Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

SEC Memorandum Circular No. 1
Series of 2007

To: **Pre-Need Corporations**

Re: **Guidelines on the Expeditious Approvals of Matters Concerning Pre-Need Plans**

In order to expedite the processing of applications concerning pre-need plans, the Commission hereby promulgates the following guidelines:

Section 1. Coverage. This Circular shall apply to the following applications:

A. Registration and Licensing of Pre-Need Plans[1]

a. Registration and Licensing of Additional Securities With No Change in Benefits

i. With Price Increase or
ii. Without Price Increase

b. Petition for Price Increase for the Unsold Balance of Previously Approved Registration

c. Petition for Conversion of Unsold Approved Securities from One Type of Plan to Another Existing Previously Approved Plan

1 A previously approved plan for price increase is considered unchanged if the promised benefits and the actuarial formulations have not been changed, both in the manner and timing of payment. The change in price is the result of changes in the original assumptions of interest rates, inflation rates, availment and decrement rates used in the original pricing. If the actuarial formulations have been revised in arriving at a new price increase, then the plan does not qualify as a previously approved plan.

I(74)

B. Reliefs Concerning the Trust Fund of Pre-Need Corporations

a. Request for the Transfer of Excess Trust Fund Cash Deposits from One Type of Pre-Need Plan to Another by the Same Trustee

b. Request by the Trustee for Exemption from Rule 17.1 (Investment of the Trust Fund) of the Rules on the Registration and Sale of Pre-Need Plans having terms and conditions similar to a Previously Approved Application and

c. Transfer of Trust Fund to a Successor-Trustee

Section 2. Who May Avail. Only pre-need corporations which, at the time of filing of the application, have satisfied the following criteria shall be eligible to avail of the provisions of this Memorandum Circular:

A. No reportorial requirement deficiency

B. No unpaid fines and penalties imposed by the Commission for violations of the New Rules on the Registration and Sale of Pre-Need Plans and

C. Not under corporate rehabilitation

For applications pertaining to Sections 1A and 1B(b), in addition to the foregoing, the following must be complied with:

A. No trust fund deficiency and

B. No minimum paid-up capital impairment

Section 3. What to File.

A. For applications pertaining to Registration and Licensing of Pre-Need Plans, it must be accompanied by the following documents:

a. Documents required under the corresponding Checklists, attached hereto as Annexes "A" to "G".

b. Affidavit duly executed by the Chief Executive Officer or Chief Operating Officer or by any duly authorized officer of the Pre-Need Corporation. The Affidavit (Annex "H") shall contain the following statements:

i. That the Checklist was duly accomplished by the authorized officer of the Pre-Need Corporation and that all entries made on the submitted documents are correct and accurate;

ii. That all plans, sold by the Pre-Need Corporation or by its general agent prior to the Revocation of the Certificate of Registration, shall be deemed to be of full force and effect and are enforceable against the Pre-Need Corporation; and

iii. That, in case a Certificate of Revocation has been issued pursuant to a post audit conducted by the Commission, the Pre-Need Corporation or its general agent shall be enjoined from selling pre-need plans until the Order of Revocation shall have been lifted.

B. For application/s for Relief/s concerning the Trust Fund of Pre-Need Corporations, a petition must be submitted setting forth the relief/s sought and the reason/s for the allowance of the relief/s requested (Annex "I").

In addition to the requirement in the immediately preceding paragraph, application/s for relief under Section 1B(a) must be accompanied by a Certification from the Trustee of the existence and the total amount of the excess Trust Fund Cash Deposit as per year-end valuation and

For application/s for relief under Section 1B(c), in addition to the first paragraph, these documents must be submitted:

a. An affidavit duly executed by an authorized Officer of the Trustee accepting the transfer of the Trust Fund [if the Trust Fund is transferred to a Trustee which has an existing Trust Agreement with the Pre-Need Corporation], or, a copy of the notarized Trust Fund Agreement duly approved by the Commission [if the Trust Fund is transferred to a Trustee which has no existing Trust

Agreement with the Pre-Need Corporation] and

b. Board resolution certified by the corporate secretary authorizing the transfer of the trust fund to a successor trustee.

Section 4. Where to File. All applications, pursuant to this Memorandum Circular, shall be filed directly with the Non-Traditional Securities and Instruments Department (the "Department) of the Securities and Exchange Commission (the "Commission").

Section 5. Filing Fee. The filing fee for applications within the purview of Section 1A shall be governed by SEC Memorandum Circular No. 9, series of 2004. For applications under Section 1B, a filing fee of two thousand five hundred pesos (Php 2,500.00) and a legal research fee of one percent (1%) of total assessment per application shall be assessed.

