

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

**INSURANCE MEMORANDUM CIRCULAR
NO. 2022-01**

**2022 AMENDMENTS TO THE 2014 RULES OF PROCEDURE
GOVERNING TRIAL AND HEARING OF CLAIMS CASES INVOLVING
INSURANCE OR REINSURANCE POLICIES OR THOSE
ARISING FROM MEMBERSHIP CERTIFICATES ISSUED BY
MUTUAL BENEFIT ASSOCIATIONS, IN THE INSURANCE COMMISSION**

Pursuant to the provisions of Sections 437, 438, and 439 of Republic Act No. 10607, otherwise known as "*An Act Strengthening the Insurance Industry, Further Amending Presidential Decree No. 612, Otherwise Known as the 'Insurance Code', as Amended,*" the following revised rules of procedure in filing complaints involving insurance or reinsurance policies, or those arising under the membership certificates issued by mutual benefit associations, are hereby adopted and promulgated, to wit:

**RULE 1
TITLE AND APPLICABILITY**

Section 1. Title. – These Rules shall be known as the ***"2022 Amendments to the 2014 Rules of Procedure Governing Trial and Hearing of Claims Cases Involving Insurance and Reinsurance Policies and Those Arising from Membership Certificates Issued by Mutual Benefit Associations, in the Insurance Commission"***.

Section 2. Definitions. – For the purposes of these Rules, the word "*Commission*" shall pertain to the Insurance Commission; and the word "*Commissioner*" shall pertain to the Insurance Commissioner.

Section 3. How Construed. – These Rules shall be liberally construed to promote and attain the principal objective of adjudicating or settling claims and complaints and/or assisting the parties in obtaining a just, speedy, and inexpensive determination of claims and complaints involving any loss, damage, or liability for which an insurer may be answerable under any kind of policy or contract of insurance, or for which such insurer may be liable under a contract of suretyship, or for which a reinsurer may be sued under any contract of reinsurance it may have entered into, or for which a mutual benefit association may be held liable under a membership certificate it had issued to its member/s.

Section 4. Scope. – These Rules shall govern hearings of such claims and complaints where the amount of actual damages, excluding interests, costs, and

attorney's fees being claimed or sued upon any kind of insurance, bond, reinsurance contract, or membership certificate does not exceed in any single claim Five Million Pesos (PHP 5,000,000.00). Except as to the amount of actual damages, legal interest, attorney's fees and costs of suit, which include filing fees and litigation expenses, no other form of damages shall be recoverable.

RULE 2 PARTIES TO THE ACTION OR PROCEEDINGS

Section 1. *Parties in Interest.* – **A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entailed to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.**

Section 2. *Who may be Parties; Complainant and Respondent.* – **The natural or juridical person, or the entity authorized by law, that filed a complaint with the Commission seeking relief from an insurance or reinsurance company or a mutual benefit association doing business in the Philippines for any loss, damage, or liability for which such insurer may be answerable under any kind of policy or contract of insurance, or for which such insurer may be liable under a contract of suretyship, or for which a reinsurer may be sued under a contract of reinsurance it may have entered into, or for which a mutual benefit association may be held liable under the membership certificate it had issued to its member/s, shall be called the "complainant". The insurance or reinsurance company, or mutual benefit association, against whom relief is sought shall be called the "respondent".**

RULE 3 COMMENCEMENT OF ACTIONS, PLEADINGS, FILING AND SERVICE OF PLEADINGS

Section 1. *Commencement of Action; Verification and Certificate of Non-Forum Shopping.* – **Any person seeking relief from an insurance company, reinsurance company, or mutual benefit association shall file with the Commission a verified complaint.**

A complaint shall be verified by an affidavit of an affiant duly authorized to sign said verification. The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the complaint, and shall allege the following attestations:

- (a) The allegations in the pleading are true and correct based on his or her personal knowledge, or based on authentic documents;**
- (b) The complaint is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and**

- (c) The factual allegations therein have evidentiary support, or if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery.

The signature of the affiant shall further serve as a certification of the truthfulness of the allegations in the complaint.

The complainant shall also certify under oath in the complaint, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he or she has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal, or quasi-judicial agency and, to the best of his or her knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if or she should thereafter learn that the same or similar action or claim has been filed or is pending, he or she shall report that fact within five (5) calendar days therefrom to the court wherein his or her aforesaid complaint has been filed.

The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the complaint.

