Pursuant to the authority of the Insurance Commissioner under Section 437(d), (o) and (p) of the Insurance Code, as amended by Republic Act No. 10607; Section 6(b), (k) and (n) of Republic Act No. 9829; and Section 4(c), (j) and (l) of Executive Order No. 192, series of 2015. Circular Letter No. 2019-07 dated 18 March 2019 or the “Guideline and Grounds for the Reduction of Penalties Due to Delays in the Submission of Reportorial Requirements” is hereby amended as follows:

Section 1. Section 2 of CL No. 2019-07 is hereby amended to read as follows:

"SECTION 2. Grounds for the reduction of penalties – The Commission may, upon evaluation, consider any application and reduce the penalty imposed in an amount not exceeding fifty percent (50%) of the total sum of the penalty based on any of the following grounds:

a. If the non-compliance or delay was shown to be beyond the control of the entity involved, as determined by the Commission;

b. Such penalty would be too burdensome and would greatly disrupt or affect the business operations, as determined by the Commission;
c. If the non-compliance or delay was due to inadvertent mistake or accident;

d. If the non-compliance or delay was due to excusable negligence;

e. Other causes analogous to the foregoing, as determined by the Commission."

Section 2. This amendatory Circular Letter shall take effect immediately. Except as amended and supplemented hereby, all other provisions of Circular Letter No. 2019-07 shall remain effective. The unamended provisions of the said Circular Letter and the amendments introduced herein shall be read and construed as a single issuance.

DENNIS B. FUNA
Insurance Commissioner