Section 6. Processing of Applications. Processing of applications shall be completed within fifteen (15) calendar days for Section 1A(a) and (c), one (1) working day for Section 1A(b), and five (5) working days for Section 1B, reckoned from the date of receipt of complete application and payment of fees.

Section 7. Notice and Order. For application/s pertaining to Section 1A (a) and (c), upon verification and evaluation that: (a) the required documents are complete and in order; (b) the appropriate Checklist is duly accomplished; (c) the prescribed Affidavit is duly executed; and (d) the payment of the filing fees, the Department shall issue a Notice of the filing of the application, which shall be published in a newspaper of general circulation in the Philippines by the issuer, at its own expense, once a week for two (2) consecutive weeks.

Section 8. Issuance of Certificate of Registration of Pre-Need Plans and Order to Sell Pre-Need Plans. For applications falling under Section 1A(a) and (c), the Certificate of Registration of Pre-Need Plans and the Order to Sell Pre-Need Plans shall be issued upon submission of the proof of publication of the Notice and Order.

For applications falling under Section 1A(b), the Order to Sell Pre-Need Plans shall be issued on the day following the receipt of complete application and payment of fees.

Section 9. Post-Audit. The Commission shall conduct a post-audit of the registered pre-need plans to verify its compliance with the provisions of the New Rules on the Registration and Sale of Pre-Need Plans.

Section 10. Sanctions. Any false or fraudulent entry in the Certification under oath, shall subject the Pre-Need Corporation, and/or its officers and directors, and/or the Actuary, after due notice and hearing, to appropriate sanctions pursuant to the Rules on the Registration and Sale of Pre-Need Plans and the Securities Regulation Code.

Section 11. Repealing Clause. All other rules and regulations, or parts thereof, inconsistent with any provision of this Memorandum Circular are deemed repealed or modified accordingly.

Section 12. Effectivity. This Memorandum Circular shall take effect fifteen (15) days after the date of last publication in two (2) newspapers of general circulation in the Philippines.

EDSA, Greenhills, Mandaluyong City, Philippines

April 4, 2007

FE B. BARIN
Chairperson

Annex A

CHECKLIST OF REQUIREMENTS FOR REGISTRATION OF ADDITIONAL SECURITIES WITH PRICE INCREASE INVOLVING NO CHANGE IN BENEFITS OR OTHER TERMS AND CONDITIONS OF THE EXISTING PLAN CONTRACT, NO CHANGE IN ACTUARIAL FORMULATIONS BUT WITH CHANGE IN ACTUARIAL ASSUMPTIONS

Note: 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet.
2. All documents should be arranged in the order appearing below.
3. *Accomplished checklist should be left with the SEC processor.*

A. Financial/Legal Requirements:

_____ 1. Duly accomplished Registration Statements (SEC format)
____a. Registration Statements signed by the issuer's Chief Executive Officer or Chief Operating Officer or Chief Finance Officer or a Corporate Officer performing similar functions.
____ b. Registration Statements properly completed – all items shall be answered; provided the items which are not applicable shall be filled with "n.a.".
____ c. The amount and number for each type of plan to be registered shall be specified in Item No. 11.

_____ 2. Board resolution authorizing the registration of applicant's securities

_____ 3. Opinion of independent counsel on the legality of the Registration Statements

_____ 4. Latest Audited Financial Statements

_____ 5. Long form audit report of the certifying auditor as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement

_____ 6. If Item Nos. 5 and 6 cannot be complied with, an unaudited financial statement as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement, certified under oath by the principal officer of the company, or person performing similar functions

_____ 7. Sworn statement signed by the person required to sign the registration statements to the effect that there has been no change in the information/documents previously filed

_____ 8. Supporting documents:
____ a. Latest General Information Sheet
____ b. Updated copies of agency contracts with general agents, agencies, counselors, and salesmen
____ c. For Education and Pension Plans
____1) Cash flow projection and maturing obligations for the next five years
____2) *Inventory of government securities*
____ d. For Life Plans
____1) List of Accredited Mortuary together with the Audited Financial Statements
____2) Inventory of government securities

_____ _____
Signature over printed name of SEC processor — Date

3/14/07

B. Actuarial Requirements

_____ 1. Actuarial Feasibility Study prepared by a SEC Accredited Actuary

_____a. A viability model which includes, but is not limited to, the following:

____1) Interest rate assumptions; the rate shall in no case exceed 80% of the average interest rate for the longest term Philippine government securities traded during the previous three months, or such other prudent and attainable interest rate as the Commission may allow.

