



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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INSURANCE COMMISSIONER DENNIS FUNA ENCOURAGES INSURANCE AGENCY AS MEANS OF EMPLOYMENT DURING COVID-19 PANDEMIC

Insurance Commissioner Dennis Funa encouraged the general public to consider insurance agency as a means of employment during the prevailing state of health emergency brought about by the 2019 Coronavirus Disease (COVID-19) pandemic.

The Hongkong and Shanghai Banking Corporation (HSBC) has recently published its forecast for the Philippine economy, which predicted an economic contraction of 4.3% to 4% due to the COVID-19 pandemic. The forecast coincides with the projections of the National Economic and Development Authority (NEDA).

According to HSBC's publication, it was reported that 4.9 million Filipinos have lost their jobs and unemployment is now at 17.7%.

Moreover, it was reported that the financial and insurance services sector is among the top ten (10) industries affected by the government's quarantine measures, whose revenue loss reportedly amounted to 71.2% of pre-COVID levels.

"The IC has relaxed its policy on securing insurance agent licenses to a certain degree in order to address the need to strengthen the sales force of the insurance industry for it to be able to respond to the adverse financial and economic effects of the pandemic. Now, through a Circular Letter that we have recently issued, interested applicants may be able to secure temporary agent licenses through sponsoring insurance companies," said Commissioner Funa.

On 11 June 2020, the IC issued Circular Letter (CL) No. 2020-69 on the "Guidelines on Issuance of Temporary License to New Insurance Agent During the State of Public Health Emergency Due to the Coronavirus Disease 2019 (COVID-19)".

Under CL No. 2020-69, applicants may be granted temporary agent licenses without the need to take and pass the requisite qualifying examinations, provided that they possess all the qualifications under the Insurance Code, as amended by Republic Act No. 10607, and other pertinent issuances of the IC.

"The IC also understands that while we need to tackle the issues of unemployment and the financial and economic recovery of the insurance industry, the safety and health of our fellow countrymen is of paramount concern," Commissioner Funa remarked.

“Considering the same, the IC has also authorized insurance companies to maximize the use of information and communication technologies (ICT), such as videoconferencing, to transition from the traditional ‘face-to-face’ marketing of insurance products to a manner that is consistent with the National Government’s quarantine and social distancing measures,” added Commissioner Funa.

It will be recalled that the IC issued CL No. 2020-29 on 30 March 2020 on the “Guidelines Governing Initiatives of Life Insurance Companies to Sell Life Insurance Products to the Public During the Enhanced Community Quarantine (‘ECQ’) Period Due to the COVID-19 Pandemic”. On 7 April 2020, the IC issued CL No. 2020-36 on the “Guidelines Governing Initiatives of Non-Life Insurance Companies to Sell Non-Life Insurance Products to the Public During the Enhanced Community Quarantine (‘ECQ’) Period Due to the COVID-19 Pandemic”.

Notably, the effectivity of CL Nos. 2020-29 and 2020-36 were extended until 31 December 2020 by CL Nos. 2020-55 and 2020-54, respectively. The extensions were issued by the IC in order to aid the Philippine life and non-life insurance sectors “x x x respond to new global conditions engendered by the COVID-19 pandemic, otherwise known as the ‘New Normal’.”

“We hope that those who have been rendered unemployed or laid off from work will consider insurance agency as a means of livelihood during these challenging times. Not only will this address the prevailing unemployment issue and lead to recovery of the insurance sector from the adverse financial and economic effects of the pandemic, an increase in the insurance agency force will also promote financial inclusion through the possibility of increasing insurance penetration,” said Commissioner Funa.



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