



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



Circular (CL) No.:	Letter	2020-19
Date:		23 March 2020
Amends:		None

CIRCULAR LETTER

TO : ALL LIFE INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES GOVERNING INITIATIVES OF LIFE INSURANCE COMPANIES TO GRANT ADDITIONAL BENEFITS OR FREE INSURANCE COVERAGE TO CUSTOMERS AFFECTED BY COVID-19 CORONAVIRUS OUTBREAK

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, given the gravity of the COVID-19 coronavirus situation and the requests of several life insurance companies to provide additional layer of protection to its customers and other stakeholders, this Commission finds the need to expedite the approval of initiatives designed for such purposes to address the immediate need of those affected by COVID-19 and to inspire consumer confidence in the life insurance industry;

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 No. 10607, the following guidelines are hereby adopted and promulgated:

- 1. Conditions for the Launch of Initiatives:** All life insurance companies shall be allowed to launch initiatives that aim to provide additional benefits or free insurance coverage to customers or stakeholders affected by COVID-19,

without prior approval from this Commission subject to the following conditions:

- a. A letter, duly signed by the company's president or any authorized representative, advising this Commission of the proposed initiative shall be submitted subject to compliance with Section 7 of CL No. 2020-12, together with the following supporting documents:
 - i. Mechanics of the initiative which shall describe in detail the covered period, customers who shall be entitled to benefits under the initiative, name of products covered by the initiative, benefits to be provided to the eligible customers, and other terms and conditions; and
 - ii. A financial projection of the estimated costs to be incurred by the company, including the basis of such projection, duly certified by an IC-accredited actuary, if applicable.
 - b. The initiative shall not be used to induce prospective clients or existing policyholders into purchasing a new product from the company;
 - c. The company shall strictly observe the provisions of Section 370 of the amended Insurance Code; and
 - d. The company shall be required by this Commission to recall the initiative if, at any time after review, there is a finding of violation of or non-compliance with the amended Insurance Code and pertinent circulars and guidelines, without prejudice to the authority of this Commission to impose the applicable penalties and other administrative sanctions provided in the same Code.
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