Failure to comply with the foregoing requirements as regards the certification against forum shopping shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of this Commission, without prejudice to the corresponding administrative and criminal actions. If the acts of the complainant or his or her counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

Section 2. Form of Pleadings, Copies. – All pleadings filed with the Commission shall be legibly written or printed on legal size paper. The original and three (3) signed copies of every pleading shall be accepted by the Commission if they conform to the formal requirements provided for by these Rules.

Section 3. Contents of Complaint. – The complaint shall state the names and addresses of the parties, the substance of the claim, the date when the loss occurred, the amount of the claim, the grounds of action, the relief/s sought, an allegation that there is a final denial of the claim by the respondent, and that there is no pending mediation conference in the Public Assistance and Mediation Division of this Commission. **In addition, the complaint shall also state the following:**

- (a) Names of witnesses who will be presented to prove the complaint's claim;
- (b) Summary of the witnesses' intended testimonies, provided that the judicial affidavits of said witnesses shall be attached to the complaint and

form an integral part thereof. Only witnesses whose judicial affidavits are attached to the complaint shall be presented by the parties during trial. Except if the complainant presents meritorious reasons as basis for the admission of additional witnesses, no other witness or affidavit shall be heard or admitted by this Commission; and

(c) **Documentary and object evidence in support of the allegations contained in the complaint.**

Section 4. *Complaint, in form and substance; effect.* – Upon filing of the complaint, the Commission shall determine whether the same is sufficient in form and substance. If the same is not sufficient in form and substance, the Commission will motu proprio refuse to accept **the same**. On the other hand, if the complaint is in order, the complainant shall be required to pay the docketing fees computed pursuant to Rule 4, Section 1 hereof.

Section 5. *Filing of Complaint in the Insurance Commission or any of its District Offices; effect.* – **The authority of the Commissioner to adjudicate claims granted under Section 439 of Republic Act No. 10607** shall be concurrent with that of the civil courts, but the filing of the complaint with the Commission or any of its District Offices shall preclude the civil courts from taking cognizance of a suit involving the same subject matter.

The Commission's District Offices shall have the authority to receive complaints that are within the adjudicatory jurisdiction of this Commission and to conduct trial or hearings in accordance with these Rules.

**RULE 4
FEES**

Section 1. *Docketing Fee.* – **Upon the filing of a complaint, or a permissive counterclaim, arising out of the transaction or occurrence that is the subject matter of the original action or of the counterclaim**, the filing party shall pay the Commission docket fees to be determined based on the principal amount claimed, exclusive of interests and claims for attorney's fees and costs of suit as follows, to wit:

1. More than PHP 400,000.00 but less than PHP 1,000,000.00	PHP 5,000.00
2. PHP 1,000,000.00 or more but less than PHP 3,000,000.00	10,000.00
3. PHP 3,000,000.00 up to PHP 5,000,000.00	15,000.00

plus an amount equivalent to one percent (1%) of the filing fee but in no case lower than Ten Pesos (PHP 10.00) to be collected as Legal Research Fund (LRF) fee in accordance with Republic Act No. 3870, as amended by Presidential Decree No. 1856 dated 26 December 1982.

Section 2. *Indigent Party.* – A party may be authorized to litigate his **or her** action, claim, or defense as an indigent if the Commission, upon an *ex parte* application and hearing, is satisfied that the party has no money or property sufficient and available for food, shelter, and basic necessities for himself **or herself** and his **or her** family.

Such authority shall include an exemption from payment of docket and other lawful fees and of transcripts of stenographic notes that the Commission may order to be furnished him **or her**. The amount of the docket and other lawful fees that the indigent party was exempted from paying shall be a lien on any judgment rendered in the case favorable to the indigent unless the Commission otherwise provides.

Section 3. Docketing of Complaint. – After payment of the docketing fee, the Commission shall enter the case in its docket book and a corresponding case number shall be inscribed in the complaint.

RULE 5 SUMMONS, ANSWER, AND DEFAULT

Section 1. Summons. – After docketing of the complaint, the Commission shall issue summons to the respondent, attaching therewith a copy of the complaint, requiring it to file its answer **within thirty (30) calendar days from receipt hereof**.

Service may be made on the president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel of the respondent wherever they may be found, or in their absence or unavailability, on their secretaries.

If such service cannot be made upon any of the foregoing persons, it shall be made upon the person who customarily receives the correspondence for the respondent at its principal office.

In case the respondent is under conservatorship, receivership, or liquidation, service of summons shall be made on the conservator, receiver, or liquidator, as the case may be.

Should there be a refusal on the part of the persons above-mentioned to receive summons despite at least three (3) attempts on two (2) different dates, service may be made electronically by sending an electronic mail to the respondent's electronic mail address, if allowed by the Commission.

