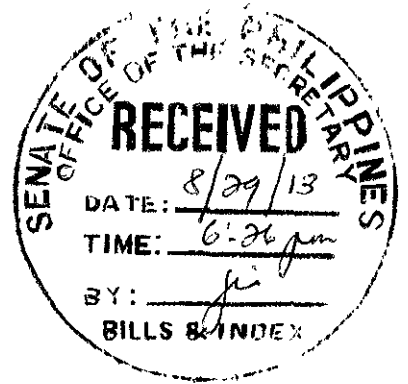


SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

SENATE  
P.S. Resolution No. 223



Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY,**  
**IN AID OF LEGISLATION, ON THE EXISTING POLICIES REGARDING**  
**THE ESTABLISHMENT AND REGULATION OF PRE-NEED COMPANIES**  
**IN ORDER TO MAINTAIN A SOUND AND EFFICIENT INSURANCE SYSTEM**

**Whereas**, it is a declared policy of the State to regulate the establishment of pre-need companies and to place their operation on sound, efficient and stable basis to derive the optimum advantage from them in the mobilization of savings and to prevent and mitigate, as far as practicable, practices prejudicial to public interest and the protection of plan holders;

**Whereas**, Republic Act No. 9829 otherwise known as the "Pre-need Code of the Philippines" was approved on 03 December 2009, transferring the primary and exclusive supervision and regulation of all pre-need companies to the Insurance Commission;

**Whereas**, the Department of Finance (DOF) instructed the Insurance Commission to settle within the year all issues related to the conditions of at least thirty (30) distressed pre-need companies, aside from the Prudential Plans, Inc. Further, the pre-need industry must increase its capital base to avoid cases similar to College Assurance Plan (CAP) and Pacific Plans, Inc. according to DOF. To date, the Insurance Commission will undertake a major review of all the pre-need companies that have been placed under conservation, rehabilitation or liquidation;

**Whereas**, thousands of Filipinos lost their hard-earned money as they had purchased pre-need plans. In the recent collapse of a pre-need company, Prudential Plans, Inc. was supposed to be an insurer in times of financial distress or other difficulties and protector of the plan holders' interest. Instead, it left the plan holders empty-handed in their time of need;

**Whereas**, there is a need to review the existing policies of pre-need companies because the public should be provided with adequate information to enable them to make calculated decisions in their personal and business risk management. Though elimination of all the risks, is beyond the industry's control, it is of public interest that there should be sound governance and effective risk management by insurers;

**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved to direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the existing policies regarding the establishment and regulation of pre-need companies in order to maintain a sound and efficient insurance system.

Adopted,