____2) Withdrawal assumptions: lapses and surrenders should not be excessive

____3) Schedule of Trust Fund deposits rates for all payment terms, including spot cash with or without down payment;

____4) Schedule of Trust Fund projection for all payment terms;

____5) *Amount and costs of plan benefits including the contingent* benefit, availment rates assumed for mortuary-type benefits should be adequate;

____6) Expenses and loadings including, but not limited to, all required fees and taxes, commissions, overrides, bonuses, premiums on insured benefits, and all other charges;

____7) Schedule of Termination Values;

____8) Schedule of Projected Reserve Liability Values;

____9) Pricing schedule including

_____i. how the gross pre-need price was generated

_____ii. actuarial formulations.

____10) Sample asset share for shortest, medium term and longest maturity periods for all payment terms

_____b. Sworn Certification of a SEC accredited actuary following prescribed format **(See Annex A-1)**

_____c. Actuarial notes used in the viability model for the complete duration of the plan with regard to the following:

____1) plan benefits guaranteed by the pre-need company and all ancillary benefits provided by insurance companies or any other third party including transferability and assignability of the plan

____2) formulations, must include all benefits and contribution to *reserves. All notations and symbols must be appropriately* defined.

____3) assumptions must be validated by actual experience

_____ 2. New price schedule

_____3. Contract price schedule showing minimum and maximum pricing by type of payment term of the current and proposed pricing for the Notice and Order, using the SEC format

Filing fee: 1/10% of 1% of the maximum aggregate price at which pre-need plans are proposed to be offered plus legal research fee of 1% of the total assessment.

_____ _____

Signature over printed name of Actuarial Specialist | Date

REMARK: Maximum amount for application on registration of pre-need plans shall be equivalent to the company's one year sale. This amount shall be the average monthly sales for the last three years or 36 months multiplied by twelve months. **No request for increase in the company's one year sale shall be accommodated.**

CERTIFICATION

(Registration of Additional Securities with Price Increase Involving No Change in Benefits of other Terms and Conditions of the Existing Plan Contract, No Change in Actuarial Formulations but with Change in Actuarial Assumptions)

I, (name of actuary) , do hereby certify that:

1. The proposed price increase for (name of pre-need plan, with the appropriate identifying numbers or codes), was computed using the same formulas, but with revised assumptions, from the previously approved (date of approval) plan. The revised assumptions are as follows: (Enumerate here)

2. The above-mentioned assumptions used in the actuarial study for revising the prices are, in my opinion, justified by current conditions and appropriate to future conditions for the application.

3. I have reviewed the provisions of the plan agreement describing the benefits and the guarantees, and declare herewith that such provisions are the same with the previously approved plan agreement and have been considered in the pricing.

4. The actuarial formulations used for the revised pricing are the same with the formulations used in the original pricing and are in compliance with regulatory requirements.

5. The rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan.

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s).

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, 200__, at _____. Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

Doc. No. _____:
Page No. _____:
Book No. _____:
Series of 200___

3/14/07

Annex B

CHECKLIST OF REQUIREMENTS FOR REGISTRATION OF ADDITIONAL SECURITIES WITH PRICE INCREASE INVOLVING NO CHANGE IN BENEFITS OR OTHER TERMS AND CONDITIONS OF THE EXISTING PLAN CONTRACT, NO CHANGE IN ACTUARIAL FORMULATION AND NO CHANGE IN ACTUARIAL ASSUMPTIONS

Note : 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet
2. All documents should be arranged in the order appearing below.
3. Accomplished checklist should be left with the SEC processor.

A. Financial/Legal Requirements:

_____ 1. Duly accomplished Registration Statements (SEC format)
- ____a. Registration Statements signed by the issuer's Chief Executive Officer or Chief Operating Officer or Chief Finance Officer or a Corporate Officer performing similar functions.
- ____ b. Registration Statements properly completed – all items shall be answered; provided the items which are not applicable shall be filled with "n.a.".
- ____ c. The amount and number for each type of plan to be registered shall be specified in Item No. 11.

_____ 2. Board resolution authorizing the registration of applicant's securities

_____ 3. Opinion of independent counsel on the legality of the Registration Statements

_____ 4. Latest Audited Financial Statements

_____ 5. Long form audit report of the certifying auditor as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement

_____ 6. If Item Nos. 5 and 6 cannot be complied with, an unaudited financial statement as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement, certified under oath by the principal officer of the company, or person performing similar functions

_____ 7. Sworn statement signed by the person required to sign the registration statements to the effect that there has been no change in the information/documents previously filed

_____ 8. Supporting documents:
- ____ a. Latest General Information Sheet
- ____ b. Updated copies of agency contracts with general agents, agencies, counselors, and salesmen
- ____ c. For Education and Pension Plans
  - ____1) Cash flow projection and maturing obligations for the next five years
  - ____2) Inventory of government securities
- ____ d. For Life Plans
  - ____1) List of Accredited Mortuary together with the Audited Financial Statements and General
  - ____2) Inventory of government securities

_____ _____
Signature over printed name of SEC processor — Date

3/14/07

B. *Actuarial Requirement:*

_____1. Sworn certification of SEC accredited pre-need actuary following the prescribed format that there are no changes in assumptions and plan benefits (See Annex B-1)

_____2. Contract price schedule showing minimum and maximum pricing by type of payment term of the current and proposed pricing for the Notice and Order, using the SEC format.