Section 2. Duty of counsel of record. – Where the summons is improperly served and a lawyer makes a special appearance on behalf of the respondent to, among others, question the validity of service of summons, the counsel shall be deputized by the Commission to serve summons on his or her client.

Section 3. Answer. – The respondent shall file its verified answer to the complaint, **in which the respondent shall set forth its negative or affirmative defenses as defined under Rule 6, Section 5 of the 2019 Proposed Amendments to the 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC) and its counterclaims, if any, within thirty (30) calendar days after service of summons.** In addition, the answer shall also state the following:

- (a) Names of witnesses who will be presented to prove the respondent's defense;

(b) Summary of the witnesses' intended testimonies, provided that the judicial affidavits of said witnesses shall be attached to the answer and form an integral part thereof. Only witnesses whose judicial affidavits are attached to the answer shall be presented by the parties during trial. Except if a party presents meritorious reasons as basis for the admission of additional witnesses, no other witness or affidavit shall be heard or admitted by this Commission; and

(c) Documentary and object evidence in support of the allegations contained in the answer.

Section 4. Affirmative defenses. – (a) A respondent shall raise its affirmative defenses in its answer, which shall be limited to the reasons set forth under Rule 6, Section 5(b) of the 2019 Proposed Amendments to The 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC), and the following grounds:

1. The Commission has no jurisdiction over the person of the respondent;
2. The complaint states no cause of action; or
3. The complaint does not allege facts which involve any claim or complaint involving any loss, damage, or liability for which the respondent may be liable under any kind of insurance or reinsurance policy, bond, or membership certificate.

(b) Failure to raise the affirmative defenses at the earliest opportunity shall constitute a waiver thereof.

(c) The Commission shall *motu proprio* resolve the above enumerated affirmative defenses in paragraph (a) (1), (2), and (3) of this Section within thirty (30) calendar days from the filing of the answer.

(d) As to the other affirmative defenses under the first paragraph of Rule 6, Section 5(b) of the 2019 Proposed Amendments to the 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC), the Commission may conduct a summary hearing within fifteen (15) calendar days from the filing of the answer. Such affirmative defenses shall be resolved by the Commission within thirty (30) calendar days from the termination of the summary hearing.

(e) Affirmative defenses, if denied, shall not be the subject of a motion for reconsideration or petition for *certiorari*, prohibition, or *mandamus*, but may be among the matters to be raised on appeal after a judgment on the merits.

Section 5. Extension of Time to File Answer. – A respondent may, for meritorious reasons, be granted an additional period of not more than thirty (30) calendar days to file an answer. No motion for extension of time to file an answer shall be accepted unless accompanied by an official receipt showing payment of the

fee of Five Hundred Pesos (PHP 500.00) therefor. A respondent is only allowed to file one (1) motion for extension of time to file an answer.

A motion for extension of time to file any pleading, other than an answer, is prohibited and considered a mere scrap of paper. The Commission, however, may allow any other pleading to be filed after the time fixed by these Rules.

Section 6. Default; Declaration of. – If the defending party fails to answer within the time allowed therefor, the Commission shall, upon motion of the claiming party with notice to the defending party, and proof of such failure, declare the defending party in default. Thereafter, the Commission shall proceed to render judgment granting the complaint such relief as his **or her** pleading may warrant, unless the Commission in its discretion requires the claiming party to submit evidence.

(a) Effect of order of default. – A respondent in default shall be entitled to notices of subsequent proceedings but shall not take part in the trial.

(b) Relief from order of default. – A party declared in default may at any time after notice thereof and before judgment, file a motion under oath to set aside the order of default upon proper showing that his or her failure to answer was due to fraud, accident, mistake, or excusable negligence and that he or she has a meritorious defense. In such case, the order of default may be set aside on such terms and conditions as the Commission may impose in the interest of justice.

RULE 6 MOTION TO DISMISS

Section 1. Grounds. – The respondent may, within the time for filing an answer but before an answer is filed, file a motion to dismiss the complaint only on any of the following grounds:

- (a) The Commission has no jurisdiction over the subject matter or nature of the action;
- (b) There is another action pending between the same parties for the same cause; or
- (c) The cause of action is barred by a prior judgment or by the statute of limitations.

Section 2. Dismissal with prejudice. – Subject to the right of appeal, an order granting a motion to dismiss or an affirmative defense that: (a) the cause of action is barred by a prior judgment or by the statute of limitations; (b) that the claim or demand set forth in the complaint has been paid, waived, abandoned or otherwise extinguished; or (c) that the claim on which the action is founded is unenforceable under the provisions of the statute of frauds, shall bar the refiling of the same action or claim.

