



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



Legal Opinion (LO) No.:	2021-07
Date:	11 March 2021

MR. MANUEL B. COLLANTES, JR.

6B Marigold St., Pillar Village

Las Piñas City

manueljrcollantes@gmail.com

Subject: Request for Legal Opinion

Dear **Mr. Collantes**:

This refers to your letter dated 18 January 2021 requesting for the issuance of a legal opinion on whether Insular Life Assurance Company, Ltd. ("Insular Life") had any violations against Market Conduct Guidelines by allowing its general agency to solicit life insurance abroad.

Per your letter, the relevant facts are as follows:

"Below is the chronology of events which resulted in our present situation:

1. 2004 (midyear) Insular Life Ass Co., Ltd, through its executives, talked to me as president and soliciting officer of the general agency, CME General Insurance Agency Inc., regarding the agreement of 3 companies to go into selling operations in Kuwait.

These 3 companies were:

- a. Warba Insurance Company (S.A.K.) based in Kuwait. x x x
- b. Insular Life Assurance Co., Ltd.
- c. CME General Insurance Inc. – as marketing arm for Insular Life x x x

2. Nov, 2005 – soft opening of branch office in Kuwait

3. Dec 3, 2005 – visit and formal launching of Kuwait operations of former Chairman and CEO of Insular Life, Mr. Vicente R. Ayllon
x x x
4. 2005 (Dec), 2006, 2007, 2008 (first semester)
CME marketing operations started as it provided for the following:
 - a. Sent 4 agents, who are salaried, from the Philippines to be based in Kuwait
 - b. Provided the 4 agents with housing accommodation, and other work related needs (ex. Communication expenses, etc).
 - c. Hired of an office / administration clerk to do office work
 - d. I had to go back and forth to Kuwait, minimum of 4 times and a maximum of 6 times per year. x x x

The actual Kuwait operations ran full time for about 1.5 to 2 years. During these times CME had sold more or less around 350 insurance policies.

I incurred a lot of expenses, loans from financing companies and other persons, to support the project.

In Nov 2008, Insular Life, sent a notice of termination of the agreement to Warba Insurance. I saw the notice, the asst. vice president showed it to me but I was not given a copy.

Insular Life's reason to quote what is in the letter "because of MARKET CONDUCT GUIDELINES of the Office of the Insurance Commission, we are terminating our agreement".

I also found out that Insular Life reimbursed the expenses of Warba Insurance equivalent to one million pesos.

The Kuwait operations formally stopped in the early part of Dec 2008.

Insular Life allowed me to continue my agency operations here in the Philippines.

In Dec 23, 2008, I wrote the former president and COO of Insular life, Mr. Mayo Ongsingco, requesting for a 20 million reimbursement of my expenses. This was denied. x x x

And this I found out regarding the Kuwait operations:

1. MARKET CONDUCT GUIDELINES – one of its ruling is that no Philippine Life Insurance Company, is allowed to operate and

sell Philippine life insurance products in foreign lands even to Filipinos. Additionally, it is illegal for a life Insurance Company to have prospective life insurance applicants to sign their applications in a foreign land. In our operations in Kuwait all 350 applicants indicated that they signed their applications in Kuwait. These 350 policies were issued and released by Insular Life.”

After careful consideration of your request for legal opinion and the facts pertinent to the said request, this Commission is constrained to deny your request for the issuance of a legal opinion.

As provided in Circular Letter No. 2017-13 or the “Guidelines in the Processing of Requests for Legal Opinion”, the Commission, in its discretion, may refrain from rendering an opinion in certain cases, to wit:

“Section 4. The Commission, in its discretion, may refrain from rendering opinion on the following:

x x x

2. Matters which involve the substantive and contractual rights of private parties who would, in all probability, contest the same in court if the opinion turns out to be adverse to their interest;

x x x

6. Questions which will require determination of factual issues or mixed questions of fact and law;

x x x

11. Other analogous circumstances which the Commission deems to be with transcendental importance.”

The instant request involves the substantive and contractual rights not only of Insular Life as the party with which CME has entered into a general agency contract, but also of the policyholders who allegedly signed their applications in Kuwait. This Commission foresees that if it renders any opinion on the subject matter, the aggrieved party, whether the same be Insular Life, the concerned policyholders, or CME, would in all probability contest the opinion adverse to their interest before the regular courts.

In addition, resolving the matter of whether Insular Life had any violations pursuant to the Market Conduct Guidelines issued by the Commission by allowing its general agency to solicit life insurance abroad, i.e., Kuwait, will necessitate the determination of factual issues or mixed questions of fact and law. Such determination, it must be noted, is best made in the course of an investigation

duly conducted by the Commission or in relation to a case filed before the proper forum.

The foregoing considered, the Commission is constrained to refrain from rendering a legal opinion on the present subject matter, in accordance with Section 4 of CL No. 2017-13.

Please be guided accordingly.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