Filing fee: 1/10% of 1% of the maximum aggregate price at which pre-need plans are proposed to be offered plus legal research fee of 1% of the total assessment.

_____ _____

Signature over printed name of Actuarial Specialist

Date

REMARK: Maximum amount for application on registration of pre-need plans shall be equivalent to the company's one year sale. This amount shall be the average monthly sales for the last three years or 36 months multiplied by twelve months. **No request for increase in the company's one year sale shall be accommodated.**

Exhibit B - 1

CERTIFICATION

(Registration of Additional Securities with Price Increase Involving No Change in Benefits or Other Terms and Conditions of the Existing Plan Contract, No Change in Actuarial Formulation and No Change in Actuarial Assumptions)

I, (name of actuary), do hereby certify that:

1. The proposed price increase for (name of pre-need plan, with the appropriate identifying numbers or codes), was computed using the same formulas, but without changes in the assumptions, from the previously approved (date of approval) plan.

2. The above-mentioned assumptions used in the actuarial study for revising the prices are, in my opinion, justified by current conditions and will be applicable to future conditions for the application.

3. I have reviewed the provisions of the plan agreement describing the benefits and the guarantees, and declare herewith that such provisions are the same with the previously approved plan agreement and have been considered in the pricing.

4. The original actuarial formulations used for the revised pricing are the same with the formulations used in the original pricing and are in compliance with regulatory requirements.

5. The original rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan.

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s).

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, 200__, at _____. Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

Doc. No. _____:
Page No. _____:
Book No. _____:
Series of 200_

3/14/07

Annex C

CHECKLIST OF REQUIREMENTS FOR REGISTRATION OF ADDITIONAL SECURITIES WITHOUT PRICE INCREASE INVOLVING NO CHANGE IN BENEFITS OR OTHER TERMS AND CONDITIONS OF THE EXISTING PLAN CONTRACT, NO CHANGE IN ACTUARIAL FORMULATION BUT WITH CHANGE IN ACTUARIAL ASSUMPTIONS

Note : 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet
2. All documents should be arranged in the order appearing below.
3. Accomplished checklist should be left with the SEC processor.

A. Financial/Legal Requirements:

_____ 1. Duly accomplished Registration Statements (SEC format)
____a. Registration Statements signed by the issuer's Chief Executive Officer or Chief Operating Officer or Chief Finance Officer or a Corporate Officer performing similar functions.
____ b. Registration Statements properly completed – all items shall be answered; provided the items which are not applicable shall be filled with "n.a.".
____ c. The amount and number for each type of plan to be registered shall be specified in Item No. 11.

_____ 2. Board resolution authorizing the registration of applicant's securities

_____ 3. Opinion of independent counsel on the legality of the Registration Statements

_____ 4. Latest Audited Financial Statements

_____ 5. Long form audit report of the certifying auditor as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement

_____ 6. If Item Nos. 5 and 6 cannot be complied with, an unaudited financial statement as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement, certified under oath by the principal officer of the company, or person performing similar functions

_____ 7. Sworn statement signed by the person required to sign the registration statements to the effect that there has been no change in the information/documents previously filed

_____ 8. Supporting documents:
____ a. Latest General Information Sheet
____ b. Updated copies of agency contracts with general agents, agencies, counselors, and salesmen
____ c. For Education and Pension Plans
____1) Cash flow projection and maturing obligations for the next five years
____2) Inventory of government securities
____ d. For Life Plans
____1) List of Accredited Mortuary together with the Audited Financial Statements and General
____2) Inventory of government securities

_____ _____
Signature over printed name of SEC processor | Date

3/14/07

B. Actuarial Requirements

_____ 1. Actuarial Feasibility Study prepared by a SEC Accredited Actuary

_____a. A viability model which includes, but is not limited to, the following:

____1) Interest rate assumptions; the rate shall in no case exceed 80% of the average interest rate for the longest term Philippine government securities traded during the previous three months, or such other prudent and attainable interest rate as the Commission may allow.

