



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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Circular Letter No.:	<u>13-2008</u>
Dated	: <u>March 13, 2008</u>
Supersedes	: <u>CL 3-2001 dated Aug. 24, 2001</u> <u>and CL dated Feb. 10, 1975</u>

TO : All Insurance Companies/Reinsurance Brokers Licensed to do Business in the Philippines

SUBJECT: Documents Required of Insurance Companies/Reinsurance Brokers to Accompany Request for the Certification to be issued by the Insurance Commission relative to Foreign Exchange Application for Remittance of Net Profits, Reinsurance Premia and Payment of Loss Claims.

The following documents should accompany requests for certification to remit foreign exchange abroad.

I. - Net Profits of branches of foreign authorized insurance companies -

- 1) Sworn statement of the authorized officer of the applicant company attesting that the remittances shall be from net profits to be remaining on hand after retaining unimpaired the following requirements of the Insurance Code –

- a. The statutory deposit
- b. The margin of solvency
- c. The legal reserve fund

and a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

- 2) Copy of the latest audited financial statement of the applicant.

II. – Reinsurance Premia -

- 1) Copy of the statement of Reinsurance Account prepared by the applicant.
- 2) Particulars of the treaty/facultative placement covering the remittance.
- 3) Notice of demand and/or statement of reinsurance premium due prepared by the beneficiary.
- 4) Sworn statement of a responsible official of the applicant company certifying that it has withheld the required taxes in accordance with the Bureau of Internal Revenue rules and regulations.
- 5) A written authorization to remit premia issued by the ceding insurance company in favor of a resident reinsurance broker, in case the letter is applying for or in behalf of said company.
- 6) Copy of the insurance policy in case of facultative placements.

III. – Payment of Claims for Losses -

- 1) Copy of notice of demand or statement of account.
- 2) Particulars of the treaty/facultative placement.
- 3) Copy of the marine hull/cargo policy and survey report in case of marine loss claims.

IV. – For all other cases of insurance and/or reinsurance payments -

All pertinent documents to establish the legitimacy/accuracy of the amount sought to be remitted.


In any of the above cases, the following should likewise be submitted:

- 1) Copy of the appropriate BSP application form for the purchase of foreign exchange, duly accomplished and notarized.

- 2) Copy of the certification of an external auditor duly accredited by the Insurance Commission following the format below:

"This is to certify that the amount/s (state currency and amount) representing (net premiums earnings, reinsurance premia, payment of claims for loss, etc.) due and payable to (name of unauthorized reinsurer/broker) has/have been verified from the books and records of (name of company) and that in my/our opinion, the said amount is/are correctly stated and remittable to the said (name of authorized reinsurer/broker) as of (certain date)"

All circulars and orders inconsistent herewith are hereby revoked/cancelled.


EDUARDO T. MALINIS
Insurance Commissioner