



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



Circular Letter (CL) No.:	2020-18
Date:	23 March 2020
Amends:	None

CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES, MUTUAL BENEFIT ASSOCIATIONS (MBAs), PRE-NEED COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS, AND OTHER CONCERNED PERSONS

SUBJECT : GUIDELINES REGARDING THE EXTENSION OF GRACE PERIOD OF ALL INSURANCE, PRE-NEED AND HMO POLICIES/PLANS/AGREEMENTS DUE TO COVID-19 CORONAVIRUS OUTBREAK IN THE PHILIPPINES

WHEREAS, the Coronavirus Disease 2019 (COVID-19) has spread in different part of the world, including the Philippines;

WHEREAS, the COVID-19 coronavirus outbreak has recently been characterized by the World Health Organization (WHO) as a pandemic;

WHEREAS, lawful health authorities have raised the Code Alert System for the COVID-19 coronavirus outbreak to Code Red Sublevel 2, following the sharp increase in the number of confirmed cases throughout the country;

WHEREAS, on 12 March 2020, President Rodrigo R. Duterte placed the entire Metro Manila region under Community Quarantine from 15 March to 14 April 2020 due to the threat posed by COVID-19. The President later on expanded the quarantine to the entire Luzon, putting the entire island under Enhanced Community Quarantine effective 12:00AM of 17 March 2020 and expiring on 12:00AM of 13 April 2020 to stop the spread of the COVID-19 infections.

WHEREAS, given the gravity of the COVID-19 coronavirus situation, this Commission finds the need to urge its regulated entities to provide a more lenient policy regarding payment of considerations to ease the financial burden and to ensure continuous coverage for those affected by the outbreak;

NOW THEREFORE, pursuant to the authority of the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act (RA) No. 10607, Section 6 of the Pre-Need Code (RA 9829) and Section 4 of Executive Order No. 192 (s. 2015), the following guidelines are hereby adopted and promulgated:

1. **Extension of Grace Period:** For all insurance, preneed and HMO policies/plans/agreements with insurance premiums/contributions, installment amounts and membership fees, respectively, that remain unpaid during the period from 15 March to 13 April 2020 or up to a later date deemed appropriate by the company, all regulated entities are strongly encouraged to extend the grace period for the payment of insurance premiums/contributions, installment amounts and/or membership fees by at least another thirty-one (31) days.
2. **Separability Clause.** – If any provision of this Circular shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.
3. **Effectivity.** – This Circular Letter shall take effect immediately.


DENNIS B. FUNA
Insurance Commissioner

