

**[ IC CIRCULAR NO. 22-2007, November 08, 2007 ]**

**PREMIUMS RECEIVABLE**

For purposes of determining compliance with the margin of solvency requirement of non-life insurance companies, this Commission may, in addition to the assets enumerated in Section 196 of the Insurance Code, consider as admitted assets, premiums due from the following:

1. The Government of the Philippines, its political subdivisions or instrumentalities, including government owned or controlled corporations, whether as insured, general agent, insurance broker, mortgagee or trustee, provided that in case any of said entities assumes the role of a trustee, the insurance company concerned shall present proof that such premiums are held by such entity as trustee of the said company.
2. Premiums Receivable Account (ordinary agents, general agents and insurance brokers) covering policies within ninety (90) days from inception as of the cut-off date, provided that these receivables are supported by an aging schedule showing details per policy and copies of policies and other pertinent documents are made available to the examiners for verification.
3. "Jumbo" risks, which for purposes of this Circular Letter shall refer to risks where the annual premium on any one policy exceeds P500,000.00, in which case, premiums may be paid in four (4) quarterly equal installments, provided that the first installment shall include all taxes due and other charges. In case of default in any installment due, all remaining unpaid installments shall be treated as non-admitted asset. Likewise, these receivables shall be supported by an aging schedule showing details per policy and copies of policies and other pertinent documents shall be made available to the examiners for verification.

Premiums Receivable accounts due over ninety (90) days from inception date as of the cut-off date which were disallowed but were collected and remitted to the Head Office within the first quarter following the cut-off date shall be considered as after-date transactions, provided that the following documents shall be submitted together with the submission of Annual Statement:

- a. Schedule of Premiums Receivable with full details of insurance policies over ninety (90) days due;
- b. Schedule of after-date collections with details of policies, official receipts and amount;
- c. Copies of official receipts, validated deposit slips, passbooks and/or bank statements;