



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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INSURANCE COMMISSION ADVANCES PATH TOWARDS INCLUSIVE INSURANCE

Although the Philippines is now considered as a frontrunner in microinsurance, the Insurance Commission is set to issue new regulatory frameworks on microinsurance to further trigger its expansion and development in the country and firm up its leadership stride in inclusive insurance.

Insurance Commissioner Emmanuel F. Dooc announced that the Insurance Commission is spearheading the drafting of regulatory frameworks focused on distribution channels and enhancement of performance standards.

“The Insurance Commission is currently heading the technical working groups on distribution channels and the enhancement of performance standards in cooperation with insurance providers, government agencies and development partners,” said Commissioner Dooc.

Elucidating on the purpose of the framework on distribution channels, Commissioner Dooc said that the IC aims to define and develop new distribution channels of microinsurance products as well the accountability of these channels that will ensure that the rights of the insuring public are protected.

Although there is an existing regulation that prescribes a set of benchmarks of indicators used by the Insurance Commission in evaluating the operations of microinsurance providers in the country, Commissioner Dooc said that there is a need to enhance these set of benchmarks to better ascertain the performance of the significant facets of the microinsurance program to ensure the stability and capability of microinsurance providers to continue offering their products and meeting their obligations to the insuring public.

“We are currently revising the guidelines for reporting of microinsurance activities which prescribe the calculation of prudential and performance ratios according to a set of performance standards called ‘SEGURO’—Solvency and Stability, Efficiency, Governance, Understanding of Microinsurance, Risk Management and Outreach of Clients. The evaluation of these performance standards does not only serve as the basis for determining the company’s performance but as an early warning system where the IC can identify entities with specific concerns on

the financial condition of their microinsurance operations as early as possible,” Commissioner Dooc said.

The IC is also focused on promoting inclusive insurance to advance its goal – that every Filipino, regardless of financial position, can obtain a safe, widespread, and efficient access to risk protection products that are suitable, responsive, and affordable. This will help address what Secretary Carlos G. Dominguez has lamented that “countries have failed to match the success of their economies with the ability to make growth inclusive.”

Commissioner Dooc said, “Our efforts are likewise focused on intensifying our nationwide insurance literacy programs in partnership with local government units and the academe. Within the next few months, the IC, together with the Department of Finance-National Credit Council and Asia Development Bank, will conduct literacy programs such as the Training on Microinsurance Advocacy (TOMA) and Seminars on Microinsurance. The TOMA, a literacy program specifically designed for local government units, will be conducted in places such as Baler, Aurora and the cities of Legazpi, Iloilo, Tacloban, Cagayan de Oro, and Butuan, to name a few.”

As of third quarter of 2015, microinsurance penetration rate hit 28.52%. This means that 29.03 million Filipinos out of the 101.80 million population are covered by microinsurance.

“Despite surpassing our commitment to cover 27 million Filipinos by 2016, the Insurance Commission continues to pursue new and innovative ways for the unserved and underserved sector of our population to enjoy the benefits of financial inclusion through microinsurance. I strongly believe that inclusive insurance will greatly contribute to the attainment of the present administration’s laudable goal of reducing the poverty rate by the year 2022,” said Commissioner Dooc.

The Insurance Commission targets to finalize the Frameworks on Distribution Channels and Performance Standards by the end of this year.



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