



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



<b>Circular Letter (CL) No.</b>	:	2018-29
<b>Date</b>	:	25 April 2018
<b>Supplements</b>	:	CL No. 2017-31

**CIRCULAR LETTER**

**TO : ALL INSURANCE BROKERS, REINSURANCE BROKERS,  
AND BOTH INSURANCE AND REINSURANCE BROKERS  
DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : SUPPLEMENTS TO CIRCULAR LETTER NO. 2017-31 ON  
THE FILING OF AUDITED FINANCIAL STATEMENTS**

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To ensure the effective verification/examination of financial condition and methods of doing business of insurance brokers, reinsurance brokers and both insurance and reinsurance brokers, there is a need to amend the List of Documents to be submitted to the Insurance Commission (IC). Thus, pursuant to Section 437(d) of the Amended Insurance Code which 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, Circular Letter (CL) No. 2017-31 particularly Annex "A" which provides the list of documents shall be supplemented as follows:

1. Errors and Omissions Policies;
2. Certificate of Authority/License;
3. List of Insurance Companies with existing Brokers Agreement signed by the authorized officer;
4. Breakdown/Computation/Schedule of Fluctuation Reserve – Bonds;

**Premium Receivable/Due from Reinsurers**

5. Inception date, amount of premiums receivable and official receipt/acknowledgment receipt number as additional information on the schedule of collection of within 90 and over 90 days due premium receivable/due from reinsurers;

6. Proof of collection of within 90 and over 90 days due such as official/acknowledgment receipts, bank validated deposit slips, passbook/bank statements and proof of remittances such as official/acknowledgment receipts from insurance companies including direct payment in sequence based on the schedule of collection and with legend.

#### **Commission Receivable**

7. Inception date, amount of commission receivable and official receipt number as additional information on the schedule of collection of within 90 and over 90 days due commission receivable;
8. Proof of collection of within 90 and over 90 days due commission receivable such as VAT official receipts in sequence based on the schedule of collection and with legend.

#### **Premiums Payable/Due to Insurers/Reinsurers**

9. Inclusion of inception date, amount of premiums payable and official receipt/acknowledgment receipt number as additional information on the schedule of collection of within 90 and over 90 days due premiums payable/due to insurers/reinsurers;
10. Schedule of Direct Remittances of within 90 and over 90 days due with the following information:
  - Name of Insurance Company
  - Name of Assured
  - Policy Number
  - Inception Date
  - Amount of Premiums Receivable
  - Amount of Commission Receivable
  - Amount of Premiums Payable
  - Amount Remitted
  - Date Remitted
  - Official Receipt/Acknowledgment Receipt No.
11. Proof of remittances including direct remittances of within 90 and over 90 days due payables such as official receipts/acknowledgment receipts from insurance companies in sequence based on the schedule of remittances and with legend.

#### **Stockholders' Equity**

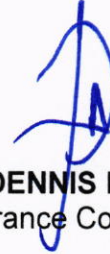
12. List of Stockholders together with the number of Shares; and
13. Board Resolution for Appropriated Retained Earnings.

All insurance brokers, reinsurance brokers, as well as both insurance and reinsurance brokers are required to submit one (1) hard copy and one (1) soft copy of their respective Audited Financial Statements together with the attachments,

including the abovementioned additional documents as can be seen in **ANNEX "A"** of this Circular Letter, on or before 31 May of every year.

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.



**DENNIS B. FUNA**  
Insurance Commissioner





“ANNEX A”

Name of Insurance Broker/ Reinsurance Broker/ Both Insurance and Reinsurance Broker  
As of December 31, 20\_\_

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

PARTICULARS		HARD COPY	SOFT COPY (in USB)	
			PDF	EXCEL
_____ 1.	Audited Financial Statements, signed by external auditor accredited by this Commission and duly stamped “received” by the Bureau of Internal Revenue (BIR).	X	X	
_____ 2.	Adjusted Trial Balance as of December 31, 20__, signed by the Chief Accountant.	X		X
_____ 3.	Statement of Business Operations (SBO) as of December 31, 20__, signed by the chief accountant and certified by the external auditor.	X		X
_____ 4.	Reconciliation statement of figures/accounts in the Adjusted Trial Balance to tally with the figures/accounts in the Audited Financial Statements.	X		X
_____ 5.	Latest General Information Sheet filed with the SEC.	X	X	
_____ 6.	<b>Errors and Omissions Policies.</b>		X	
_____ 7.	Certification of IC Accredited Auditor – Individual/Firm and Signing Partner.	X	X	
_____ 8.	<b>Certificate of Authority/License.</b>	X	X	
_____ 9.	List of Current Members of the Board of Directors and Officers with their respective addresses and positions.		X	

