



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

PRESS RELEASE
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IC SEEKS NBI ASSISTANCE IN INVESTIGATION OF GREAT DOMESTIC INSURANCE

The Insurance Commission (IC) is set to seek the assistance of the National Bureau of Investigation (NBI) to conduct a probe on Great Domestic Insurance Company of the Philippines (Great Domestic Insurance) and its officers. This is in connection with the impending filing of cases against the responsible officers of Great Domestic Insurance, a non-life insurance company, which allegedly closed its business without prior notice and approval from the insurance regulator.

Great Domestic Insurance was licensed by the IC to transact non-life insurance business for the year 2013 to 2014. Based on official records, Great Domestic Insurance was required to infuse additional capital for the purpose of addressing its capital deficiency and for the renewal of its 2014-2015 license to engage in insurance business. While Great Domestic Insurance complied with the regulator's order, it allegedly withdrew the capital so infused barely less than a week after the infusion.

Upon the discovery of the alleged unauthorized withdrawal, the IC issued a Cease and Desist Order against Great Domestic Insurance and simultaneously placed it under conservatorship in order to protect the interest of the policyholders of Great Domestic Insurance. To date, however, Great Domestic Insurance has yet to coordinate with the IC.

After the issuance of the CDO and the order placing Great Domestic Insurance under conservatorship, it was purportedly discovered the Great Domestic Insurance closed its head office in Davao City as well as its Manila branch.


The President of Great Domestic Insurance, Mr. Mar S. Lopez, has likewise failed to comply with the subpoena issued by the IC.

Under the Insurance Code, as amended by Republic Act No. 10607, the Insurance Commissioner has the power to place a company under conservatorship if he is of the opinion that the company is in an unsound condition, or that it has failed to comply with the provisions of law or regulations, or that its condition or method of doing business is such as to render its proceedings hazardous to the public and its policyholders, or that its net worth is deficient.

"The alleged withdrawal of capital and closure of business without the approval of the IC would constitute violations of the Insurance Code and fraud against the insurance public", according to the statement released by IC.

The statement added, "We are now looking at the possible violations committed by responsible officers of Great Domestic Insurance for which it can be held administratively and criminally liable. We are also set to endorse this case to the National Bureau of Investigation to probe on this matter."

As explicitly provided under the Insurance Code, an insurance company under conservatorship is not allowed to do new business until such authority is restored by the Insurance Commissioner. In line with this, the IC is calling on the public not to transact with Great Domestic Insurance or its agents and to report any business transactions being conducted by Great Domestic Insurance at the IC's Head Office by calling 523-8461 to 70.


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