



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

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| Circular Letter (CL) No.: | 2014-26 |
| Date: | 03 June 2014 |
| Supersedes: | None |

CIRCULAR LETTER

TO : All Insurance Companies and Other Entities Concerned

SUBJECT : Transitory Period for (a) Renewal and Validity of Existing Licenses, Certificates of Authority or Accreditation and (b) Issuance and Periods of Validity of New Licenses, Certificates of Authority or Accreditation under the amended Insurance Code (R.A. No. 10607)

A. RENEWAL OF EXISTING LICENSES, CERTIFICATES OF AUTHORITY OR ACCREDITATION

The amended Insurance Code (R.A. 10607) took effect on 20 September 2013. Among the notable reforms introduced under the amended Insurance Code include provisions on renewal of **existing** licenses, certificates of authority or accreditation.

Section 445 of the amended Insurance Code provides-

“Sec. 445. *Transitory Provision.* – Renewal of **existing licenses, certificates of authority or accreditation which will expire on June 30, 2013 shall be valid until December 31, 2015. Thereafter, renewal shall be filed on the last day of December every third year following the date of expiry of the license, certificate of authority or accreditation.”** (Emphasis supplied)

1. Since the amended Insurance Code took effect **after** the 2013 licensing period, the following rules shall govern the **existing licenses with expiry date of June 30, 2014**:

a. Existing licenses with expiry date of June 30, 2014 shall be recognized as valid until December 31, 2015;

b. Fees shall be collected in view of the extended period of validity. An amount corresponding to one and a half (1 ½) years of license validity must be paid on or before July 1, 2014. The amount of the fee shall be based on the approved rates covering the extended period of validity;

c. A Transmittal Letter signifying the licensee's Intention to Surrender the attached license must be tendered to the Licensing Division. Thereafter, an Order of Payment shall be issued in favor of the licensee who may then proceed to pay the corresponding fees for the extended period of validity. Corresponding receipts shall be issued upon payment. Accordingly, the license shall be stamped as "**VALID UNTIL DECEMBER 31, 2015 PURSUANT TO R.A. No. 10607**" and signed by the Insurance Commissioner and/or his authorized representative. Finally, the stamped license shall be transmitted back to the licensee;

d. In the case of Agents, the Insurance Commission shall issue a new List of Licensed Agents who have paid the corresponding dues for the extended period of validity;

e. In the case of Brokers, Errors and Omissions Policies and Surety Bond/s corresponding to the effectivity period of licenses shall be submitted to the Insurance Commission as a requirement for the extension of license validity;

f. In the case of Adjusters, Surety Bond/s corresponding to the effectivity period of licenses shall be submitted to the Insurance Commission as a requirement for the extension of license validity;

g. The extension of validity of licenses is without prejudice to the authority of the Insurance Commissioner to suspend or revoke the licenses for valid cause/s.

2. Thereafter, licenses that will expire on December 31, 2015 shall be renewed on or before December 31, 2015 and shall be valid from January 1, 2016 until December 31, 2018, in compliance with the period stated in Section 445 of R.A. No. 10607.

3. Subsequent renewals may be made on or before the last day of December every third year following the date of issuance.

B. ISSUANCE OF NEW LICENSES, CERTIFICATES OF AUTHORITY OR ACCREDITATION

New licenses and certificates of registration shall be valid until the last day of December of the third year following the date of issuance.

All concerned should be guided accordingly.


EMMANUEL F. DOOC
Insurance Commissioner