PARTICULARS	HARD COPY	SOFT COPY (in USB)	
		PDF	EXCEL
_____ 10. <b>List of Insurance Companies with existing Brokers Agreement signed by the authorized officer.</b>	X	X	
<b><u>Detailed Schedules and Supporting Documents of the following accounts:</u></b>			
_____ 11. <b>Cash on Hand and in Banks</b>			
i. Certification of Petty Cash Custodian for Petty Cash Fund, Revolving Fund, etc. as of December 31, 20__ and signed by the authorized officer.	X	X	
ii. Bank reconciliation statements using adjusted book and bank balance method as of December 31, 20__ and January 31, 20__.	X	X	
iii. Bank statements/passbooks showing the name of the Company and account number for the whole month of December 20__ and January 20__.	X	X	
iv. Detailed schedule of deposit in transit in no. ii showing in columnar format the official receipt number, date of official receipt, date deposited, name of depository bank and to be supported by Official Receipts, Bank Validated Deposit Slips, Passbook and Bank Statement.	X		X
v. Certificate of Time Deposits, Proof of Roll-over (such as Official Receipts, Bank Validated Deposit Slips, Passbook and Bank Statement) and proof of proceeds of maturity/pre-termination, whichever is applicable.	X	X	
_____ 12. <b>Investment in Bonds and Treasury Bills</b>			
i. Confirmation of sales of investments in bonds and treasury bills, together with Statement of Securities Account of BTr- ROSS as of December 31, 20__.	X	X	
ii. <b>Breakdown/Computation/Schedule of Fluctuation Reserve – Bonds.</b>	X		X



**PARTICULARS**

- \_\_\_\_\_ 13. **Investment in Stocks and Other Investments**
  - i. Photocopies of stock certificates. (front and back portion).
  - ii. Certification from Philippine Depository & Trust Co. for scriptless stocks as of December 31, 20\_\_ showing that the investment is for the account of the broker.
  - iii. Breakdown/Computation/Schedule of Fluctuation Reserve – Stocks.
  
- \_\_\_\_\_ 14. **Real Estate Owned**
  - i. Photocopies of Owner’s Duplicate Copy and Transfer of Certificate Titles (TCTs) and Condominium Certificate of Titles (front and back portion), Latest Payment of Real Estate Tax, Conditional or Absolute Deed of Sale/Deed of Assignment, and other applicable supporting documents.
  - ii. Breakdown/Computation/Schedule of Revaluation Reserve including appraisal increase during the year.
  - iii. Latest Appraisal Report by an Accredited Appraiser, if any.
  
- \_\_\_\_\_ 15. **Accounts/Notes/Loans Receivable**
  - i. Documents to support accounts/notes/loans receivable account such as board resolution, term of payments/amortization schedule.
  - ii. Proof of collection such as official receipts, bank validated deposit slips, passbook/bank statements and other applicable documents.

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X	X	
X	X	
X		X
X	X	
X		X
X	X	
X	X	
X	X	

**PARTICULARS**

- \_\_\_\_\_ 16. **Premium Receivable/Due From Reinsurers**
- i. Detailed aging schedule of within 90 and over 90 days due with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - Inception Date
    - Amount of Premiums Receivable
    - Date Collected
    - Commission, Vat on Commission
    - Net Due to (Premiums Payable)
    - Date Remitted
  
  - ii. Schedule of collection of within 90 and over 90 days due with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - **Inception Date**
    - **Amount of Premiums Receivable**
    - Amount Collected
    - Date Collected
    - **Official Receipt/Acknowledgment Receipt No.**
  
  - iii. Proof of collection of within 90 and over 90 days due such as official/acknowledgement receipts, bank validated deposit slips, passbook/bank statements and proof of remittances such as official/acknowledgement receipts from insurance companies **including direct payment in sequence based on above schedule of collection and with legend.**

