



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



**PRESS RELEASE**  
**15 September 2017**

## **IC AFFIRMS CEASE AND DESIST ORDER AGAINST BFPMBAI**

Insurance Commissioner Dennis B. Funa affirmed its earlier order directing the stoppage of the operations of BFP Mutual Aid Beneficiary Association, Inc.

In a Resolution dated 08 September 2017, Commissioner Funa affirmed its earlier decision ordering BFPMBAI, with office address at unit 304 Union Square Condominium, 145 15<sup>th</sup> Avenue, Cubao, Quezon City, to cease and desist from operating. The entity was found to have been operating as a mutual benefit association without the necessary secondary license from the Insurance Commission.

This order stemmed from the administrative complaint filed against BFPMBAI by Fire Services Mutual Benefit Association, Inc. (FSMBAI), a duly licensed mutual benefit association whose primary purpose is to provide for the payment of benefits exclusively to its member and their dependents. The members of FSMBAI are officers, employees and retirees of the Bureau of Fire Protection and personnel of the Department of Interior and Local Government.

Insurance Commissioner Funa said, "Based on the formal administrative complaint and documentary evidence presented by FSMBAI, the Commission found substantial proof showing that BFPMBAI is acting as a mutual benefit association, albeit the lack of necessary license from the Insurance Commission."

Under the Insurance Code, a mutual benefit association is a non-stock and non-profit organization which is primarily organized for the purpose of paying sick benefits to members, or of furnishing financial support to members while out of employment, or of paying to relatives of deceased members of fixed or any sum of money, irrespective of whether such purpose is carried out by means of fixed dues collected regularly.

A mutual benefit association is likewise defined as an organization which provides for payment of accident or life insurance business, by the issuance of certificates of insurance, out of such regular dues or assessments.

Commissioner Funa said, "Similar to life and non-life insurance companies, our Insurance Code requires mutual benefit organizations to secure a license from the Insurance Commission before they can actually operate as such. It should be noted that a mutual benefit association is defined under the Insurance Code, thus, its creation and operation must be governed by the Insurance Code."