



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



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INSURANCE COMMISSIONER FUNA REQUESTS HEALTH INSURANCE CONSIDERATION FOR COVID-19 COVERAGES

Insurance Commissioner Dennis B. Funa (Commissioner Funa) encourages all insurance companies, mutual benefit associations and health maintenance organizations (HMO) to extend the coverage of their insurance policies and HMO agreements to customers infected with COVID-19 and any related conditions.

Today, Commissioner Funa issued a Circular Letter urging insurance companies, MBAs and HMOs to waive provisions in their respective contracts and agreements such as waiting periods, healthcare access to non-affiliated networks, and exclusion of pandemic or epidemic, among others.

Commissioner Funa said this request was made considering that these provisions may become barriers to health care access and treatment.

He clarified, however, that implementation of this request addressed to the insurance and HMO industries is on a voluntary basis to be decided upon by each company on the basis of their respective financial standing.

Earlier in the week, Commissioner Funa issued a Circular Letter allowing life insurance companies to launch initiatives that are aimed to provide additional benefits or free insurance coverage to customers affected by COVID-19 without the need of prior approval from the Insurance Commission.

Under the Insurance Code, all insurance contracts/policies or any clause, warranty or endorsement attached to a contract/policy shall be issued unless the same has been approved by the Commissioner.

Considering however the gravity of the COVID-19 situation, Commissioner Funa found the need to expedite the approval of initiatives designed to provide additional layer of protection to the insuring public to address the immediate need of those affected by COVID-19 and to inspire consumer confidence in the life insurance industry.

While there is no need for prior approval from the IC, insurance companies are required to ensure that the initiative shall not be used to induce prospective clients or existing policyholders into purchasing a new product from the company.

According to Commissioner Funa, while prior approval of these initiatives is not required, the IC can require companies to recall the same if, at any time after review, there is a finding of violation of or non-compliance with the Insurance Code and pertinent issuances of the IC and without prejudice to the imposition of applicable penalties.

To ease the financial burden of the insuring public and to ensure continuous coverage for those affected by COVID-19, Commissioner Funa encourages all insurance companies, pre-need companies, and HMOs to extend a grace period of at least 30 days for the payment of premiums/contributions, installments and/or membership fee that remains unpaid during the period from 15 March to 13 April 2020 or up to a later date deemed appropriate by the respective companies.


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