Collections c.3. Claims paid duly signed by General Manager/Claims Manager Schedule showing separately in columns the Certificate Number, Policy Number, Name of Assured, Name of Claimant, Relationship to the Member, Claim Number, Date Filed, Sum Insured, Date of Loss, Amount of Loss, Nature of Claim, Date Paid, and Voucher Number, Total Amount of Claims | | |
| 33. | Contact Details of the Company's representative from: | | |
| | a. Accounting Unit/Division/Department: | | |
| | a.1. Full name (i.e., First Name, Middle Initial, Last Name) | | |
| | a.2. Designation | | |
| | a.3. Official Telephone Number | | |
| | a.4. Official Fax Number | | |
| | a.5. Official E-mail Address | | |
| | b. Actuarial Unit/Division/Department: | | |
| | b.1. Full name (i.e., First Name, Middle Initial, Last Name) | | |
| | b.2. Designation | | |
| | b.3. Official Telephone Number | | |
| | b.4. Official Fax Number | | |
| | b.5. Official E-mail Address | | |
| 34. | FLASH DRIVE NO. 1 | | |
| | - Containing requirements in soft copy format for Item Nos. 7,8, 9, 29 and 30 related to actuarial accounts, due to huge file size | | |
| 35. | FLASH DRIVE NO.2 | | |
| | - Containing all requirements in soft copy format, except Item Nos. 7,8, 9, 29 and 30 | | |

✓
(Microsoft Excel format)

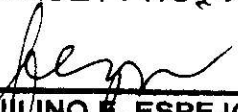
✓

✓

| |
|---|
| Remarks: |
| Received by: Signature over Printed Name |

| |
|--|
| Submitted by: Signature over Printed Name Designation |
|--|

CERTIFIED TRUE / PHOTO



TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

Date: _____

MBA Format 1.A.

SOFP RECONCILIATION IN EXCHANGE RATE

| Serial Number | Face Value in Original Currency | Currency | Price | Exchange Rate Used per TB | Balance per Trial Balance | Exchange Rate Used per AS | Balance per AS | Difference | Remarks | AS Schedule Reference |
|---------------|---------------------------------|----------|-------|---------------------------|---------------------------|---------------------------|----------------|------------|---------------------------------|-----------------------|
| P1ED342623E4R | 5,903.07 | Dollars | 100% | 50.621 | 300,000.00 | 50.64 | 295,902.03 | 1,097.97 | Difference due to exchange rate | |

Reconciliation should be as detailed as the above. Showing the cause of variance and the specific investments which can be traceable to the AS Schedule


MBA Format 2.A

SOCI RECONCILIATION IN EXCHANGE RATE

| Particulars | Amount in Original Currency | Currency | Exchange Rate Used per TB | Balance per Trial Balance | Exchange Rate Used per AS | Balance per AS | Difference | Remarks |
|--------------------|-----------------------------|----------|---------------------------|---------------------------|---------------------------|----------------|------------|---------------------------------|
| Travel and Expense | 23,688.90 | Dollars | 50.621 | 1,471,975.35 | 50.64 | 1,466,688.09 | 5,287.26 | Difference due to exchange rate |

Reconciliation should be as detailed as the above. Showing the cause of variance

CERTIFIED TRUE / PHOTO COPY


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

CERTIFIED TRUE / PHOTO COPY

TRANQUILINDÉ, ESPERON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

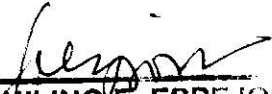
MBK REQUIRED FORMAT NO. 4

Name of Company
 As of 31 December 2018
 CLAIMS PAYABLE

Date: _____

| Basic Contingent Benefit | Date of Claim | Type of Contingent Benefit | Member's Name | Date of Birth | Type of Claim | Date of Claim | Date of Payment | Amount Paid | Amount Due | Remarks |
|-----------------------------------|---------------|----------------------------|---------------|---------------|---------------|---------------|-----------------|-------------|------------|---------|
| | | | | | | | | | | |
| Capital Benefit | | | | | | | | | | |
| a. Regular | | | | | | | | | | |
| 1. Date and Period | | | | | | | | | | |
| 2. Claims in course of settlement | | | | | | | | | | |
| 3. Resolved Claims | | | | | | | | | | |
| 4. Unresolved Claims | | | | | | | | | | |
| Total | | | | | | | | | | |
| b. Micro | | | | | | | | | | |
| 1. Date and Period | | | | | | | | | | |
| 2. Claims in course of settlement | | | | | | | | | | |
| 3. Resolved Claims | | | | | | | | | | |
| 4. Unresolved Claims | | | | | | | | | | |
| Total | | | | | | | | | | |
| Other Benefits | | | | | | | | | | |
| 1. Bonus | | | | | | | | | | |
| 2. Gratuity | | | | | | | | | | |
| 3. Other | | | | | | | | | | |
| Total | | | | | | | | | | |

CERTIFIED TRUE COPY


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

MBA FORMAT #12

Association Name _____
 Deposit in Transit and Undeposited Collection Audit Trail or Reconciliation
 31 December (YYYY)

Bank Name: _____
 Bank Account Number: _____

| Date | S.I. or O.R. No. | Amount | Deposit Slip | | Bank Statement or Passbook | |
|------------|------------------|--------|--------------|--------|----------------------------|--------|
| | | | Date | Amount | Date | Amount |
| 12/23/2019 | 1 | 100 | | | | |
| 12/23/2019 | 2 | 100 | | | | |
| 12/23/2019 | 3 | 100 | | | | |
| 12/23/2019 | 4 | 100 | | | | |
| 12/26/2019 | 5 | 100 | | | | |
| 12/26/2019 | 6 | 100 | | | | |
| 12/26/2019 | 7 | 100 | | | | |
| 12/27/2019 | 8 | 100 | | | | |
| 12/27/2019 | 9 | 100 | | | | |
| | | 900 | 12/27/2019 | 900 | 2/1/2020 | 900 |

- Notes:*
- (1) This type of reconciliation will also be required for other than sales-premium DIT. Applicable to all.
 - (2) If deposit slips dates and passbook entry dates are both dated on the first banking day of the year, they will be considered as undeposited collections.
 - (3) If deposit slips dates are dated last banking days of the year under exact and passbook entry dates are dated on the first banking days of the subsequent year, these will be considered as Deposit in Transit (DIT) since DIT entries are not reflected in the bank statement/passbook/statement of account/certification due to bank's lag.
 - (4) Supporting documents should be arranged in the same order above for efficient tracing.

Legends:
 Sales Invoice (S.I.)
 Official Receipt (O.R.)