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X		X
X	X	



**PARTICULARS**

- \_\_\_\_\_ 17. **Commissions Receivable**
- i. Detailed aging schedule of (including direct payment to insurance company) within 90 and over 90 days due with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - Inception Date
    - Amount of Commission Receivable
    - Date Collected
  
  - ii. Schedule of collection of within 90 and over 90 days due commission with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - **Inception Date**
    - **Amount of Commission Receivable**
    - Date Collected
    - Amount Collected
    - **Official Receipt No.**
  
  - iii. Proof of collection of within 90 and over 90 days due commission receivable such as VAT official receipts **in sequence based on above schedule of collection and with legend.**
- \_\_\_\_\_ 18. **EDP Equipment**
- i. Lapsing Schedule

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X		X
X		X
X	X	
X		X



**PARTICULARS**

- ii. Sales invoices and official receipts to support purchases of EDP equipment during the year
- \_\_\_\_\_ 19. **Other Assets**
- i. Documents to support Other Assets accounts such as Bureau of Internal Revenue (BIR) Form 2307 for the unused/unapplied portion and its summary schedule and other assets.
- \_\_\_\_\_ 20. **Premiums Payable/Due to Insurers/Reinsurers**
- i. Detailed aging schedule of within 90 and over 90 days due with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - Inception Date
    - Amount of Premiums Payable
    - Date Remitted
  - ii. Schedule of remittances of within 90 and over 90 days due with the following information:
    - Name of Insurance Company
    - Name of Assured
    - Policy Number
    - **Inception Date**
    - **Amount of Premiums Payable**
    - Amount Remitted
    - Date Remitted
    - **Official Receipt/Acknowledgment Receipt No.**

HARD COPY	SOFT COPY (in USB)	
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X	X	
	X	
X		X
X		X

**PARTICULARS**

	PARTICULARS	HARD COPY	SOFT COPY (in USB)	
			PDF	EXCEL
iii.	<b>Schedule of <i>direct remittances</i> of within 90 and over 90 days due with the following information:</b> <ul style="list-style-type: none"> <li>• Name of Insurance Company</li> <li>• Name of Assured</li> <li>• Policy Number</li> <li>• Inception Date</li> <li>• Amount of Premiums Receivable</li> <li>• Amount of Commission Receivable</li> <li>• Amount of Premiums Payable</li> <li>• Amount Remitted</li> <li>• Date Remitted</li> <li>• Official Receipt/Acknowledgment Receipt No.</li> </ul>	X		X
iv.	<b>Proof of remittances including <i>direct remittances</i> of within 90 and over 90 days due payables such as official receipts/acknowledgement receipts from insurance companies in sequence based on above schedule of remittances and with legend.</b>	X	X	
_____ 21.	<b>Accounts/Notes/Loans Payable</b> <ul style="list-style-type: none"> <li>i. Documents to support accounts/notes/loans payable account.</li> </ul>	X	X	
_____ 22.	<b>Advances to/from Officers and Stockholders</b> <ul style="list-style-type: none"> <li>i. Documents to support advances to/from officers and stockholders. (such as terms of payment, collaterals and Board Resolution).</li> <li>ii. Proof of payment such as official receipts and other documents to support advances.</li> </ul>	X	X	



**PARTICULARS**

\_\_\_\_\_ 23. **Taxes Payable**  
 i. BIR Form No. 1702 (Annual Income Tax Return) duly stamped by BIR.

\_\_\_\_\_ 24. **Stockholders' Equity**  
 i. Detailed schedule of the following:  
 • Capital Stock Paid Up (**List of stockholders together with the no. of shares**).  
 • Fluctuation/Revaluation Reserve – Stocks, Bonds, Real Estate and Foreign Exchange.  
 • Deposit for Future Subscriptions with attached amended articles of incorporation filed with Securities and Exchange Commission (SEC).  
 • **Board Resolution for Appropriated Retained Earnings.**

HARD COPY	SOFT COPY (in USB)	
	PDF	EXCEL
X	X	
X	X	

Submitted by:  
  
 \_\_\_\_\_  
 Signature over Printed Name and Designation of Responsible Officer

Received by: \_\_\_\_\_  
 Date Received: \_\_\_\_\_

