



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



Legal Opinion (L.O.) No.	2020-10
Date:	27 August 2020

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ATTENTION: **Atty. Ruelito Q. Soriano**
Atty. Ma. Christine A. Aberin

SUBJECT: **Request for Clarification (Commission's Prior Approval on Indirect Change in Ownership of an Insurance and/or Reinsurance Broker)**

Dear Ladies and Gentlemen:

This refers to your letter dated 20 July 2020 requesting for this Commission's confirmation that no prior approval is required for a change in ownership in a company that indirectly owns an insurance/reinsurance brokerage company in the Philippines.

Circular Letter No. 2017-09¹ dated 14 February 2017 requires prior approval of this Commission in case of acquisition of ownership of any domestic insurance broker and reinsurance broker.

From the foregoing, we are of the opinion that the acquisition contemplated under the above-cited Circular Letter is one wherein there is a change in ownership over the domestic insurance and/or reinsurance broker.

¹ Guidelines Fixing the Documentary Requirements For Acquiring Ownership of a Domestic Insurance Broker and Reinsurance Broker.

Thus, it is the opinion of this Commission that approval from this Commission is required only if the change in the ownership of a company which indirectly owns a domestic insurance and/or reinsurance broker company would affect the ownership structure of the latter.

It shall be understood that the foregoing opinion is rendered based solely on the facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used in the nature of a standing rule binding upon the courts, or upon the Commission in other cases of similar or dissimilar circumstances. If upon investigation, it will be disclosed that the facts relied upon are different, this opinion shall be rendered null and void.

For your information and guidance.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

