

**[ IC CIRCULAR LETTER NO. 12-2005, April 12, 2005 ]**

**CIRCULAR LETTER NO. 24/94 ISSUED ON DECEMBER 12, 1994**

Attention is invited to the following pertinent provisions of the captioned Circular Letter dated December 12, 1994, strict compliance therewith is hereby enjoined:

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

1. The Government of the Philippines, its political sub-divisions or instrumentalities, including government-owned or controlled corporations, whether as insured, general agent, insurance broker, mortgage or 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 (direct agents, general agents and insurance brokers) covering policies within 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, otherwise, unverified accounts will be disallowed.
3. Marine Hull Premiums covered by Deferred Premiums Clause "E" attached to the policy and payable in four quarterly installments provided that the installments to be considered as admitted assets are only the installments due within 90 days as of cut-off date including all installments not yet due as of the cut-off date and provided further that these receivables are supported by an aging schedules showing details per policy and copies of policies and other pertinent documents shall be made available to the examiners for verification, otherwise, those accounts not verified will be disallowed.

Henceforth, no after-date transaction shall be allowed.

Please be guided accordingly.

Adopted: 12 April 2005

(SGD.) BENJAMIN S. SANTOS  
*Insurance Commissioner*

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