Section 3. Time to Plead. – If the motion to dismiss is denied, **the movant shall file its or his or her answer within thirty (30) calendar days computed from the time it or he or she received the notice of denial**, unless the Commission provides a different period.

RULE 7 CLAIMS ADJUDICATION DIVISION (CAD) MEDIATION CONFERENCE

Section 1. Claims Adjudication Division (CAD) Mediation Conference. – **After the last responsive pleading has been served and filed, the Commission shall issue, within five (5) calendar days from filing, a notice of CAD Mediation Conference, which shall be undertaken to exhaust the possibility of an amicable settlement of the case. The period for CAD Mediation Conference shall not exceed thirty (30) calendar days without further extension.**

The CAD Mediation Conference shall be mandatory and shall be attended by the parties or their duly authorized representatives without the assistance of counsel. The Commission may likewise summon other persons to aid and/or assist in facilitating the amicable settlement of the case. Refusal or failure to attend the CAD Mediation Conference despite due notice by the parties or such other assisting persons shall be punishable as contempt of the Commission.

Section 2. Inadmissibility of Proceedings. – **All records and minutes of the CAD Mediation Conference shall be inadmissible in evidence.**

RULE 8 SPECIAL PROVISIONS FOR CLAIMS INVOLVING COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE UNDER CHAPTER VI OF R.A. NO. 10607

Section 1. Minimum Terms of Amicable Settlement. – **No amicable settlement of a case involving compulsory motor vehicle liability insurance shall afford the complainant less rights, benefits, or advantages than that provided under the provisions of Chapter VI of Republic Act No. 10607.**

Section 2. Compromise Judgment Immediately Executory. – **A compromise judgment of a case involving compulsory motor vehicle liability insurance under Chapter VI of Republic Act No. 10607 shall be immediately executory.**

RULE 9 JUDICIAL AFFIDAVIT

Section 1. Judicial Affidavits, Compulsory. – **The direct testimonies of witnesses shall be in the form of judicial affidavits.**

Section 2. Contents. – **A judicial affidavit shall be prepared in the language known to the witness and, if not in English or Filipino, accompanied by a translation in English or Filipino, and shall contain the following:**

- (a) The name, age, residence or business address, and occupation of the witness;
- (b) The name and address of the lawyer who conducts or supervises the examination of the witness and the place where the examination is being held;
- (c) A statement that the witness is answering the questions asked of him **or her**, fully conscious that he **or she** does so under oath, and that he **or she** may face criminal liability for false testimony or perjury;
- (d) Questions asked of the witness and his **or her** corresponding answers, consecutively numbered, that:
 - 1. Show the circumstances under which the witness acquired the facts upon which he **or she** testifies;
 - 2. Elicit from him **or her** those facts which are relevant to the issues that the case presents; and
 - 3. Identify the attached documentary and object evidence and establish their authenticity in accordance with the Rules of Court.
- (e) The signature of the witness over his **or her** printed name; and
- (f) A jurat with the signature of the notary public who administers the oath or an officer who is authorized by law to administer the same.

Section 3. Sworn Attestation of the Lawyer. – The judicial affidavit shall contain a sworn attestation at the end, executed by the lawyer who conducted or supervised the examination of the witness, to the effect that:

- (a) He **or she** faithfully recorded the questions he **or she** asked and the corresponding answers the witness gave;
- (b) The witness was not coached in giving his **or her** answers.

Section 4. Offer of and Objection to Testimony in Judicial Affidavit. – The party presenting the judicial affidavit of his **or her** witness in place of direct testimony shall state the purpose of such testimony at the start of the presentation of the witness. The adverse party may move to disqualify the witness or to strike out his **or her** affidavit or any of the answers found in it on ground of inadmissibility. The Commission shall promptly rule on the motion **and, if granted, shall cause the marking of any excluded answer by placing it in brackets under the initials of an authorized personnel of the Commission, without prejudice to a tender of excluded evidence under Section 40 of the Rules of Court, as amended.**

Section 5. Examination of the Witness on His **or Her** Judicial Affidavit. – The adverse party shall have the right to cross-examine the witness on his **or her** judicial affidavit and on the exhibits attached to the same. The party who presents the witness may also examine him **or her** as on re-direct. In every case, the Commission shall

take active part in examining the witness to determine his **or her** credibility as well as the truth of his **or her** testimony and to elicit the answers that it needs for resolving the issues.

Section 6. Oral Offer of and Objection to Exhibits. – (a) Upon the termination of the testimony of his **or her** last witness, a party shall immediately make an oral offer of his documentary or object exhibits, piece by piece, in their chronological order, stating the purpose or purposes for which he **or she** offers the particular exhibit.

