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

Date: _____

Circular Letter (CL) No.	:	2020-23
Date	:	24 March 2020
Supersedes	:	CL No. 2018-29 CL No. 2017-31

CIRCULAR LETTER

TO : **ALL INSURANCE AND/OR REINSURANCE BROKERS DOING BUSINESS IN THE PHILIPPINES**

SUBJECT : **FILING OF AUDITED FINANCIAL STATEMENTS AND ATTACHMENTS**

WHEREAS, Section 314 of the Amended Insurance Code provides *"that an application for the issuance or renewal of a license to act as an insurance agent or insurance broker may be refused, or such license, if already issued or renewed, shall be suspended or revoked if the Commissioner finds that the applicant for, or holder of, such license: ...has been guilty of fraudulent or dishonest practices; or has misappropriated or converted to his own use or illegally withheld moneys required to be held in a fiduciary capacity"*;

WHEREAS, Section 437(d) of the Amended Insurance Code provides that the Commission shall have the power to prepare, approve, amend or repeal rules, regulations and orders, and issue opinions and provide guidance on and supervise compliance with rules, regulations and orders;

WHEREAS, this Commission now finds the need to amend the list of documents under Circular Letter No. 2018-29 to submission of various hard copy of documents to harmonize the purposes of this Commission with the Republic Act 11032, otherwise known as *"Ease of Doing Business and Efficient Government Service Delivery Act of 2018"* particularly *"...the adoption of simplified requirements and procedures that will reduce red tape and expedite business and non-business related transactions in government"*;

WHEREAS, guidelines were previously issued to facilitate the submission of Audited Financial Statements and Attachments for the verification/examination of financial condition of insurance and/or reinsurance brokers;

NOW, THEREFORE, pursuant to the above provisions, all insurance and/or brokers, reinsurance brokers, are required to submit their respective Audited Financial Statements together with the updated attachments enumerated in **ANNEX A** of this Circular Letter, on or before **31 May** of every year.

FURTHER, the licensed insurance and/or reinsurance broker Chief Financial Officer (CFO) or its equivalent should submit a signed Certification (**see ANNEX B**) attesting the completeness and correctness of the documents and schedules submitted enumerated in **ANNEX A**.

Downloadable schedules and forms are accessible in the IC's website.

Failure to submit the necessary documents within the prescribed deadline shall cause the imposition of a penalty of P5,000.00 per day of delay pursuant to Title VII.B of IC CL No. 2014-15 (Fees and Charges) dated 15 May 2014.

For strict compliance.

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

Date: _____

DENNIS B. FUNA
Insurance Commissioner

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

"ANNEX A"

Date: _____

- **Name of Insurance Broker/ Reinsurance Broker/ Both Insurance and Reinsurance Broker**

As of December 31, 20__

LIST OF DOCUMENTS TO BE SUBMITTED BY INSURANCE AND/OR REINSURANCE BROKER

	PARTICULARS	HARD COPY	SOFT COPY (in USB)	
			PDF	EXCEL
_____ 1.	Attestation Certificate (Annex B)	X	X	
_____ 2.	Audited Financial Statements, signed and stamped "Received" by the Bureau of Internal Revenue (BIR) and the Securities and Exchange Commission (SEC)	X	X	
_____ 3.	Working Balance Sheet (downloadable form – Form C), signed by authorized representative	X	X	X
_____ 4.	Statement of Business Operations (SBO) as of December 31, 20__, signed by the chief accountant and certified by the external auditor		X	X
_____ 5.	Latest General Information Sheet filed with the SEC		X	
_____ 6.	Errors and Omissions Policies		X	
_____ 7.	Certification of IC Accredited Auditor – Individual/Firm and Signing Partner.		X	
_____ 8.	Certificate of Authority/License		X	
_____ 9.	BIR Form 1702RT stamped "Received" by the BIR		X	

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Administrative Division
Insurance Commission

PARTICULARS

Date: _____

PARTICULARS	HARD COPY	SOFT COPY (in USB)	
		PDF	EXCEL
Detailed Schedules and Supporting Documents of the following accounts:			
_____ 10. ***Clients' Money on Hand and in Banks (Form C1)***			
i. Certification/s from Fund Custodian/s as of December 31, 20__		X	
ii. Bank reconciliation statements using the adjusted balance method as of December 31, 20__ and January 31, 20__		X	X
a. Provide subsequent clearing/deposit of significant reconciling items (i.e. Deposits in Transit, Outstanding checks, etc.)			
iii. Bank statements and passbooks for all bank accounts for the month ended December 20__ and January 20__		X	
_____ 11. ***Cash and Cash Equivalents (Form C2)***			
i. Certification/s from Fund Custodian/s as of December 31, 20__		X	
ii. Bank reconciliation schedules using the adjusted balance method as of December 31, 20__ and January 31, 20__		X	X
a. Provide subsequent clearing/deposit of significant reconciling items (i.e. Deposits in Transit, Outstanding checks, etc.)			
iii. Bank statements and passbooks for all bank accounts for the month ended December 20__ and January 20__		X	
iv. Cash Equivalents			
a. Detailed Schedule (i.e. type of instrument/s, start and maturity dates, rates, tenor, and balances as of December 31, 20__)		X	X
b. Certificate of Time Deposits, proof of roll-over (such as official receipts, bank validated deposit slips, passbook/bank statement) and proof of proceeds of maturity/pre-termination, whichever is applicable		X	

