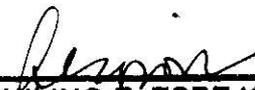




Republic of the Philippines
 Department of Finance
INSURANCE COMMISSION
 1071 United Nations Avenue
 Manila



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

Circular Letter (CL) No.	2020-21
Date	24 March 2020
Supersedes	None

Date: _____

CIRULAR LETTER

TO : ALL LIFE AND NON-LIFE INSURANCE COMPANIES DULY AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES

SUBJECT : COMPLIANCE WITH THE ₱900 MILLION MINIMUM NETWORTH AND MINIMUM CAPITAL INVESTMENT REQUIREMENTS AS OF 31 DECEMBER 2019

WHEREAS, Section 194 of Republic Act No. 10607 (Amended Insurance Code) and Insurance Commission (IC) Circular Letter No. 2015-02-A dated 13 January 2015 require all life and non-life insurance companies duly authorized to do business in the Philippines to have a net worth of at least Nine-Hundred Million Pesos (₱900 Million) by 31 December 2019;

WHEREAS, in addition to the minimum net worth requirement as of 31 December 2019, all insurance companies authorized to transact business in the Philippines are also required to comply with the minimum capital investment requirement pursuant to Sections 197 and 209 of the Amended Insurance Code;

WHEREAS, the IC issued Advisory No. 2-A-2020 dated 11 February 2020 to require all life and non-life insurance companies to comply with the ₱900 Million minimum net worth and minimum capital investment requirements until 28 February 2020. Otherwise, a show cause order shall be served to direct any company, failing to meet these requirements, to make good any such deficiency by cash, to be contributed by all stockholders of record in proportion to their respective interests, and paid to the treasurer of the company, within fifteen (15) days from receipt of the letter, and to order the company not to take any new risk of any kind or character unless and until it makes good any such deficiency pursuant to Section 200 of the Amended Insurance Code;

WHEREAS, IC Advisory No. 2-A-2020 further impose that in the event that such company still failed to comply with the ₱900 Million minimum net worth and minimum

capital investment requirements within the prescribed deadline, a cease and desist order shall be issued;

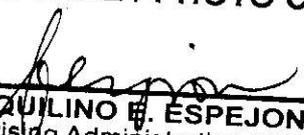
WHEREAS, in line with Proclamation No. 922, s. 2020, declaring a State of Public Health Emergency throughout the Philippines due to Corona Virus Disease 2019 (Covid-19), the IC is cognizant that the Philippines is continuing to implement travel restrictions and intensive health screening measures at transport hubs, including airports, sea ports and border crossings, as well as necessity to implement temporary suspension of business operations, in order to contain the spread of Covid-19;

WHEREAS, the operations of insurance companies and the IC are both being impeded by the implementation of the travel restrictions and the temporary suspension of business activities.

NOW, THEREFORE, in view of the foregoing and in accordance with Insurance Commissioner's power under Section 437 of the Amended Insurance Code, the **show cause order shall be put on hold until further notice**. Nonetheless, every company affected by this circular is hereby directed to comply with the minimum net worth requirement and the minimum capital investment requirement (security deposit) notwithstanding the suspension of the show cause order.

This circular shall take effect immediately.

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

Date: _____


DENNIS B. FUNA
Insurance Commissioner

