



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



Circular Letter (CL) No.	2022-26
Date	20 May 2022
Amends	

CIRCULAR LETTER

TO : ALL INSURANCE AND PRE-NEED COMPANIES

SUBJECT : EMPHASIS ON THE COMMENCEMENT OF THE PENALTY FOR NON-PAYMENT OF AMICABLY SETTLED CLAIMS UNDER ITEM NUMBER VII, PARAGRAPH C, NUMBER 12 OF CIRCULAR LETTER NO. 2014-15 AND FOR OTHER PURPOSES

WHEREAS, this Commission issued Circular Letter No. 2014-15 dated 15 May 20 with the subject "*FEES AND CHARGES*";

WHEREAS, the Item VII, paragraph C, number 12 of said circular prescribes a penalty for the non-payment of amicably settled claims agreed before this Commission;

WHEREAS, there is a need to emphasize on this matter for the guidance and information of the entities that this Commission regulates;

NOW THEREFORE, pursuant to the powers of the undersigned under Section 437 paragraphs (d) and (e) of Republic Act No. 10607 and Section 6, paragraphs (k) and (n) of Republic Act No. 9829, the following are hereby adopted and promulgated:

Section 1. *Explanation on the Commencement of the Penalty Imposed* – Pursuant to Item No. VII, paragraph C, No. 12 of Circular Letter No. 2014-15, the imposition of the Php 500.00 per day penalty for the non-payment of amicably settled claims shall begin to take effect the day after the agreed date of the parties. The penalty of Php 500.00 per day shall continue to be imposed until the amount in the amicably settled claim has been paid. Saturdays and Sundays, including holidays, are also included for purposes of applying the penalty in said circular.

Section 2. *Requests to Reduce the Amount of Penalty; Not applicable* – Item VII, paragraph C, number 12 of Circular Letter No. 2014-15 pertaining to non-payment of amicably settled claims is not covered by Circular Letter No. 2019-07 dated 18 March 2019 with the subject "*GUIDELINE AND GROUNDS FOR THE REDUCTION OF PENALTIES DUE TO DELAYS IN THE SUBMISSION OF REPORTORIAL REQUIREMENTS*" as amended by Circular Letter No. 2021-70 dated 10 December 2021 because Section 1 of Circular Letter No. 2019-07 states that:

"Section 1. *Application* – **This circular shall apply to the penalties imposed under Item No. VII, paragraphs A, B and D of the Circular Letter on Fees and Charges** and the other circular letters subsequently issued by the Commission which requires the regulated entities' submission of reportorial requirements and imposes penalty for any delay." (emphasis supplied)

Section 3. This Circular shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

