



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

Legal Opinion (LO) No.:	2021 - 17
Date:	31 December 2021

**ATTY. MICHAEL S. MACABATA**

Corporate Lawyer

**HC Consumer Finance Philippines, Inc.**

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Bonifacio Global City, Taguig City  
[michael.macabata@homecredit.ph](mailto:michael.macabata@homecredit.ph)

**ATTY. ANTHONY T. CO**

Head of Legal

**HC Consumer Finance Philippines, Inc.**

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Bonifacio Global City, Taguig City  
[anthony.co@homecredit.ph](mailto:anthony.co@homecredit.ph)

Subject: **Group Policy Coverage for Home Credit Customers**

Dear **Attys. Macabata and Co:**

This refers to your request for confirmatory opinion as to whether the customers of HC Consumer Finance Philippines, Inc. ("Home Credit") in its Mobile Application ("MobApp") can be offered a Group Master Policy for Personal Accident Insurance with Covid-19 Coverage by Mercantile Insurance and similar other insurance products or services. Per your letter dated 15 October 2021, the pertinent facts are as follows:

"As a brief background, Home Credit is a leading multi-channel consumer financing company, offering a variety of products such as in-store, point-of-sale (POS), and acquisition loans for purchases of durable goods and cash loans eligible to mass retail customers. In 2018, Home Credit developed its own MobApp,

which is designed as a platform for customers to shop online on installments with various retailers. To avail of Home Credit MobApp's products and features, a customer needs to download the Home Credit MobApp in Google Play, provide his username and password, proceed with the E-KYC procedures and other customer validation processes. In case a customer intends to avail of a cash or consumer loan, a separate risk assessment is made.

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With the availability of technology and the sudden shift of customers to online transactions particularly during this Covid-19 pandemic, Home Credit has partnered with various retailers including insurance companies and insurance brokerage companies to offer its customers various products and services such as Personal Accident Insurance with Covid-19 Coverage with Mercantile Insurance, Home Content with BPI/MS and Chubb, among others. As mentioned above, a customer is an individual who has completed the customer validation process including E-KYC procedure. Once in the Home Credit MobApp, a customer will be offered a plethora of products and services from Home Credit and its partner-retailers.”

Relative to the foregoing, Home Credit requested confirmation as to the following matters:

- (a) The customers of Home Credit who are redirected to a third party MobApp and who will then be offered insurance policies are considered as customers of the insurance company or insurance brokerage. Home Credit may be paid a service fee or collection fee by the Insurer pursuant to Clause 5.5 of IC Circular Letter No. 2017-57.
- (b) In the alternative, and in the event that Home Credit will allow the insurance company or insurance brokerage to set-up its own embedded microsite in Home Credits' MobApp, customers who have downloaded the MobApp and who have undergone a full KYC process can already be considered as a customer and be offered a Group Master Policy by the insurance company or insurance brokerage.
- (c) In item (b) above, considering that the Home Credit customer has already undergone customer validation and full KYC process, there is no other prerequisites that the customer would need to comply with in order to be offered the Group Master Policy.

Upon careful consideration of the matters raised in your request, hereunder are the Insurance Commission's findings: