



<b>Circular Letter No.:</b>	<b>2021-70</b>
<b>Date:</b>	<b>10 December 2021</b>
<b>Amends:</b>	<b>CL No. 2019-07</b>

### CIRCULAR LETTER

**TO : ALL REGULATED ENTITIES OF THE INSURANCE COMMISSION**

**SUBJECT : AMENDMENT TO SECTION 2 OF CL NO. 2019-07 OR THE GUIDELINES AND GROUNDS FOR THE REDUCTION OF PENALTIES DUE TO DELAYS IN THE SUBMISSION OF REPORTORIAL REQUIREMENTS**

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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