(b) After each piece of exhibit is offered, the adverse party shall state the legal ground for his **or her** objection, if any, to its admission, and the Commission shall immediately make its ruling respecting that exhibit.

(c) Since the documentary or object exhibits form part of the judicial affidavits that describe and authenticate them, it is sufficient that such exhibits are simply cited by their markings during the offers, the objections, and the rulings, dispensing with the description of each exhibit.

Section 7. Effect of Non-Compliance with the Rules on Judicial Affidavit. – (a) A party who fails to submit the required judicial affidavits and exhibits on time shall be deemed to have waived their submission. The Commission may, however, allow only once the late submission of the same provided, the delay is for a valid reason, would not unduly prejudice the opposing party, and the defaulting party pays a fine of One Thousand Pesos (PHP 1,000.00). No motion to admit a judicial affidavit shall be accepted unless accompanied by an official receipt showing payment of such fine.

(b) The Commission shall not consider the affidavit of a witness who fails to appear at the scheduled hearing for the presentation of his or her testimony despite notice. Counsel who fails to appear without valid cause despite notice shall be deemed to have waived his or her client's right to confront by cross-examination the witnesses there present.

(c) The Commission shall not admit as evidence judicial affidavits that do not conform to the content requirements of Section 2 and the attestation requirement of Section 3 above. The Commission may, however, allow only once the subsequent submission of the compliant replacement affidavits before the hearing or trial provided that the delay is for a valid reason and would not unduly prejudice the opposing party and provided further, that public or private counsel responsible for their preparation pays a fine of One Thousand Pesos (PHP 1,000.00). No motion to admit replacement affidavits shall be accepted unless accompanied by an official receipt showing payment of such fine.

RULE 10 PRE-TRIAL

Section 1. When conducted. – Within five (5) calendar days from the termination of the CAD Mediation Conference, the Commission shall issue a notice of pre-trial which shall be set not later than sixty (60) days from the termination of the CAD Mediation Conference.

Section 2. Nature and Purpose. – Pre-trial is mandatory and should be terminated promptly. The Commission shall consider:

- (a) The possibility of an amicable settlement or of a submission to alternative modes of dispute resolution;**
- (b) The simplification of the issues;**
- (c) The possibility of obtaining stipulations or admission of facts and of documents to avoid unnecessary proof;**
- (d) The limitation of the number and identification of witnesses and the setting of trial dates;**
- (e) The propriety of rendering judgment on the pleadings, or summary judgment, or dismissing the action should a valid ground therefor be found to exist;**
- (f) The requirement for the parties to:**
 - 1. Mark their respective evidence if not yet marked in the judicial affidavits of their witnesses;**
 - 2. Examine and make comparisons of the adverse parties' evidence vis-à-vis the copies to be marked;**
 - 3. Manifest for the record stipulations regarding the faithfulness of the reproductions and the genuineness and due execution of the adverse parties' evidence;**
 - 4. Reserve evidence not available at the pre-trial, but only in the following manner:**
 - i. For testimonial evidence, by giving the name or position and the nature of testimony of the proposed witness/es;**
 - ii. For documentary evidence and other object evidence, by giving a particular description of the evidence.**

No reservation shall be allowed if not made in the manner described above.

- (g) Such other matters as may aid in the prompt disposition of the action.**

The failure without just cause of a party and counsel to appear during pre-trial, despite notice, shall result in a waiver of any objections to the faithfulness of the reproductions marked, or their genuineness and due execution.

The failure without just cause of a party and counsel to bring the evidence required shall be deemed a waiver of the presentation of such evidence.

Section 3. Appearance of Parties. – It shall be the duty of the parties and their counsel to appear at the pre-trial. The non-appearance of a party and counsel may be excused only for acts of nature, force majeure, or duly substantiated physical inability.

A representative may appear on behalf of a party, but must be fully authorized in writing to enter into an amicable settlement, to submit to alternative modes of dispute resolution, and to enter into stipulations or admissions of facts and documents.

Section 4. Effect of failure to appear in pre-trial conference. – When duly notified, the failure of the complainant and counsel to appear without valid cause when so required, pursuant to the next preceding Section, shall cause the dismissal of the action. The dismissal shall be with prejudice, unless otherwise ordered by the Commission. A similar failure on the part of the respondent and counsel shall be cause to allow the complainant to present his or her evidence *ex parte* within ten (10) calendar days from termination of the pre-trial, and the Commission to render judgment on the basis of the evidence offered.

