



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



Legal Opinion (L.O.) No.	LO-2017-06
Date	August 25, 2017

MR. JOHN D. CASEY
President & CEO
Pacific Cross Philippines
Pacific Cross Center,
8000 Makati Avenue,
1200 Makati City

SUBJECT: Inquiry Regarding Out-sourcing of Personnel

Dear Mr. Casey:

This refers to the query of Pacific Cross Insurance, Inc. and Pacific Cross Health Care, Inc. (singularly referred to as Pacific Cross) on the propriety of outsourcing its non-sales processes and transferring the corresponding non-sales personnel to its affiliate, International Administrators limited-ROHQ (IAL-ROHQ).

In a resolution adopted by its Board of Directors and majority Shareholders, Pacific Cross resolved to re-organize its support services operation and to enhance its frontline services. Pursuant to the said resolution, Pacific Cross had outsourced its non-sales processes/services from its affiliate, IAL-ROH. The latter was setup as an exclusive service provider of the Pacific Cross' group of companies coming from different territories. Hence, SEC, BOI, LGU and BIR permits were secured in its implementation.

Moreover, IAL-ROHQ absorbed the affected non-sales personnel of Pacific Cross when it implemented the streamlining of personnel and other departments but the full complement for Medical and Travel Sales Departments remain with Pacific Cross. However, only one (1) personnel remains with each of the departments that were transferred to IAL-ROHQ.

In a letter dated 09 May 2017, your company submitted the following documents in support of its request for approval of the aforesaid out-sourcing of personnel:

- a. License to Transact Business in the Philippines issued by the Securities and Exchange Commission (SEC) for International Administrators Limited dated 02 September 2016;