____2) Withdrawal assumptions: lapses and surrenders should not be excessive

____3) Schedule of Trust Fund deposits rates for all payment terms, including spot cash with or without down payment;

____4) Schedule of Trust Fund projection for all payment terms;

____5) Amount and costs of plan benefits including the contingent benefit, availment rates assumed for mortuary-type benefits should be adequate;

____6) Expenses and loadings including, but not limited to, all required fees and taxes, commissions, overrides, bonuses, premiums on insured benefits, and all other charges;

____7) Schedule of Termination Values;

____8) Schedule of Projected Reserve Liability Values;

____9) Pricing schedule including

_____i. how the gross pre-need price was generated

_____ii. actuarial formulations.

____10) Sample asset share for shortest, medium term and longest maturity periods for all payment terms

_____b. Sworn Certification of a SEC accredited actuary following prescribed format **(See Annex C-1)**

_____c. Actuarial notes used in the viability model for the complete duration of the plan with regard to the following:

____1) plan benefits guaranteed by the pre-need company and all ancillary benefits provided by insurance companies or any other third party including transferability and assignability of the plan

____2) formulations, must include all benefits and contribution to reserves. All notations and symbols must be appropriately defined.

____3) assumptions must be validated by actual experience

_____2. Contract price schedule showing minimum and maximum pricing by type of payment term of the current and proposed pricing for the Notice and Order, using the SEC format

Filing fee: 1/10% of 1% of the maximum aggregate price at which pre-need plans are proposed to be offered plus legal research fee of 1% of the total assessment.

_____ _____

Signature over printed name of Actuarial Specialist | Date

REMARK: Maximum amount for application on registration of pre-need plans shall be equivalent to the company's one year sale. This amount shall be the average monthly sales for the last three years or 36 months multiplied by twelve months. No request for increase in the company's one year sale shall be accommodated.

CERTIFICATION

(Registration of Additional Securities Without Price Increase Involving No Change in Benefits or Other Terms and Conditions of the Existing Plan Contract, No Change in Actuarial Formulations but with Change in Actuarial Assumptions)

I, (name of actuary), do hereby certify that:

1. The actuarial formulations used in this study are in accordance with generally accepted actuarial principles and practices, existing laws, pertinent rules and regulations of the Securities and Exchange Commission, but with revised assumptions, from the previously approved (date of approval) plan. The revised assumptions are as follows: (Enumerate here)

2. The revised actuarial assumptions used in the viability model are reasonable and appropriate for the plan;

3. The schedule of the trust fund contributions, projected reserve liabilities, and termination values are formulated or derived in accordance with the above actuarial formulations and assumptions;

4. I have reviewed the provisions of the plan agreement and all of its benefits and guarantees have been quantified and considered in the pricing, reserve valuation, and termination values;

5. The rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan;

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s);

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, at _____.
Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 200__

3/14/07

Annex D

CHECKLIST OF REQUIREMENTS FOR REGISTRATION OF ADDITIONAL SECURITIES WITHOUT PRICE INCREASE INVOLVING NO CHANGE IN BENEFIT OR OTHER TERMS AND CONDITIONS OF THE EXISTING PLAN CONTRACT, NO CHANGE IN ACTUARIAL FORMULATION AND NO CHANGE IN ACTUARIAL ASSUMPTIONS

Note : 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet
2. All documents should be arranged in the order appearing below.
3. Accomplished checklist should be left with the SEC processor.

A. Financial/Legal Requirements:

_____ 1. Duly accomplished Registration Statements (SEC format)
____a. Registration Statements signed by the issuer's Chief Executive Officer or Chief Operating Officer or Chief Finance Officer or a Corporate Officer performing similar functions.
____ b. Registration Statements properly completed – all items shall be answered; provided the items which are not applicable shall be filled with "n.a.".
____ c. The amount **and number** for each type of plan to be registered shall be specified in Item No. 11.

_____ 2. Board resolution authorizing the registration of applicant's securities

_____ 3. Opinion of independent counsel on the legality of the Registration Statements

_____ 4. Latest Audited Financial Statements

_____ 5. Long form audit report of the certifying auditor as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement

_____ 6. If Item Nos. 5 and 6 cannot be complied with, an unaudited financial statement as of a date not more than ninety (90) days prior to the date of filing of the Registration Statement, certified under oath by the principal officer of the company, or person performing similar functions

_____ 7. Sworn statement signed by the person required to sign the registration statements to the effect that there has been no change in the information/documents previously filed

_____ 8. Supporting documents:
____ a. Latest General Information Sheet
____ b. Updated copies of agency contracts with general agents, agencies, counselors, and salesmen
____ c. For Education and Pension Plans
____1) Cash flow projection and maturing obligations for the next five years
____2) Inventory of government securities
____ d. For Life Plans
____1) List of Accredited Mortuary together with the Audited Financial Statements and General
____2) Inventory of government securities

_____ _____
Signature over printed name of SEC processor | Date

3/14/07

B. Actuarial Requirement:

_____1. Sworn certification of SEC accredited pre-need actuary following the prescribed format (**See Annex D-1**)

_____2. Contract price schedule showing minimum and maximum pricing by type of payment fund for the Notice and Order, using the SEC format.

