



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

Circular Letter (CL) No.:	2016 - 10
Date:	08 March 2016
Supersedes:	None

CIRCULAR LETTER

TO : ALL PRE-NEED COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : MINIMUM REQUIREMENTS FOR THE APPROVAL OF PRE-NEED PRODUCTS

In order to simplify the submission of pre-need products for approval, the following minimum requirements are hereby prescribed to implement Section 15 and Section 17 of Republic Act No. 9829 otherwise known as the Pre-Need Code of the Philippines, pursuant to the powers vested in the Insurance Commission by the provisions of Section 6 thereof:

1. All submissions of pre-need products for approval shall be accompanied by the duly accomplished Checklist of Minimum Requirements for the Approval of Pre-Need Plans (Annex A).
2. The submission shall also be accompanied by all documents as enumerated in Annex A. The format to be used for the Actuary's Certification (Item C.14 of the Checklist of Minimum Requirements) is attached as Annex B.
3. All pre-need plan contracts, application forms, certificates, sales materials and other related forms shall strictly comply with the substantive requirements of the Pre-Need Code, its Implementing Rules and Regulations and pertinent Circulars and Guidelines issued by the Insurance Commission.

This Circular takes effect immediately.

For strict compliance.


EMMANUEL F. DOOC
Insurance Commissioner

CHECKLIST OF MINIMUM REQUIREMENTS FOR THE APPROVAL OF PRE-NEED PLANS

Name of Company: _____

Name of Plan: _____

	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
A. Eligibility Requirements			
1. No trust fund deficiency	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. No paid-up capital impairment	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. No unpaid fines and penalties imposed by the Commission for violations of the New Pre-Need Rules on the Registration and Sale of Pre-Need Plans	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Not under corporate conservatorship, rehabilitation and liquidation	<input type="checkbox"/>	<input type="checkbox"/>	_____
B. Corporate Information			
1. Duly Accomplished Registration Statements signed by the Chief Executive Officer or Chief Operating Officer or Chief Finance Officer or a Corporate Officer performing similar functions	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Board resolution authorizing the registration of applicant's pre-need plan certified by the Corporate Secretary	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Opinion of independent counsel on the legality of the Registration Statements	<input type="checkbox"/>	<input type="checkbox"/>	_____
C. Pre-Need Plan Documents			
1. Pre-Need Plan Contract/Agreement (3 copies)	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Plan Specifications Page (3 copies)	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Pre-Need Plan Application Form (3 copies)	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Certificate of Full Payment (3 copies)	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Actuarial Notes	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. Brief and concise description of Pre-Need plan	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Actuarial formulations and assumptions used in the viability study and other actuarial values	<input type="checkbox"/>	<input type="checkbox"/>	_____

Note: For item(s) not applicable please indicate "N.A." together with a brief explanation

CHECKLIST OF MINIMUM REQUIREMENTS FOR THE APPROVAL OF PRE-NEED PLANS

Name of Company: _____

Name of Plan: _____

	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
6. Viability Study (interest rates, discount rates, lapses, termination, utilization rates, expenses, etc.) for the complete duration of the plan or 20 years, whichever is shorter	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Table of Plan Contract Price and Instalment amount including how the Gross Contract Price was generated	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. Schedule of Trust Fund Deposit Rates for all payment terms, including but not limited to spot cash with or without down payment	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. Schedule of Pre-Need Plan Reserves including the Contribution to Reserves	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. Schedule of Insurance Premium Reserves (IPR) including the contribution to IPR	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. Schedule of Supplemental Reserves (SR) including the contribution to SR	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. Schedule of Termination Values	<input type="checkbox"/>	<input type="checkbox"/>	_____
13. Schedule of Illustrative Dividends, if applicable	<input type="checkbox"/>	<input type="checkbox"/>	_____
14. Sworn certification of IC accredited actuary following prescribed IC format (see Annex B)	<input type="checkbox"/>	<input type="checkbox"/>	_____
15. Latest Audited Financial Statements	<input type="checkbox"/>	<input type="checkbox"/>	_____
16. Advertising Materials	<input type="checkbox"/>	<input type="checkbox"/>	_____
17. Supporting documents:			
a. Latest articles of incorporation and by-laws	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Trust agreement with the Trustee	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Information Brochure and other printed literature to be distributed to the public	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Copies of related contracts such as mortuary contracts, school contracts or other service provider's contracts	<input type="checkbox"/>	<input type="checkbox"/>	_____

