



Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**  
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Manila



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**IC ISSUES NEW DISTRIBUTION FRAMEWORK FOR MICROINSURANCE**

The distribution of microinsurance, micro health, micro pre-need and micro-agri products, collectively referred as micro risk protection product, can now be made through non-traditional channels.

Deputy Insurance Commissioner and Officer-in-Charge of the Insurance Commission (IC) Atty. Dennis B. Funa recently approved the adoption and implementation of new regulatory framework on distribution channels for micro risk protection products.

The new framework, which expands the existing regulations on micro risk protection products, provides clear policies, rules and guidelines on the development, utilization, and conduct of distribution channels.

The new framework was drafted by a technical working group spearheaded by the IC and approved by the Steering Committee headed by DOF Undersecretary Gil S. Beltran with the support of the Asian Development Bank. This framework implements the provisions of the Enhanced Microinsurance Framework and supplements the Frameworks on MicroHealth, Micro Pre-Need and MicroAgri.

Under the new framework, a channel contractor may partner with a distribution channel which can perform permissible micro risk protection product delivery activities.

A channel contractor could be any of the following: 1) a duly licensed microinsurance general agent or broker; 2) a cooperative insurance society or mutual benefit association providing its own products exclusively to its members; 3) a general agent or broker offering MicroHealth products and services; 4) a pre-need company, general agent or broker offering Micro Pre-Need products; or 5) Other persons as may be permitted by the IC.

A distribution channel, on the other hand, is defined as any person such as a retail outlet, service outlet, electronic platform, and other similar channels that may be allowed by the IC.

“With the framework, even small to medium sized business can already participate in the delivery of microinsurance products and services to the public, especially to the unserved and underserved sectors,” Funa said.

The framework enumerates the permissible activities which a distribution channel can perform such as display of product information, information dissemination, making available all kinds of forms related to the product and services, facilitation of premium payment, premium collection and claims assistance, among others.

However, a distribution channel can not engage in the selling or solicitation of micro risk protection products.

“Clearly one of the objectives of the framework is to expand the accessibility of affordable insurance protection, mounting deeper and broader customer awareness and increasing interest among insurance providers, agents and brokers.” said Funa.

He added, “With the implementation of this framework, we are optimistic that there will be a more efficient distribution of microinsurance products and services which will result in the increase of microinsurance penetration rate.”

Last year, 28.7 million Filipinos were protected through microinsurance products, a marked improvement from the 19.8 million in 2012.

  
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