

CIRCULAR LETTER NO. 3-87
PREPARATION OF THE ANNUAL STATEMENT

REPUBLIKA NG PILIPINAS
MINISTRI NG PANANALAPI
KOMISYON NG SEGURO

14 January 1987

CIRCULAR LETTER NO. 3-87

TO : ALL LIFE INSURANCE COMPANIES DOING BUSINESS
IN THE PHILIPPINES

SUBJECT : PREPARATION OF THE ANNUAL STATEMENT

We are pleased to furnish you with the following information relative to the preparation of the Annual Statement of life insurance companies:

1. In lieu of the Schedule of Policy Loans (Schedule F), the company's Actuary, duly accredited by this Commission shall submit -

a. a Statement of Opinion, to wit:

"As regards Policy Loans, I, (name of Actuary), Actuary of (Name of Company), to the best of my knowledge and belief, after conducting such tests (Description of Test No. 1), (Description of Test No. 2), etc. as I have deemed necessary, express the opinion that -

- 1) the policy loan balances as of (date) amounting to _____ bears a reasonable relationship with the corresponding policy cash values; and
- 2) for the policies with loan balances, appropriate reserves have been set up on a basis consistent with prior years and generally accepted actuarial principles."

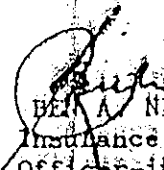
b. the results of and brief description of the methodology used in the tests conducted by the Actuary upon which his opinion was based.

2. a) In addition to the foregoing, the company's Accredited Actuary shall certify to the items/accounts, together with their corresponding amounts, listed in Annex A hereof. If no amounts are to be entered, indicate "none", "nothing", or "nil".

- b) The company's Comptroller or any responsible officer with a rank of at least Vice-President shall certify to the items/accounts together with their corresponding amounts, listed in Annex B hereof. If no amounts are to be entered, indicate "none", "nothing", or "nil".

This supersedes Circular Letter dated 29 December 1983 and shall take effect beginning with the submission of the 1986 Annual Statement.

Please be guided accordingly.


BEN A. NICOLAS
Asst. Insurance Commissioner
Officer-in-Charge

A. ASSETS

1. Net Life insurance premiums and annuity considerations due and uncollected _____
2. Accident and health premiums due and uncollected _____

B. LIABILITIES

- I1 1. Aggregate reserve for life policies and contracts _____
- I2 2. Aggregate reserve for accident and health policies _____
- I3 3. Supplementary contracts without life contingencies _____
- I4 4. Policy and contract claims
 - 4.1 Due and unpaid _____
 - 4.2 In course of settlement:
 - 4.2.1 Resisted _____
 - 4.2.2 Others _____
 - 4.3 Incurred but unreported (less reinsurance) / the basis of computation of which should be attached to the certification / _____
 - 4.4 Total (Gross) _____
 - 4.5 Add: Reinsurance assumed on reported claims _____
 - 4.6 Less: Reinsurance ceded on reported claims _____
 - 4.7 Net Liability _____
- I7 5. Provision for policyholders' dividends and experience refund payable in following calendar year-estimated amount _____
- I8 6. Amount provisionally held for deferred dividend policies not included in Item 5 _____
- I11 7. Policy and contract liabilities not included elsewhere:
 - 7.1 Surrender values on cancelled policies _____
- I12 8. "Cost of collection" on premiums and annuity considerations uncollected in excess of total loading thereon _____

C. Net Deferred Premiums

- D. All other accounts, if any, as may have to be certified to by the Actuary.

Annex B

Liabilities

	<u>Account Title</u>	<u>Amount</u>
I5	1. Policyholders' dividends accumulations	_____
I6	2. Policyholders' dividends and experience refunds due and unpaid	_____
I9	3. Premiums and annuity considerations received in advance less _____ discount; including _____ accident and health premiums	_____
I10	4. Liability for premium deposit funds	_____