Section 5. Pre-Trial Brief. – The parties shall file with the Commission and serve on the adverse party, **in such manner as shall ensure their receipt thereof at least three (3) calendar days before the date of the pre-trial**, their respective pre-trial briefs, which shall contain, among others:

- (a) **A concise statement of the case and the reliefs prayed for;**
- (b) A summary of admitted facts and proposed stipulation of facts;
- (c) The **main factual and legal** issues to be tried or resolved;
- (d) The documents **or other object evidence** to be marked, stating the purpose thereof;
- (e) The names of the witnesses, **and the summary of their respective testimonies**; and
- (f) **A brief statement of points of law and citation of authorities.**

Failure to file the pre-trial brief shall have the same effect as failure to appear at the pre-trial.

Section 7. Pre-Trial Order. – Upon termination of the pre-trial, the Commission shall **issue an order within ten (10) calendar days which shall recite in detail the matters taken up.** The order shall include:

- (a) **An enumeration of the admitted facts;**
- (b) **The minutes of the pre-trial conference;**

- (c) The legal and factual issue/s to be tried;
- (d) The applicable law, rules, and jurisprudence;
- (e) The evidence marked;
- (f) The specific trial dates for continuous trial, which shall be within the period provided by the Rules;
- (g) The case flowchart to be determined by the Commission, which shall contain the different stages of the proceedings up to the promulgation of the decision and the use of time frames for each stage in setting the trial dates;
- (h) A statement that the one-day examination of witness rule and most important witness rule under A.M. No. 03-1-09-SC (Guidelines for Pre-Trial) shall be strictly followed; and
- (i) A statement that the court shall render judgment on the pleadings or summary judgment, as the case may be.

The direct testimony of witnesses for the plaintiff shall be in the form of judicial affidavits. After the identification of such affidavits, cross-examination shall proceed immediately.

Subject to the provisions of Section 6, Rule 11 of these Rules, postponement of presentation of the parties' witnesses at a scheduled date is prohibited, except if it is based on acts of nature, force majeure, or duly substantiated physical inability of the witness to appear and testify. The party who caused the postponement is warned that the presentation of its evidence must still be terminated within the remaining dates previously agreed upon.

Should the opposing party fail to appear without valid cause stated in the next preceding paragraph, the presentation of the scheduled witness will proceed with the absent party being deemed to have waived the right to interpose objection and conduct cross-examination.

The contents of the pre-trial order shall control the subsequent proceedings, unless modified before trial to prevent manifest injustice.

Section 8. Judgment after pre-trial. – Should there be no more controverted facts, or no more genuine issue as to any material fact, or an absence of any issue, or should the answer fail to tender an issue, the Commission shall, without prejudice to a party moving for judgment on the pleadings or summary judgment, motu proprio include in the pre-trial order that the case be submitted for summary judgment or judgment on the pleadings, without need of position papers or memoranda. In such cases, judgment shall be rendered within ninety (90) calendar days from termination of the pre-trial.

The order of the Commission to submit the case for judgment pursuant to this Section shall not be the subject to appeal or certiorari.

**RULE 11
HEARING AND POSTPONEMENTS**

Section 1. Hearing Officer. – The Commissioner or any hearing officer or officers designated by him in a proper order shall conduct hearings and shall be empowered to administer oaths and affirmations, issue subpoenas, take evidence and compel attendance of parties and witnesses and the production of any books, papers, correspondence, memoranda or other records which the Commission deems relevant or material to the case or inquiry.

Section 2. Schedule of Trial. – The parties shall strictly observe the scheduled hearings as agreed upon and set forth in the pre-trial order.

(a) The schedule of the trial dates, for both complainant and respondent, shall be within the following periods:

- i. The initial presentation of complainant's evidence shall be set not later than thirty (30) calendar days after the termination of the pre-trial conference. Complainant shall be allowed to present its evidence within a period of three (3) months or ninety (90) calendar days;**
- ii. The initial presentation of respondent's evidence shall be set not later than thirty (30) calendar days after the Commission's ruling on complainant's formal offer of evidence. The respondent shall be allowed to present its evidence within a period of three (3) months or ninety (90) calendar days; and**
- iii. If deemed necessary, the Commission shall set the presentation of the parties' respective rebuttal evidence, which shall be completed within a period of thirty (30) calendar days.**

(b) The trial dates may be shortened depending on the number of witnesses to be presented, provided that the presentation of evidence of all parties shall be terminated within a period of ten (10) months or three hundred (300) calendar days.