Note: For item(s) not applicable please indicate "N.A." together with a brief explanation

CHECKLIST OF MINIMUM REQUIREMENTS FOR THE APPROVAL OF PRE-NEED PLANS

Name of Company: _____

Name of Plan: _____

	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
e. List of Affiliated Mortuaries for Memorial Plans	<input type="checkbox"/>	<input type="checkbox"/>	_____
f. List of accredited schools for traditional education plans including current costs of promised benefits (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	_____
g. Copies of agency contracts with general agents and sales counsellors	<input type="checkbox"/>	<input type="checkbox"/>	_____
h. Description of training program for agents and sales counsellors	<input type="checkbox"/>	<input type="checkbox"/>	_____
i. Curriculum vitae of officers and directors;	<input type="checkbox"/>	<input type="checkbox"/>	_____
j. Photographs of the signatories to the registration statement taken not more than 30 days prior to the filing of registration statements	<input type="checkbox"/>	<input type="checkbox"/>	_____
k. NBI clearance of the directors and principal officers of the issuer or current passport:	<input type="checkbox"/>	<input type="checkbox"/>	_____
l. Specimen copies of group master policy and insurance riders issued to the Pre-Need Company for the following coverage:			
i. Group Credit Life	<input type="checkbox"/>	<input type="checkbox"/>	_____
ii. Group Yearly Renewable Term	<input type="checkbox"/>	<input type="checkbox"/>	_____
iii. Supplementary Insurance Benefits	<input type="checkbox"/>	<input type="checkbox"/>	_____
iv. Insurance Certificates / Proof of Insurance Coverage	<input type="checkbox"/>	<input type="checkbox"/>	_____
D. Payment of Filing Fee	<input type="checkbox"/>	<input type="checkbox"/>	_____
1. A Filing Fee for registration of New/Additional plans equal to 0.10% of the aggregate contract price (exclusive of VAT) plus 1% of the Filing Fee for the Legal Research Fund shall be paid upon submission of the plan.			
2. For other applicable fees, please refer to Circular Letter No. 2014-15 item D under V. Products/Forms Approval.			

Note: For item(s) not applicable please indicate "N.A." together with a brief explanation

LETTERHEAD

Date _____

Insurance Commissioner
INSURANCE COMMISSION
1071 United Nations Avenue
Ermita, Manila

CERTIFICATION

Sir/Madam:

I, _____ (Name of Actuary) _____, do hereby certify that:

1. The actuarial formulations used for _____ (Name of Plan) _____ are accurate and in accordance with generally accepted actuarial principles and are in compliance with regulatory requirements.
2. The actuarial assumptions used in the viability study and in the derivation of the Gross Contract Prices, Installments Amounts, Reserve Liabilities and Termination Values are in my opinion, reasonable and appropriate based on company's experience and existing conditions and the company's reasonable expectations of future outcome throughout the duration of the plan.
3. The schedule and rates of contribution to the trust fund in the viability study are sufficient to pay all benefits and guarantees described in the plan.
4. The provisions of the pre-need plan contract have been reviewed and all its benefits and guarantees have been quantified and considered in the pricing and determination of the trust fund contributions, pre-need reserves and termination values.
5. In my opinion, all insurance benefits included in the pre-need plan contract are covered under appropriate insurance contracts, approved by the Insurance Commission (IC) and issued by a duly licensed insurance provider(s).
6. I have followed the Pre-Need Code, its Implementing Rules and Regulations, and pertinent IC circulars, and guidelines and standards of the Actuarial Society of the Philippines (ASP), and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the ASP are applicable.
7. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Insurance Commission or any other appropriate action that may be taken, before the proper forum.

Signature over Printed Name of the Actuary/Consulting Actuary

IC Accreditation No. _____

Issued at: _____ on _____

PTR No.: _____

Issued at: _____ on _____

LETTERHEAD

REPUBLIC OF THE PHILIPPINES

City of _____ (S.S.)

Subscribed and sworn to me before this _____ day of _____, at _____.
Affiant exhibited to me his/her and _____ (government issued identification card) issued
on _____ at _____.

Doc. No. _____

Page No. _____

Book No. _____

NOTARY PUBLIC

