



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



PRESS RELEASE
07 April 2020

**INSURANCE COMMISSIONER FUNA ISSUES GUIDELINES ON REMOTE
SELLING OF INSURANCE PRODUCTS FOR THE DURATION OF THE ECQ**

Insurance Commissioner Dennis B. Funa recently issued the guidelines to life and non-life insurance companies to ensure continuity of selling of insurance products to the public during the Enhanced Community Quarantine (ECQ) period.

In view of the impracticability of the sale of life and non-life insurance products on a “face-to-face” basis during the ECQ and by reason of the stringent social distancing measures imposed by the government, Commissioner Funa allowed insurance companies to launch sales initiatives that aim to sell insurance products by utilizing Information and Communication Technology (ICT) or any other technology via remote communication.

Commissioner Funa said, “Insurance companies may, during the ECQ period, use ICT in their sales processes without the need of prior approval from the Insurance Commission. ICT may include teleconferencing, video conferencing, computer conferencing or audio conferencing.”

He clarified, however, that insurance companies are required to register these initiatives with the Insurance Commission to ensure substantial compliance with the new guidelines and for monitoring purposes.

According to Commissioner Funa, “During this difficult time as we are continuing the battle against COVID-19, one of the immediate concerns is to make insurance products available and accessible to the public. Now, more than ever, the importance of continuous provisions of the benefits of insurance protection to the public cannot be overemphasized.”

“Another immediate concern is to protect the health and safety of the employees of the insurance companies and insurance agents as they strive to maintain business continuity. With the issuance of the new guidelines, these concerns can be addressed. This situation should be viewed as an opportunity for our industry players to explore the use of technological advancements or advance their existing digital capabilities in the way they do their business and, at the same time, protect their insurance agents,” he added.

For purpose of registration, insurance companies are required to submit to the regulator the mechanics of the initiatives which describes in detail the covered period, the areas where the company and/its intermediaries will operate, and the name/s of product/s covered by the said initiatives.

These new guidelines likewise stressed the importance of conducting customer due diligence as required under the Insurance Commission's Anti-Money Laundering Counter-Terrorism Financing (AML/CTF) Guidelines for Insurance Commission Regulated Entities.

According to Commissioner Funa, "While insurance companies are allowed to utilize ICT in selling their products, they are still mandated to conduct customer due diligence as required under our rules on AML/CTF. They may utilize ICT or other communication technology to obtain minimum customer information and identification documents.

To ensure that these initiatives are in accordance with existing laws and issuances of the Insurance Commission, Commissioner Funa said recall of any initiatives on the utilization of ICT in the selling of insurance products may be ordered by the Insurance Commission, if at any time after review, the same is found in violation of or non-compliant with laws, circular letters, and/or existing rules and regulations.

Commissioner Funa added that any order of recall by the Insurance Commission against an insurance company shall be without prejudice to the imposition of applicable penalties and/or administrative sanctions.

"We would like to remind insurance companies and their agents to continue to act in the best interest of the insuring public. Fair treatment of the insurance public must remain at the heart of insurance industry's responses during this difficult time brought about by COVID-19", said Commissioner Funa.



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