Section 3. Order of Hearing. – Unless the Commission directs otherwise, the order of hearing shall be as follows:

- (a) The complainant must produce the evidence in support of his or her complaint or claim;**
- (b) The respondent shall then offer evidence in support of its defense;**

(c) The parties may then respectively offer rebutting evidence only, unless the Commission, for good reasons and in the furtherance of justice, permits them to adduce evidence upon their original case; and

(d) Upon admission of the evidence, the case shall be deemed submitted for decision, unless the Commission directs the parties to argue or to submit their respective memoranda or any further pleadings.

Section 4. Oral offer of exhibits. – The offer of evidence, the comment or objection thereto, and the Commission's ruling shall be made orally in accordance with Section 6, Rule 9 of these Rules.

Section 5. Modes of Discovery. – Parties may avail themselves of the various modes of discovery in accordance with the provisions of the Rules of Court, as amended.

Section 6. Postponements. – Any motion for postponement or continuance of a hearing may be granted or denied by the Commission in its discretion. Such motion must be filed with the Commission and a copy thereof furnished the other party at least three (3) days before the date of hearing, otherwise, it shall not be considered. No motion for postponement shall be granted to any party unless the same is accompanied by an official receipt showing payment of a postponement fee of Five Hundred Pesos (PHP 500.00). No more than three (3) postponements shall be allowed.

Section 7. Effects of failure to appear. – During the presentation of party's witness, absence of the presenting party's counsel or witness shall be considered as a waiver to present said witness. In the case of the opposing party's absence, the presentation of the scheduled witness will proceed with the absent party being deemed to have waived the right to interpose objection and conduct cross-examination.

RULE 12 DECISIONS OR FINAL ORDERS

Section 1. Rendition of Decisions and Final Orders. – A decision or final order determining the merits of the case shall be in writing and signed by the Commissioner, stating clearly and distinctly the facts and the law on which it is based. Copies thereof shall be served upon the parties either personally or by registered mail. **The Commission may, in its discretion, likewise serve copies thereof by electronic mail.**

Section 2. Finality of Decisions and Final Orders. – The decision or final order of the Commission shall become final and executory after the lapse of fifteen (15) days from receipt of a copy thereof by the parties, unless a motion for reconsideration or an appeal from such decision or order is filed within the period herein prescribed.

RULE 13 MOTION FOR RECONSIDERATION

Section 1. Grounds of and Period for Filing Motion for Reconsideration. – Within the period for taking an appeal, an aggrieved party may move for reconsideration upon the grounds that the damages awarded are excessive, that the evidence is insufficient to justify the decision or final order, or that the decision or final order is contrary to law. No second motion for reconsideration shall be allowed. Motions for reconsideration shall comply with the requirements of Rule 15 of the 2019 Proposed Amendments to the 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC).

Section 2. Contents of Motion for Reconsideration. – A motion for reconsideration shall point out specifically the findings or conclusions of the decision or final order which are not supported by the evidence or which are contrary to law making express reference to the testimonial or documentary evidence or to the provisions of law alleged to be contrary to such findings or conclusions.

Section 3. Opposition. – Within fifteen (15) days from receipt of the copy of the motion for reconsideration, an adverse party may file his opposition thereto and serve a copy of such opposition to the movant.

Section 4. When Deemed Submitted for Resolution. – After the opposition is filed, or upon expiration of the period for filing the same without any such opposition having been filed, the motion for reconsideration shall be deemed submitted for resolution, unless the Commission shall consider it necessary to hear the oral arguments of the parties, in which case the Commission shall issue a corresponding order or notice to such effect.

RULE 14 APPEALS FROM DECISION OR FINAL ORDER

Section 1. How appeal taken. – Appeals from decisions or final orders of the Commission shall be taken in the manner set forth under the provisions of Rule 43 of the Rules of Court.

Section 2. Effect of Appeal. – The appeal shall not stay the award, judgment, final order or resolution sought to be reviewed unless the Court of Appeals shall direct otherwise upon such terms as it may deem just.

Section 3. Execution of a judgment or final order pending appeal. – On motion of the prevailing party filed in the Commission while it has jurisdiction over the case and is in possession of either the original record or the record on appeal, as the case may be, at the time of the filing of such motion, the Commission may, in its discretion, order execution of a judgment or final order before the expiration of the period to appeal.

After this Commission has lost jurisdiction, the motion for execution pending appeal may be filed in the Court of Appeals.

