



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



Legal Opinion (LO) No.:	2022-06
Date:	24 February 2022

Mr. ROGERIO B. PANLASIGUI

President

INTERVEST PROJECTS, INC.

Suite A, 5th floor,
DAO I Condominium Building,
Salcedo Street, Legaspi Village,
Makati 1299
rbpanlasigui@invest.com.ph

SUBJECT: Proposed merger between Intervest Projects, Inc. and Intervest Insurance Agency, Inc.

Dear **Mr. Panlasigui**:

This refers to your letter dated 07 October 2020 requesting for guidance on the proposed merger between **Intervest Projects, Inc. (IPI)** and **Intervest Insurance Agency, Inc. (IIAI)**

In your letter, it was stated that IPI is a 100% subsidiary of the Philippine Veterans Bank (PVB), a commercial bank privately owned by more than 300,000 Philippine Veterans. IPI is engaged in real estate construction and project management requirements of all foreclosed assets of PVB and its clients. On the other hand, IPI owns 100% of IIAI, an insurance agency accredited by the Insurance Commission. IIAI services all insurance requirements of the bank, its veteran clients and also AFP pensioners and local government officials who have salary loans with PVB.

In an effort to streamline operations, IPI thus seeks guidance as to the proposed merger with IIAI.

Relevant to this, please be guided by **Insurance Memorandum Circular No. 3-93¹** (IMC No. 3-93) with the subject of “**Licensing of Insurance Agents and General Agents**,” which details the requirements insurance agents must comply and the conditions for the issuance of an insurance agent license. Attached in this letter for your perusal and guidance is a copy of the said Memorandum Circular.

Section 2 of the said Circular outlines the limitations on an Insurance Agent’s license, particularly Subsection 2.5 and 2.6, which state:

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 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 and actively engaged as such for at least one year.”

2.6 *No official or employee of an insurance brokerage or an adjustment company and no individual adjuster, shall be licensed to act as an insurance agent or general agent.* (Emphasis supplied)

Based on the facts presented, considering that the line of business of IPI is primarily real estate development and IIAI is licensed as an insurance agent, the planned combination of business is not among the proscribed activities for insurance agents as stated in Subsections 2.5 and 2.6 of IMC No. 3-93. Hence, this Commission is of the opinion that, insofar as the Insurance Code, as amended, as well as relevant laws and regulations are concerned, the proposed merger between a real estate developer IPI and an insurance agency IIAI do not pose any conflict and are not prohibited.

However, considering that IPI is a 100% subsidiary of PVB and IIAI is owned by IPI, prudence dictates that IPI should consult with the relevant banking laws and rules and regulations issued by the Banko Sentral ng Pilipinas for further guidance with regard to the proposed merger.

¹ <https://www.insurance.gov.ph/wp-content/uploads/2017/10/IMC1993-3.pdf>

Please note that the above opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant solely to 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.

Thank you.

Very truly yours,



DENNIS B. FUNA
Insurance Commissioner



Enclosed: As stated