Filing fee: 1/10% of 1% of the maximum aggregate price at which pre-need plans are proposed to be offered plus legal research fee of 1% of the total assessment.

_____ _____

Signature over printed name of *Actuarial Specialist* Date

REMARK: Maximum amount for application on registration of pre-need plans shall be equivalent to the company's one year sale. This amount shall be the average monthly sales for the last three years or 36 months *multiplied by twelve months. No request* for increase in the company's one year sale shall be accommodated.

Annex D-1

CERTIFICATION

(Registration of Additional Securities Without Price Increase Involving No Change in Benefit or Other Terms and Conditions of the Existing Plan Contract, No Change in Actuarial Formulation and No Change in Actuarial Assumptions)

I, (name of actuary) , do hereby certify that:

1. The actuarial formulations used in this study are in accordance with generally accepted actuarial principles and practices, existing laws, pertinent rules and regulations of the Securities and Exchange Commission;

2. The original actuarial assumptions used in the viability model are reasonable and *appropriate for the plan;*

3. The schedule of the trust fund contributions, projected reserve liabilities, and termination values are formulated or derived in accordance with the above actuarial formulations and assumptions;

4. I have reviewed the provisions of the plan agreement and all of its benefits and guarantees have been quantified and considered in the pricing, reserve valuation, and termination values;

5. The rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan;

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s);

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, at _____.
Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

Doc. No. _____:
Page No. _____:
Book No. _____:
Series of 200__

3/14/07

Annex E

CHECKLIST OF REQUIREMENTS FOR PETITION FOR PRICE INCREASE FOR THE UNSOLD BALANCE OF PREVIOUSLY APPROVED REGISTRATION WITH CHANGE IN ACTUARIAL ASSUMPTIONS

Note: 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet.
2. All documents should be arranged in the order appearing below.
3. Accomplished checklist should be left with the SEC processor.

Actuarial Requirements

_____ 1. Petition

_____ 2. Actuarial Feasibility Study prepared by a SEC Accredited Actuary

_____a. A viability model which includes, but is not limited to, the following:

____1) Interest rate assumptions; the rate shall in no case exceed 80% of the average interest rate for the longest term Philippine government securities traded during the previous three months, or such other prudent and attainable interest rate as the Commission may allow.

____2) Withdrawal assumptions: lapses and surrenders should not be excessive

____3) Schedule of Trust Fund deposits rates for all payment terms, including spot cash with or without down payment;

____4) Schedule of Trust Fund projection for all payment terms;

____5) Amount and costs of plan benefits including the contingent benefit, availment rates assumed for mortuary-type benefits should be adequate;

____6) Expenses and loadings including, but not limited to, all required fees and taxes, commissions, overrides, bonuses, premiums on insured benefits, and all other charges;

____7) Schedule of Termination Values;

____8) Schedule of Projected Reserve Liability Values;

____9) Pricing schedule including

_____i. how the gross pre-need price was generated

_____ii. actuarial formulations.

____10) Sample asset share for shortest, medium term and longest maturity periods for all payment terms

_____b. Sworn Certification of a SEC accredited actuary following prescribed format **(See Annex E-1)**

_____c. Actuarial notes used in the viability model for the complete duration of the plan with regard to the following:

____1) plan benefits guaranteed by the pre-need company and all ancillary benefits provided by insurance companies or any other third party including transferability and assignability of the plan

____2) formulations, must include all benefits and contribution to reserves. All notations and symbols must be appropriately defined.

____3) assumptions must be validated by actual experience

_____ 3. New price schedule

_____ 4 Contract price schedule showing minimum and maximum pricing by type of payment term of the current and proposed pricing, using the SEC format

Filing fee: P2,500 plus legal research of 1% of filing fee

_____ _____

Signature over printed name of Actuarial Specialist — Date

3/14/07

Exhibit E-1

CERTIFICATION

(Petition for Price Increase for the Unsold Balance of Previously Approved Registration with Change in Actuarial Assumptions)

I, (name of actuary), do hereby certify that:

1. The proposed price increase for (name of pre-need plan, with the appropriate identifying numbers or codes), was computed using the same formulas, but with revised assumptions, from the previously approved (date of approval) plan. The revised assumptions are as follows:(Enumerate here)

2. The above-mentioned assumptions used in the actuarial study for revising the prices are, in my opinion, justified by current conditions and will be applicable to future conditions.

