



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

Circular Letter No.	2022 - 02
Date	12 January 2022

CIRCULAR LETTER

TO : ALL INSURANCE/REINSURANCE COMPANIES, INSURANCE AND REINSURANCE BROKERS, MUTUAL BENEFIT ASSOCIATIONS, PRE-NEED COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS AND OTHER INSURANCE COMMISSION REGULATED ENTITIES

SUBJECT : COMPLIANCE OF ADJUSTMENT COMPANIES TO THE ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AML/CTF) QUESTIONNAIRE

WHEREAS, Section 333 of the Insurance Code, as amended by Republic Act No. 10607, defined an Adjuster as “any person, partnership, association or corporation which, for money, commission or any other thing of value, act for or on behalf of an insurer in the adjusting of claims arising under the insurance contracts or policies issued by such insurer.”

WHEREAS, an Adjustment company is classified as a person supervised and regulated by the Insurance Commission.

WHEREAS, the Insurance Commission issued Circular Letter No. 2018-48¹ and Circular Letter No. 2019-65² updating its guidelines and circulars on Anti-Money Laundering and Terrorism Financing prevention and suppression.

WHEREAS, the last paragraph of Section 37 of CL No. 2018-48 states that the “ultimate responsibility and accountability for identifying the customer and conducting customer due diligence (CDD) remains with the Insurance Commission Regulated Entities (ICREs) relying on the third party. Provided that, in cases of high risk customers, the ICREs relying on the third person shall also conduct enhanced due diligence procedure.”

¹ Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Guidelines for Insurance Commission Regulated Entities (ICREs) dated 14 September 2018

² Amendments to Sections 4, 7, 11, 16, 22, 24, 25, 26, 27, 29, 30, 31, 33, 34, 35, 36, 41, 45, 46, 47, 51, 56, 57, 58 and 63 of CL No. 2018-48 dated 14 September 2018, as Amended by 2018-60 dated 15 November 2018 on Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) Guidelines for Insurance Commission Regulated Entities dated 22 November 2019

WHEREAS, the Insurance Commission issued Circular Letter No. 2020-08³ requiring all ICREs to submit their answers to the AML/CTF questionnaire in order to determine whether their internal control system and risk management policies prevented money laundering and terrorist financing.

NOW THEREFORE, pursuant to the powers granted to the Insurance Commissioner under Section 437 of the Insurance Code, as amended by R.A. 10607, to issue circulars or rules and regulations, the undersigned Insurance Commissioner enacts the following:

SECTION 1. An adjustment company merely acts on behalf of the insurance companies in the adjustment of claims arising under an insurance contract or policy and it does not engage in the business similar to other ICREs provided under Section 3 of CL No. 2018-48, as amended, hence, shall be exempt from complying with the submission of the AML/CFT Compliance Questionnaire under CL No. 2020-08.

SECTION 2. Adjustment companies as a regulated entity of this Commission are still required to keep records of their customer's transaction and documents obtained during the customer due diligence for at least five (5) years based on Section 15 of CL No. 2018-48.

SECTION 3. If any provision or section of this Circular Letter is held to be invalid, the other provisions or sections hereof, which are not affected shall continue to be in force and effect.

SECTION 4. This Circular Letter shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner



³ AML/CFT Risk Rating System (ACRRS) and AML/CFT Compliance Questionnaire for ICREs accomplishment and submission of responses to the AML/CFT Compliance Questionnaire dated 24 February 2020