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Circular Letter No. 1-2002

To : **All Life Insurance Companies Authorized to Do Business in the Philippines**

Subject : **Replacement of Policies**

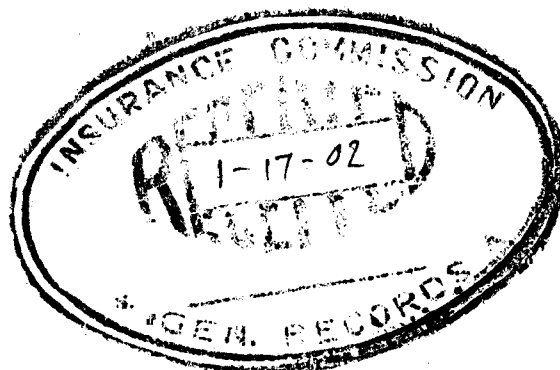
To control the unwarranted replacement of life insurance policies, all life insurance companies are required to incorporate in their respective application forms for life insurance coverage, to be filled up by both the applicant and the underwriting agent, specific questions and notices designed to direct attention on the matter. Sample forms are attached for reference.

The Philippine Life Insurance Association (PLIA) is hereby deputized to provide the necessary support to ensure the timely implementation of the foregoing and to investigate deviations as provided in the Joint Declaration.

This Circular shall take effect immediately.


EDUARDO T. MALINIS
Insurance Commissioner

10 January 2002



DECLARATION ON THE PROPOSED REPLACEMENT OF EXISTING POLICY(IES)

(Part I - For the Applicant to Answer)

1) Total Life Insurance in Force on Proposed Insured:

Company	Basic/Cover	Accident Rider/Year of Issue
_____	_____	_____
_____	_____	_____
_____	_____	_____

2) Has there been or will there be any change in any existing insurance in force?

_____ Yes _____ No

3) Will premiums for the insurance applied for be paid by a policy loan from any existing policy?

_____ Yes _____ No

If yes, please furnish details (name of company, policy number and amount of insurance being replaced):

REMINDER:

It is usually disadvantageous to REPLACE existing life insurance policy(ies) with a new one. Some disadvantages are:

- ◆ You may not be insurable on standard terms.
- ◆ You may have to pay a higher premium in view of higher age.
- ◆ You may lose financial benefits accumulated over the years.

Please note that in your own interest, we would advise that you consult your present insurer before making a final decision. Hear from both sides and make a careful comparison. You can then be sure that you are making a decision that is in your best interest.

(PART II - For the Agent to Answer)

1) Has there been or will there be any change in any existing insurance in force on the life of proposed insured?

_____ Yes _____ No

2) Will premiums for the insurance applied for be paid by policy loan from any existing policy?

_____ Yes _____ No

If yes, have the applicant complete a Replacement Notification Form.

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Company
Logo

REPLACEMENT NOTIFICATION FORM

Proposed Insured _____ Date of Birth _____
Address _____
Name of Applicant if other than insured _____

Existing Policies to be Replaced

Company Name (as it appears on the policy) _____
Insured's Name (as it appears on the policy) _____
Policy No.: _____

I certify that I understand the nature of this change and hereby affix my signature below.

Applicant's Signature _____ Date _____

Note: The replacing insurer should furnish a copy of this form to the issuer of the policy being replaced within seven (7) days from receipt of the application.

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