



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



Circular Letter (CL) No.:	2020-29
Date:	30 March 2020
Supersedes:	NONE

CIRCULAR LETTER

TO : ALL LIFE INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES GOVERNING INITIATIVES OF LIFE INSURANCE COMPANIES TO SELL LIFE INSURANCE PRODUCTS TO THE PUBLIC DURING THE ENHANCED COMMUNITY QUARANTINE (“ECQ”) PERIOD DUE TO THE COVID-19 PANDEMIC

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

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

WHEREAS, in relation to said COVID-19 outbreak, President Rodrigo Roa Duterte issued: (1) Presidential Decree No. 922 (d. 8 March 2020), “*Declaring a State of Public Health Emergency Throughout the Philippines;*” and (2) Presidential Decree No. 929 (d. 16 March 2020), “*Declaring a State of Calamity Throughout the Philippines Due to Corona Virus Disease 2019;*”

WHEREAS, the Office of the President, through Executive Secretary Salvador C. Medialdea, issued: (1) *Memorandum from the Secretary with Subject: Stringent Social Distancing Measures and Further Guidelines for the Management of the Coronavirus Disease 2019 (COVID-19) Situation* dated 13 March 2020; (2) *Memorandum from the Secretary with Subject: Community Quarantine Over the Entire Luzon and Further Guidelines for the Management of the Coronavirus Disease 2019 (COVID-19) Situation* dated 16 March 2020; and (3) *Memorandum from the Secretary with Subject: Additional Guidelines for the Community Quarantine Over the Entire Luzon and Further Guidelines for the Management of the Coronavirus Disease 2019 (COVID-19) Situation* dated 18 March 2020, which issuances collectively provide for the imposition of Enhanced Community Quarantine and Stringent Social Distancing Measures;

WHEREAS, corollary to the foregoing, this Commission recognizes the impracticability of the sale of life insurance products on a “*face-to-face*” basis during the Enhanced Community Quarantine period and by reason of the Stringent Social Distancing

Measures imposed by authorities consistent with the above-mentioned executive issuances;

WHEREAS, this Commission also recognizes that life insurance products are generally sold, by practice, on a “*face-to-face*” basis; although the same may also be sold through telemarketing, SMS selling, or direct marketing through mail and publication by print, radio or television where the premium payable on the policies are “*minimal*” (i.e., annual premium not exceeding PHP 50,000.00 or single premium not over PHP 125,000.00) in accordance with Section II of Circular Letter No. 15-2007 dated 7 August 2007;

WHEREAS, consequently, this Commission recognizes the need to provide a framework that: (1) will inspire consumer confidence in the life insurance industry during these times of crisis through the continuous provision of the benefits of life insurance products to the public; and (2) is, at the same time, in keeping with the Enhanced Community Quarantine and Stringent Social Distancing Measures imposed by authorities;

NOW, THEREFORE, in view of all the foregoing and pursuant to the statutory powers granted to 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, to wit:

1. **Launch of Sales Initiatives During Enhanced Community Quarantine Period.**
– During the Enhanced Community Quarantine period, all life insurance companies doing business in the Philippines **shall be allowed** to launch initiative/s (“Initiative/s”) that aim to sell their existing life insurance products by utilizing Information and Communication Technology¹ or any other technology via Remote Communication², such as, but not limited to, teleconferencing, video conferencing,

¹“2018 IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 9160, OTHERWISE KNOWN AS THE ANTI-MONEY LAUNOERING ACT OF 2001, AS AMENOED; RULE 2 – OEFINITION OF TERMS, Section 1. Definitions. For purposes of this IRR, the following terms are hereby defined as follows: x x x (uu) ‘Information and Communication Technology’ (ICT) refers to the totality of electronic means to access, create, collect, store, process, receive, transmit, present and disseminate information.”

² SEC Memorandum Circular No. 6, Series of 2020 “GUIOELINES ON THE ATTENOANCE AND PARTICIPATION OF OIRECTORS, TRUSTEES, STOCKHOLDERS, MEMBERS, ANO OTHER PERSONS OF CORPORATIONS IN REGULAR AND SPECIAL MEETINGS THROUGH TELECONFERENCEING, VIOEO CONFERENCEING AND OTHER REMOTE OR ELECTRONIC MEANS OF COMMUNICATION” reads:

Sec. 3. Definition of Terms. Except as otherwise defined herein, all terms used shall have the same meaning as those terms that are defined in the Revised Corporation Code and other related laws, as well as issuances by the Commission.

- a. Remote Communication means the transfer of data between two or more devices not located at the same site.
- b. Teleconferencing is the holding of a conference among people remote from one another by means of telecommunication devices such as telephone or computer terminals.

It refers to an interactive group communication (three or more people in two or more locations) through an electronic medium. In general terms, teleconferencing can bring people together under one roof even though they are separated by hundred miles.

- c. Video conferencing is the holding of a conference among people in remote locations by means of transmitted audio and video signals.
- d. Computer conferencing is teleconferencing supported by one or more computers.

computer conferencing, or audio conferencing, without prior approval from this Commission; *Provided, that*, said companies shall register its Initiatives by submitting the following in accordance with Section 7 of Circular Letter No. 2020-12 or through some other legal means, viz:

- a. A letter, signed by its president or its duly authorized representative/s advising this Commission of the proposed Initiative/s (the "Letter"); and
 - b. The mechanics of the Initiative/s, which shall describe in detail the covered period, areas where the company and/or its intermediaries will operate, and the name/s of product/s covered by the Initiative/s (the "Mechanics").
2. **Minimum Customer Information and Identification Document/s.** – A life insurance company that has registered its Initiative/s through the submission of its Letter and the Mechanics thereof may utilize ICT or any other communication technology such as teleconferencing, video conferencing, computer conferencing, or audio conferencing to obtain minimum customer information and identification document/s required in the conduct of customer due diligence ("CDD")³.
3. **Recall of Initiative/s.** – This Commission shall require a life insurance company to recall its Initiative/s if, at any time after review, this Commission shall find a violation of or non-compliance with any provision of law, circular letter/s, and/or existing rules and regulations.
- Said order to recall the Initiative/s shall be without prejudice to the authority of this Commission to impose applicable penalties and/or other administrative sanctions in accordance with law, circular letter/s, and/or existing rules and regulations.
4. **Separability Clause.** – If any provision of this Circular Letter shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.
5. **Effectivity.** – This Circular Letter shall take effect immediately.


DENNIS B. FUNA
Insurance Commissioner

cad/bd/afpv



e. Audio conferencing is a conference in which people at different locations speak to each other via telephone or internet connections.

³ Please refer to Section 6 of Circular Letter No. 2019-65 dated 22 November 2019.