RULE 15 CONTEMPT

Section 1. Direct Contempt. – A person guilty of misbehavior in the presence of or so near the Commission as to obstruct or interrupt the proceedings before the same, including disrespect towards the Commissioner or Hearing Officer, offensive personalities toward others, or refusal to be sworn or to answer as a witness, or to subscribe an affidavit or deposition when lawfully required to do so, may be summarily adjudged in direct contempt by the Commissioner or Hearing Officer. If the offense is committed against the Commissioner, the same shall be punished by a fine **not exceeding Ten Thousand Pesos (PHP 10,000.00)**. However, if the offense is committed against any Hearing Officer acting under the Commissioner's authority, the same shall be punished by a fine **not exceeding Five Thousand Pesos (PHP 5,000.00)**.

Section 2. Remedies. – The person adjudged in their direct contempt by the Commission may not appeal therefrom, but may avail himself of the remedies of *certiorari* or prohibition. The execution of the judgment for direct contempt shall be suspended pending resolution of such petition; provided, that such person files a bond fixed by the Commission conditioned that he **or she** will abide by the judgment should the petition be decided against him **or her**.

Section 3. Indirect Contempt. – The Commissioner or Hearing Officer may also cite any person for indirect contempt upon grounds cited and in the manner prescribed under Rule 71 of the Rules of Court, as amended.

RULE 16 APPEARANCE OF ATTORNEYS; STENOGRAPHERS

Section 1. Appearance of Counsel in the Commission. – Every counsel appearing before any hearing or investigation conducted by the Commission shall manifest orally or in writing his **or her** appearance for a party indicating his **or her** name, exact mailing address, **electronic mail (e-mail) address**, number/s of his **or her** Professional Tax Receipt for the current year, number/s of his **or her** Mandatory Continuing Legal Education (MCLE) compliance, and number/s of the official receipt evincing payment of his **or her** Integrated Bar of the Philippines (IBP) dues; and any pleading filed and signed by him **or her** shall likewise contain such information. Otherwise, he **or she** shall not be allowed to continue proceeding or defending any suit or claim or deal with the Commission.

Section 2. Stenographic Notes. – It shall be the duty of the stenographic reporter that attended the hearing conducted by the Commission to submit to the Hearing Officer within a reasonable time the transcript of stenographic notes bearing the stenographic reporter's initials on each page and signed on the last page thereof.

RULE 17
FINALITY OF JUDGMENTS, FINAL ORDERS,
AND ENTRY THEREOF

Section 1. *Finality of Judgments, Orders, or Decisions of the Commission.* – If no appeal or motion for reconsideration has been filed within the time provided in these Rules, the judgment, final order, or decision rendered by this Commission shall become final and executory.

Section 2. *Entry of Judgment, Order, or Decision.* – After the judgment, final order, or decision has become final and executory, the same shall be entered in the Commission's book of entries of judgments. The date of finality of the judgment, final order, or decision shall be deemed the date of its entry.

RULE 18
PRE-EXECUTION CONFERENCE

Section 1. *Pre-Execution Conference.* – Before the final judgment, order, or decision is executed, the Commission shall summon the parties to a pre-execution conference to discuss the judgment award, including the computation of interests, costs of suit, and **other matters relevant to the execution of the final judgment, order, or decision.**

RULE 19
EXECUTION OF JUDGMENT, FINAL ORDER, OR DECISION;
ENFORCEMENT OF WRIT OF EXECUTION

Section 1. *Execution upon judgments or final orders.* – **Execution shall issue as a matter of right on motion upon a judgment or order that disposes of the action upon the expiration of the period to appeal therefrom if no appeal has been duly perfected. If the appeal has been duly perfected and finally resolved, the execution may forthwith be applied for before this Commission, on motion of the judgment obligee, submitting therewith certified true copies of the judgment or judgments or final order or orders sought to be enforced and of the entry thereof, with notice to the adverse party.**

RULE 20
APPLICABILITY OF THE RULES OF COURT

Section 1. *Applicability of the Rules of Court and Amendments Thereto.* – The provisions of the 1997 Rules of Civil Procedure, **as amended by the 2019 Proposed Amendments to The 1997 Rules of Civil Procedure (A.M. No. 19-10-20-SC) and subsequent amendments**, shall apply in an analogous and suppletory character whenever practical and convenient.

RULE 21 EFFECTIVITY

Section 1. Transitory Provision. – All complaints filed prior to the effectivity of these Rules shall be tried in accordance with the rules of procedure in force at the time of the filing of the complaint.

Section 2. Effectivity. – These Rules shall **amend Insurance Memorandum Circular No. 2014-01** and shall take effect upon approval by the Insurance Commissioner and after the completion of its publication in a newspaper of general circulation.

24 January 2022; City of Manila.

DENNIS B. FUNA
Insurance Commissioner



CAD/AFPV