



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

Circular Letter (CL) No	2016-15
Date	15 March 2016
Amends	CL No. 2014-47

CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES, MUTUAL BENEFIT ASSOCIATIONS, INSURANCE BROKERS, AND OTHER SUPERVISED PERSONS AND ENTITIES

SUBJECT : AMENDMENTS TO GUIDELINES ON ELECTRONIC COMMERCE OF INSURANCE PRODUCTS

Pursuant to the power of the Insurance Commissioner under Section 50 and Section 437 of the Republic Act No. 10607, otherwise known as Insurance Code of the Philippines, the Guidelines on Electronic Commerce of Insurance Products are hereby amended as follows:

Section 1. Section 7.9 of Circular Letter No. 2014-47 is hereby amended to read as follows:

"7.9 For variable life insurance products, the insurance providers shall refer the consumer to a licensed agent or intermediary for servicing and product advice prior to the execution or issuance of the variable life contract online, provided that for variable life insurance products containing the following features, servicing and product advice of a licensed agent shall be at the option of the consumer, it being sufficient that all the essential information are easily accessible, understandable and accurately presented through the insurance provider's website and other online channels:

- a. Single premium product;
- b. Single premium up to Php125,000.00;
- c. Death benefit shall be subject to the minimum guaranteed death benefit prescribed by the Insurance Commission. No other benefits/riders shall be provided;
- d. Only one (1) investment fund shall be offered excluding funds whose underlying assets are invested in Structured Notes;

- e. No fund-switching, fund top-up, partial withdrawal and other similar transactions on the separate funds shall be allowed;
- f. Other features as may be determined by the Insurance Commission.”

Section 2. Section 14 of Circular Letter No. 2014-47 is hereby amended to read as follows:

“14. JURISDICTION OVER INSURANCE CONTRACTS

Insurance companies shall ensure that the Philippines shall retain jurisdiction over electronic insurance contracts regardless of the location of its data servers. Information, data, books and records shall also be accessible for inspection and other legal purposes.

Section 3. Renewal of Policies in Electronic Format is added to read as follows:

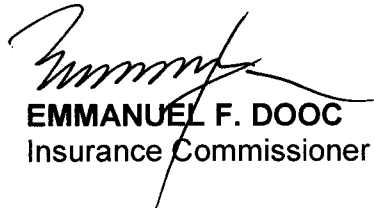
“7.20 Insurance contract or policy may be renewed through the issuance of insurance policy in electronic form provided it has the consent of the insured.”

Section 4. Issuance of Electronic Policy in a Traditional Sale is added to read as follows:

“7.21 Nothing herein prohibits the issuance of insurance policy in electronic form after the conclusion of a traditional non-internet insurance sales process provided it has the consent of the insured.”

Section 5. Effectivity

This amendatory Circular shall take effect immediately. Except as amended and supplemented hereby, all other provisions of Circular Letter No. 2014-47 shall remain effective. The unamended provisions of the said Circular and the amendments introduced herein shall be read and construed as a single Circular.


EMMANUEL F. DOOC
Insurance Commissioner