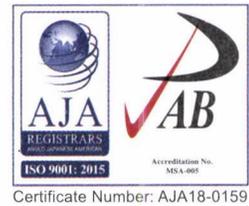




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Insurance Commission Ruling (ICR) No.:	2020 - 01
Date:	31 January 2020

MR. RENATO A. VERGEL DE DIOS
President and Chief Executive Officer
BDO LIFE ASSURANCE COMPANY, INC.
BDO Corporate Center, 7899 Makati Avenue
Makati City

SUBJECT: Group Credit Life Insurance for Borrowers of a Life Insurance Company

Dear Mr. Vergel de Dios:

This refers to your letter dated 21 January 2020 relative to your request for confirmation on the matter of BDO Life issuing a Group Credit Master policy to cover its loan borrowers.

Please be advised that IC Circular Letter (CL) No. 2017-57, "**Guidelines on Group Insurance of Both Life and Non-life Insurance Companies**," contemplates a situation wherein the insurer and the policyholder are separate entities. The only exception thereto is Section 2.3 of IC CL No. 2017-57, as amended by IC CL No. 2019-52, which provides that insurance companies may act as the policyholder for its employees or agents, subject to the conditions enumerated therein.

In the present case, the group in question does not constitute employees or agents of BDO Life but, instead, constitutes borrowers or debtors of BDO Life. Hence, pursuant to IC CL No. 2017-57, as amended by IC CL No. 2019-52, BDO Life cannot issue a Group Credit Master Policy that will cover its loan borrowers with BDO Life as the policyholder.

For your guidance and information.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

