CIRCULAR LETTER

TO: ALL NON-LIFE INSURANCE COMPANIES ENGAGED IN THE ISSUANCE OF SURETY BONDS FOR GOVERNMENT PROJECTS

SUBJECT: GUIDELINES ON THE ISSUANCE OF CERTIFICATION PURSUANT TO REPUBLIC ACT (R.A.) NO. 9184 DURING THE PERIOD OF COMMUNITY QUARANTINE

WHEREAS, in view of the COVID-19 situation, the entirety of Luzon was placed under Enhanced Community Quarantine (ECQ) pursuant to Memorandum dated 16 March 2020 issued by the Executive Secretary;

WHEREAS, on 30 April 2020, the President issued Executive Order (EO) No. 112 “Imposing an Enhanced Community Quarantine in High-Risk Geographic Areas of the Philippines and a General Community Quarantine in the Rest of the Country from 01 to 15 May 2020, Adopting the Omnibus Guidelines on the Implementation Thereof, and for Other Purposes”;

WHEREAS, the ECQ posed administrative and logistical constraints to the Insurance Commission’s (hereinafter referred to as “Commission” or “IC”) delivery of services notwithstanding providing for a skeleton workforce and observing alternative work arrangements, as well as affected the Commission's operation, including issuance of Certifications in accordance with R.A. No. 9184 otherwise known as the “Government Procurement Act”;

WHEREAS, on 11 May 2020, the Inter-Agency Task Force (IATF) for the Management of Emerging Infectious Diseases issued Resolution No. 35 placing, among others, the National Capital Region (NCR) under a Modified Enhanced Community Quarantine (MECQ) until 31 May 2020;

WHEREAS, in view of the placement of NCR under MECQ, as well as in recognition of the importance of issuance of Certification of Bonds pursuant to R.A. No. 9184 in helping the Philippine Economy, this Commission finds the need to institute guidelines as regards the issuance of Certifications pursuant to R.A. No. 9184;
WHEREAS, pursuant to R.A. No. 11032 otherwise known as “Ease of Doing Business and Efficient Government Service Delivery Act of 2018,” the Commission adopted as its banner program for 2019, the development and establishment of an online and automated system for the issuance of Certifications under R.A. No. 9184;

WHEREAS, the Commission adopted the appropriate guidelines for the implementation of “IC Electronic Application and Certification System” (IC-eACS) for the issuance of Certifications under R.A. No. 9184 through the issuance of IC Circular Letter (CL) No. 2020-01;

NOW, THEREFORE, pursuant to the powers vested to the Insurance Commissioner under Section 437 of the Insurance Code, the following guidelines on the issuance of Certification pursuant to R.A. No. 9184 while the Community Quarantine is in effect are hereby promulgated:

Section 1. Suspension of Three (3) Working – Day for Processing and Issuance of Certifications.

a. The Suretyship Unit will process requests for Certification in accordance with the provisions of IC CL No. 2020-01. However, to ensure that social distancing and safety medical standards are observed, requests for Certification will be processed on a first-in, first-out basis.

   In this regard, it must be noted that priority will be given to the processing of requests filed before the imposition of the ECQ and suspension of the Suretyship Unit’s operations. New requests for Certification will be processed thereafter.

b. In view of the above, and the limited working hours to be observed, the 3-working day requirement for the processing and issuance of Certifications under R.A. No. 9184 is hereby TEMPORARILY SUSPENDED during the ongoing Community Quarantine until further notice. Thus, it is expected that pending and incoming requests for Certification may be acted upon beyond the three (3) working day period.

Section 2. Limitations on the Number of Liaison Officers Inside the Insurance Commission

a. Only one (1) authorised liaison officer per Company shall be allowed entry to the IC. Liaison officers without a mask and/or who refuse to undergo mandatory health-check by the Commission’s security personnel shall be denied entry.

b. Likewise, in observance of proper social distancing practices and appropriate medical safety standards, only one (1) liaison officer at a time will be allowed to transact inside the Suretyship Unit. Authorized liaison
officers will be oriented on the processing of request and release Certification for their information and guidance.

c. The Suretyship Unit may designate a separate area where all issued Certifications will be placed for pick-up.

d. Authorized liaison officer who will secure requested Certification are required to observe proper social distancing practices and appropriate medical protocols. Only one (1) authorized liaison officer at a time will be allowed to check availability of Certification/s requested.

Section 3. Allowed Transactions of Authorized Liaison Officers

a. While inside the premises of the IC, the authorized liaison officer shall be restricted to the following transactions:

   i. Submission of request(s) for Certification and payment of corresponding fees; and

   ii. Pick-up of the completed Certification(s)

For this purpose, authorized liaison officers are required to process allowed transactions once a day only.

b. Alterations to request letter(s) already submitted and duly paid for are not allowed.

Section 4. Issuance of Urgent Request for Certification

a. Only Urgent Request for Certification will be accommodated to be released on the following business day.

   Under these guidelines “Urgent Request for Certification” refers to a “single letter request for Certification covering a maximum of ten (10) bonds/CARI policies with the reason for the urgency stated therein.”

b. Companies are allowed to make only one (1) urgent request per day.

Section 5. Working Hours and Cut-Off Period.

The Suretyship Unit shall operate from 9:00 AM to 3:00 PM, Mondays to Thursdays. Requests for Certification(s) will be received for processing from 9:00 AM to 1:00 PM only.

Section 6. Saving Clause

a. All other provisions under IC CL No. 2020-01 not affected by this Circular shall remain effective.
b. Clarifications regarding the implementation of this Circular shall be addressed to the Office of the Insurance Commissioner for resolution and/or appropriate action.

Section 7. Effectivity

This Circular shall take effect immediately.

DENNIS B. FUNA
Insurance Commissioner