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

**SEC Memorandum Circular No. 10**
**Series of 2009**

TO : **All Pre-Need Corporations**

SUBJECT : **Revised Minimum Trust Fund Contribution Rates for Pre-Need Corporations**

TO further protect the interests of planholders and enable Pre-Need Companies to efficiently meet their contractual obligations to them, the Commission resolved to amend Rules 16.2 and 16.3 of the New Rules on the Registration and Sale of Pre-Need Plans as follows:

Rule 16.2:

"16.2. The minimum contributions to the Trust Fund shall be 50% of the amount collected for life plans and 60% of the total amount collected for other plans unless a higher deposit contribution is determined by the actuary and approved by the Commission."

Rule 16.3:

"16.3. In case of installment payments, the minimum contributions to the trust fund shall be in accordance with the following schedule:

| Payment Received | Life Plans | Education, Pension and Other Plans |
|---|---|---|
| Collection of the 1st 20% of the Contract Price | 30% | 70% |
| Collection of the 2nd 20% of the Contract Price | 50% | 65% |
| Collection of the 3rd 20% of the Contract Price | 50% | 55% |
| Collection of the 4th 20% of the Contract Price | 60% | 55% |
| Collection of the 5th 20% of the Contract Price | 60% | 55% |

1. The foregoing contribution rates to the trust fund shall apply to the following pre-need plans:

   (a) Existing Plans

      (i) Additional plans registered on or after July 15, 2009;

      (ii) Unsold balance of previously registered plans subject of an application for price increase filed on or after July 15, 2009; and

      (iii) Unsold balance of previously registered plans subject of an application for conversion to another type of plan filed on or after July 15, 2009.

   (b) New plans registered on or after July 15, 2009.

2. Applications for increase in price and conversion of previously registered plans filed before July 15, 2009 shall not be covered by this Memorandum Circular.

3. All circulars, rules and regulations or parts thereof that may be inconsistent with this Memorandum Circular shall be deemed repealed, superseded or modified accordingly.

4. This Memorandum Circular shall, after publication in two (2) newspapers of general circulation, take effect on **July 15, 2009**.

Signed on July 3, 2009 at EDSA, Greenhills, Mandaluyong City, Philippines.

For the Commission:

Fe B. Barin
Chairperson