



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



CN: AJA16-0061

Circular Letter No.	2018-09
Date	22 January 2018
Supersedes	None

## CIRCULAR LETTER

**TO : ALL INSURANCE COMPANIES, INSURANCE BROKERS,  
AND BOTH INSURANCE AND REINSURANCE BROKERS**

**SUBJECT : TEMPLATE OF STANDARD BROKERS AGREEMENT**

**WHEREAS**, the Insurance Commissioner under Section 437 of the Amended Insurance Code may issue such rulings, instructions, circulars, orders and decisions as may be deemed necessary to secure enforcement of the Amended Insurance Code, to ensure the efficient regulation of the insurance industry in accordance with global best practices and to protect the insuring public;

**WHEREAS**, paragraph 3 of Section 315 of the Amended Insurance Code provides that in order to ensure faithful performance of the insurance brokers (IBs) and both insurance and reinsurance brokers (IBRBs) of their fiduciary responsibilities and to protect the insuring public against misappropriation of funds held in trust, the Insurance Commissioner shall prescribe the minimum terms and conditions on the brokers agreement between IBs and both IBRBs and insurance companies;

**WHEREAS**, guidance on the minimum terms and conditions is necessary to be issued to ensure the faithful performance of the IBs and both IBRBs on their fiduciary responsibilities to their clients and insurance companies;

**NOW, THEREFORE**, pursuant to the authority vested in me under Section 437 of the Amended Insurance Code, and after a series of consultations, dialogues, and discussions conducted and held with the IBs and both IBRBs, and other stakeholders, the following rules and regulations concerning the minimum requirements on the Standard Brokers Agreement for IBs and both IBRBs and insurance companies are hereby promulgated;

### SECTION 1. SCOPE AND COVERAGE

1. The requirements of this Circular Letter (CL) shall cover all agreements between insurance companies and IBs or both IBRBs with valid Certificates of Authority.