



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE DEPUTY GOVERNOR  
SUPERVISION AND EXAMINATION SECTOR

**CIRCULAR LETTER NO. CL-2016-028**

To : **ALL BANKS**

Subject : **Authority of the Insurance Commissioner to Appoint  
a Conservator or Receiver of Insurance Companies**

This is to advise all Banks of the authority of the Insurance Commissioner to appoint a conservator or receiver to take charge of, among others, the assets and liabilities of the insurance companies, pursuant to Sections 255 and 256 of the Insurance Code, which read as follows:

*"Section 255. If at any time before, or after, the suspension or revocation of the certificate of authority of an insurance company as provided in the preceding title, the Commissioner finds that such company is in a state of continuing inability or unwillingness to maintain a condition of solvency or liquidity deemed adequate to protect the interest of policyholders and creditors, he may appoint a conservator to take charge of the assets, liabilities, and the management of such company, collect all moneys and debts due to said company and exercise all powers necessary to preserve the assets of said company, reorganize the management thereof, and restore its viability. The said conservator shall have the power to overrule or revoke the actions of the previous management and board of directors of the said company, any provision of law, or of the articles of incorporation or bylaws of the company, to the contrary notwithstanding, and such other powers as the Commissioner shall deem necessary.*

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*"Section 256. Whenever, or upon examination or other evidence, it shall be disclosed that the condition of any insurance company doing business in the Philippines is one of insolvency, or that its continuance in business would be hazardous to its policyholders and creditors, the Commissioner shall forthwith order the company to cease and desist from transacting business in the Philippines and shall designate a receiver to immediately take charge of its assets and liabilities, as expeditiously as possible collect and gather all the assets and administer the same for the benefit of its policyholders and creditors, and exercise all the powers necessary for these*

***purposes including, but not limited to, bringing suits and foreclosing mortgages in the name of the insurance company.***

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(Emphasis and underscoring supplied)

For information and guidance.

  
NESTOR A. ESPENILLA, JR.  
Deputy Governor

29 March 2016