



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



Legal Opinion No.:	LO-2017-04
Date:	JULY 3, 2017

MS. NYMPHA NERISSA PANAHO-AGUILAR

Unit 3-1 Melta 2 Building
Villa Nicasia 3, Aguinaldo Highway
Tanzang Luma 3, Imus
Cavite

**SUBJECT: Number of Life Insurance Companies
Allowed to be Represented by an Agent**

Dear Ms. Panahon-Aguilar:

This refers to your e-mail dated 22 May 2017 seeking clarification whether it is possible for you, a licensed life insurance agent, to join another life insurance company considering the fact that you are presently connected with another life insurance company.

Based on your e-mail, you received a letter from the life insurance company you are presently representing sometime in February 2017 advising that you are being delisted from the roll of active agents on the ground that you allegedly failed to meet the retention standards (sales performance).

Thus, you are having second thoughts of working for your present company and considering to be affiliated with another life insurance company.

Insurance Memorandum Circular No. 3-93¹ provides for the licensing requirements and limitations of a license to act as an insurance agent.

Paragraph 2.5 of the above-mentioned Memorandum Circular imposes a limitation as to the number of insurance companies an insurance agent may represent depending on the type of license issued, to wit:

¹ Entitled "*Licensing of Insurance Agents and General Agents*".

“2.5 No person shall be licensed to act as an insurance agent or general agent of more than one (1) life insurance company, and/or as general agent of more than one (1) non-life insurance company and as insurance agent of more than seven (7) other non-life insurance companies. No person licensed as an insurance agent or general agent shall be licensed as an insurance broker, nor shall a person be licensed as an insurance broker be licensed as an insurance agent or general agent in the same kind of insurance business. The same limitation shall apply to the individual named in the license issued to a partnership, association or corporation to act as an insurance agent or general agent. No person, however, shall be licensed to act as general agent unless he has been licensed as an ordinary agent and actively engaged as such for at least one year.” (Emphasis supplied.)

In case a licensed agent opts to transfer from one life insurance company to another, IC Circular Letter dated 30 September 1960² requires that a written clearance and/or permission from the agent's principal together with your application for certificate of authority to act as an agent for another insurance company be submitted to this Commission. Reproduced herein-below is IC Circular Letter dated 30 September 1960, to wit:

“Circular Letter of this office, dated August 21, 1959, is hereby amended to read as follows:

In order to fully apprise this Office about the good and proper business relations of every insurance agent with his former or current principals, he is required to submit a written clearance and/or permission from said principals, together with his application for certificate of authority to act as agent for another insurance company.

Where a request for clearance and/or permission is made in writing, either by the agent concerned or the company he wishes to represent, a carbon copy or the same bearing the stamp or receipt by the receiving company should be submitted to this office together with the application.

Failure on the part of any company to act on any request for clearance and/or permission within one (1) month from date of receipt or such request would be a justifiable reason for this office to issue the certificate of authority applied for without further notice.

Strict compliance herewith is hereby enjoined.”

Based on the foregoing, a licensed life insurance agent can represent only one (1) life insurance company and in case of transfer from one life insurance company to another, a licensed life insurance agent is required to submit to this Commission a

² Entitled “*Issuance of New and/or Additional Certificates of Authority to Solicit Business for Another Insurance Company*”.

written clearance and/or permission from current or former principal, together with his application for certificate of authority to act as agent for another insurance company.

Please note that the opinion rendered by this Commission is based solely on the particular issues raised therein and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

Please be guided accordingly.

Very truly yours,


DENNIS B. FUNA
Insurance Commissioner