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Administrative Division
Insurance Commission

PARTICULARS Date:	HARD COPY	SOFT COPY (in USB)	
		PDF	EXCEL
• 12. ***Premium and Commissions Receivable/ Premiums Payable*** i. Detailed schedule with the following information: • Name of Insurance Company • Name of Assured • Policy Number • Inception Date • Premium Balances a. Beginning balances b. Premiums for the year c. Premiums collected d. Premiums collected not yet remitted (Payables) e. Direct remittances, if any f. Cancelled Policies g. Aging of receivable and payable (within and over 90 days) h. Allowance for impairment *Note: Totals should tie up with the (1) total production per SBO (2) receivable/payable per AFS; any differences should be reconciled* • Commission, VAT on Commission • Net Due to (Premiums Payable) • Date Collected • Date Remitted • Proof of Collection (i.e. Official Receipt/ Acknowledgement Receipt/ email)		X	X
ii. Proof of collection and remittances of within 90 and over 90 days due such as official/acknowledgement receipts, bank validated deposit slips, passbook/bank statements		X	

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PARTICULARS

Date: _____

		HARD COPY	SOFT COPY (in USB)	
			PDF	EXCEL
____ 13.	***Financial Instruments (Form C4)***			
	i. Detailed schedule as of December 31, 20__ (i.e. instrument type, serial/stock certificate number, number of shares, cost, market value, amount recognized in P&L/ OCI, etc.)		X	X
	ii. Certification from custodian/s (e.g. PDTC, BTr-ROSS, Asset Management, etc.) as of December 31, 20__		X	
____ 14.	***Accounts/Notes/Loans Receivable (Form C5)***			
	i. Amortization schedule/s (term/s, rate, date/s, amortization, payments, balance)		X	X
	ii. Supporting documents (i.e. board resolution, loan/note certificate, etc.)		X	
	iii. Proof of collection such as official receipts, bank validated deposit slips, passbook/bank statements and other applicable documents		X	
____ 15.	***Investment Property and other Property/ies owned***			
	i. Lapsing schedule with details to each property not limited to: name/location, cost, market value, latest appraisal information, movements (sale/purchase) and amount of reserve/s, if any.		X	X
	ii. Supporting documents for additions/ sale (e.g. TCTs/CCTs, Conditional or Absolute Deed of Sale/Deed of Assignment, etc.		X	
	iii. Latest Appraisal Report by an Accredited Appraiser, if any.		X	
____ 16.	***Property and Equipment***			
	i. Lapsing schedule with details not limited to: type of property/equipment, cost, acquisition date, depreciation/amortization, book value as of December 31, 20__			X
	ii. Supporting documents for the additions/disposals during the year.		X	
____ 17.	***Other Assets (Form C6)***			
	i. Schedule for significant assets other than enumerated above.			X

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Insurance Commission

PARTICULARS Date: _____

	HARD COPY	SOFT COPY (in USB)	
		PDF	EXCEL
_____ 18. ***Accounts/Notes/Loans Payable***			
i. Amortization schedule/s (term/s, rate, date/s, amortization, payments, balance)			X
ii. Supporting documents (i.e. board resolution, loan/note certificate, etc.)		X	
_____ 19. ***Other Liabilities***			
i. Schedule of significant other liabilities not enumerated above (e.g. Due from related parties, retirement obligation, etc.)			X
ii. Documents to support advances to/from officers and stockholders. (such as terms of payment, collaterals and Board Resolution)		X	
iii. Proof of payment such as official receipts and other documents to support advances		X	
_____ 20. ***Stockholders' Equity***			
i. Supporting documents to support movement in the equity, such as but not limited to: • Board Resolution/s for the appropriation of Retained Earnings, Dividend declaration, changes in the composition of the BOD, • Amendment/Changes in the Articles of Incorporation and/or By-laws		X	

Submitted by:

_____
Signature over Printed Name and
Designation of Responsible Officer

Received by: _____

Date Received: _____

"ANNEX B"

(Company's Letterhead)

CERTIFICATION

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

To whom it may concern:

Date: _____

I hereby attest that I have reviewed all the documents and schedules as of 31 December 20__, submitted to the Insurance Commission per IC Circular Letter No. _____. I declare that all the documents and schedules are true and accurate to the best of my knowledge.

Sincerely,

Signature over printed name

President/Chief Executive/Chief Financial Officer