3. I have reviewed the provisions of the plan agreement describing the benefits and the guarantees, and declare herewith that such provisions are the same with the previously approved plan agreement and have been considered in the pricing.

4. The actuarial formulations used for the revised pricing are the same with the formulations used in the original pricing and are in compliance with regulatory requirements.

5. The rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan.

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s).

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable,

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____

Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, 200__, at _____. Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

Doc. No. _____:
Page No. _____:
Book No. _____:

3/14/07

Annex F

CHECKLIST OF REQUIREMENTS FOR PETITION FOR PRICE INCREASE FOR THE UNSOLD BALANCE OF PREVIOUSLY APPROVED REGISTRATION WITHOUT CHANGE IN ACTUARIAL ASSUMPTIONS

Note: 1. All requirements should be submitted in four (4) copies together with the required SEC Standard Cover Sheet.
2. All documents should be arranged in the order appearing below.
3. Accomplished checklist should be left with the SEC processor.

Price Increase of Pre-Need Plans With Changes in Assumptions

_____ 1. Petition
_____ 2. Sworn Certification of a SEC accredited actuary following prescribed format. **(See Annex F-1)**
_____ 3. New price schedule
_____ 4. Contract price schedule showing minimum and maximum pricing by type of payment term of the current and proposed pricing, using the SEC format

Filing fee: P2,500 plus legal research of 1% of filing fee

_____ _____

Signature over printed name of Actuarial Specialist — Date

Exhibit F - 1

CERTIFICATION

(Petition for Price Increase for the Unsold Balance of Previously Approved Registration Without Change in Actuarial Assumptions)

I, (name of actuary), do hereby certify that:

1. The proposed price increase for (name of pre-need plan, with the appropriate identifying numbers or codes), was computed using the same formulas, but without changes in the assumptions, from the previously approved (date of approval) plan.

2. The above-mentioned assumptions used in the actuarial study for revising the prices are, in my opinion, justified by current conditions and will be applicable to future conditions for the application.

3. I have reviewed the provisions of the plan agreement describing the benefits and the guarantees, and declare herewith that such provisions are the same with the previously approved plan agreement and have been considered in the pricing.

4. The original actuarial formulations used for the revised pricing are the same with the formulations used in the original pricing and are in compliance with regulatory requirements.

5. The original rates of deposits to the trust fund are not less than the minimum deposit rates required under the rules of the SEC, and the resulting trust fund contributions are sufficient to pay all benefits and guarantees described in the plan.

6. All insurance benefits included in the plan agreement are covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier (s).

7. I have discussed the pricing assumptions and the viability result with top management of the company;

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES)
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, 200__, at _____. Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.
Doc. No. _____:
Page No. _____:
Book No. _____:
Series of 200_

3/14/07

Annex G

CHECKLIST OF REQUIREMENTS FOR PETITION FOR THE CONVERSION OF UNSOLD APPROVED SECURITIES FROM ONE TYPE OF PLAN TO ANOTHER EXISTING PREVIOUSLY APPROVED PLAN

_____ 1. Petition, specifying benefit description of the plans to be sold which will be converted from the remaining approved unsold plans.
_____ 2. Actuarial Feasibility Study prepared by a SEC Accredited Actuary

_____a. A viability model which includes, but is not limited to, the following:
____1) Interest rate assumptions; the rate shall in no case exceed 80% of the average interest rate for the longest term Philippine government securities traded during the previous three months, or such other prudent and attainable interest rate as the Commission may allow.
____2) Withdrawal assumptions: lapses and surrenders should not be excessive
____3) Schedule of Trust Fund deposits rates for all payment terms, including spot cash with or without down payment;
____4) Schedule of Trust Fund projection for all payment terms;
____5) Amount and costs of plan benefits including the contingent benefit, availment rates assumed for mortuary-type benefits should be adequate;
____6) Expenses and loadings including, but not limited to, all required fees and taxes, commissions, overrides, bonuses, premiums on insured benefits, and all other charges;
____7) Schedule of Termination Values;
____8) Schedule of Projected Reserve Liability Values;
____9) Pricing schedule including
_____i. how the gross pre-need price was generated
_____ii. actuarial formulations.
____10) Sample asset share for shortest, medium term and longest maturity periods for all payment terms
_____b. Sworn Certification of a SEC accredited actuary following prescribed format **(See Annex G-1)**
_____c. Actuarial notes used in the viability model for the complete duration of the plan with regard to the following:
____1) plan benefits guaranteed by the pre-need company and all ancillary benefits provided by insurance companies or any other third party including transferability and assignability of the plan
____2) formulations, must include all benefits and contribution to reserves. All notations and symbols must be appropriately defined.
____3) assumptions must be validated by actual experience

_____ 3. Contract price schedule showing minimum and maximum pricing by type of payment term using the SEC format

Filing fee: P2,500 plus legal research of 1% of filing fee

_____ _____
Signature over printed name of Actuarial Specialist | Date

CERTIFICATION

(Petition for the Conversion of Unsold Approved Securities from one Type of Plan to Another Existing Previously Approved Plan)

I, (name of actuary), do hereby certify that:

1. The actuarial assumptions and formulations used in the original study for (identify name of plan and date of original approval) are the same for this application for conversion/transfer of securities.

