



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



PRESS RELEASE
28 September 2017

REQUEST FOR PROBE ON MARSH OPERATIONS

Following the publication of the article calling on the Insurance Commission to conduct a probe on the alleged illegal operations of Marsh U.K. in the Philippines, Insurance Commissioner Dennis B. Funa said that any regulatory action can only be made after the Commission's evaluation of the allegations of the respective parties involved and the evidence submitted in support thereof.

Commissioner Funa said that the issues involving Marsh U.K., a foreign entity recognized as one of the leading insurance brokers worldwide, was brought to the attention of the Insurance Commission through a letter dated 03 April 2017. This letter was signed by the Bernas Law Offices on behalf of Prudential Guarantee and Assurance, Inc. (PGA), one of the leading non-life insurance companies in the Philippines.

"In a letter dated 03 April 2017, PGA's counsel requested the Insurance Commission to conduct an investigation on the manner by which Marsh U.K. and Marsh Singapore conduct business in the Philippines," said Commissioner Funa.

"In addressing the request and in order to verify the allegations of PGA, the Commission directed Marsh U.K. and Marsh Singapore to submit their respective comments. Upon receipt by the Commission of the comment of Marsh Singapore, the Commission requested PGA to submit its reply to the comment of Marsh Singapore," Commissioner Funa added.

Commissioner Funa said that the request of PGA for the conduct of a probe on Marsh U.K.'s supposed illegal operations in the country is contained in its reply to the comment of Marsh Singapore.

According to Commissioner Funa, "PGA's request for a conduct of an evidentiary hearing to determine whether Marsh U.K., Marsh Singapore, and Marsh and McLennan Companies are indeed doing business in the Philippines was made through a letter dated 31 August 2017, which is the reply of PGA to the comments of Marsh U.K."

He added that the request for an evidential hearing includes the determination of whether the license of Marsh Philippines to act as a resident agent of Marsh U.K. should be revoked for allegedly conspiring in the alleged illegal acts of Marsh U.K.

Commissioner Funa, however, clarified that it would be more appropriate that these matters should be threshed out in an appropriate proceeding following the rules of procedure governing administrative cases before the Insurance Commission under Insurance Memorandum Circular 1-93.

Commissioner Funa said, "As of the moment, the Commission cannot comment on the allegations of PGA against Marsh U.K. until and unless we have received and evaluated the evidence of both parties in support of their respective allegations. To do otherwise would constitute a prejudgment on the issues."

The Insurance Commission, in the exercise of its administrative powers, can hear and decide cases for violation of the Amended Insurance Code and impose appropriate penalty(ies), if warranted.


ATTY. JOANNE FRANCES D.C. CASTRO
Media Relations Officer
jfdc.castro@insurance.gov.ph