2. The original actuarial assumptions used are in my opinion, justified by current condition and appropriate to future conditions for the application.

3. The original actuarial formulas used are in compliance with regulatory requirements and are applicable to this application.

4. The original trust fund contributions in the asset share projections are still the same and sufficient to pay all benefits and guarantees described in the plan.

5. The original provisions of the plan agreement and all of its benefits and guarantees which have been quantified and considered in the pricing in setting trust fund contributions, and termination values remain the same as in the plan approved.

6. All insurance benefits included in the plan agreement are still covered under appropriate insurance contracts, approved by the Insurance Commission, and issued by (a) duly licensed insurance carrier(s).

7. All SEC rules and regulations, ASP guidelines and standards have been adhered to.

8. I have followed the SEC rules and regulations, guidelines and standards of the Actuarial Society of the Philippines, and I have adhered to generally accepted actuarial principles and practices where no guidelines or standards from the Actuarial Society of the Philippines are applicable.

9. I acknowledge my personal liability as a consequence of this Certification, warranting disaccreditation by the Securities and Exchange Commission or any other appropriate action that may be taken, before the proper forum.

_____
Actuary/Consulting Actuary
SEC Accreditation No._____
Issued on: _____
PTR No. : _____
Issued At: _____
Date: _____

REPUBLIC OF THE PHILIPPINES
City of _____) s.s.

Subscribed and sworn to me before this _____ day of _____, at _____. Affiant exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.
Doc. No. ____:
Page No. ____:
Book No. ____:
Series of 200__

Annex H

AFFIDAVIT

I, _____, (citizenship), of legal age, married/single, in my official capacity as _____, of (name of Pre-Need Corporation) with principal office address at _____, after having been duly sworn in accordance with law, hereby depose and say that:

i. That the Checklist was duly accomplished by the authorized officer of the Pre-Need Corporation and that all entries made on the submitted documents are correct and accurate;

ii. That all plans, sold by the Pre-Need Corporation or by its general agent, prior to the Revocation of the Certificate of Registration shall be deemed to be of full force and effect, and is enforceable against the Pre-Need Corporation; and

iii. That, in case a Certificate of Revocation has been issued pursuant to a post audit conducted by the Commission, the Pre-Need Corporation or its general agent shall be enjoined from selling pre-need plans unless the Order of Revocation has been lifted.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ___day of _____, 200_, at _____.

_____
(Signature over Printed Name)

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

SUBSCRIBED and sworn to before me, this ____day of _____, 200__at_____. Affiant exhibiting to me his/her _____issued on_____ at_____.

NOTARY PUBLIC

Doc. No.___;
Page No.___;
Book No. ___;
Series of 2007.

3/14/07

Annex I

CHECKLIST OF REQUIREMENTS FOR PETITION FOR THE RELIEFS CONCERNING THE TRUST FUND OF PRE-NEED CORPORATIONS

A. Request by Trustees for the Transfer of Excess Trust Fund Deposits from One Type of Plan to Another

1. Petition setting forth the relief/s sought and the reasons/s for the allowance of the relief/s requested
2. Affidavit of Consent duly executed by an authorized Officer of the Trustee accepting the transfer of the Trust Fund [*if the Trust Fund is transferred to a Trustee which has an existing Trust Agreement with the Pre-Need Corporation*]
3. Copy of the notarized Trust Fund Agreement duly approved by the Commission [if the Trust Fund is transferred to a Trustee which has no existing Trust Agreement with the Pre-Need Corporation]
4. Filing Fee

B. Request for Exemption from 17.1 (Investments of the Trust Fund) of the Rules on the Registration and Sale of Pre-Need Plans

1. Petition setting forth the relief/s sought and the reasons/s for the allowance of the relief/s requested
2. Filing Fee

C. Transfer of Trust Fund from One Trustee to Another

1. Petition setting forth the relief/s sought and the reasons/s for the allowance of the relief/s requested
2. Board Resolution certified by the corporate secretary authorizing the request
3. Filing Fee

Filing fee: P2,500 plus legal research of 1% of filing fee