



Legal Opinion	2023-06
Date:	27 January 2023

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Junior Associate

**PIZARRAS, FLORES, SUBIA
& ASSOCIATES LAW OFFICES**

20/F Security Bank Centre
6776 Ayala Avenue, Legaspi Village
Makati City

Dear **Atty. Pagsuyoin**:

This refers to your letter dated 13 December 2022 requesting the Insurance Commission (IC) for legal opinion on whether certified true copies of a patient's (1) Medical Certificate, (2) Clinical Discharge Summary/Clinical Resume/Clinical Abstract, (3) Certification of Confinement, stating therein that the patient has expired, and (4) Record of Operations issued by the hospital may sufficiently prove the fact of death of an insured, other than the patient's Death Certificate, for purposes of filing a claim under a life insurance policy.

Pertinent to your query is the review of relevant provisions of the existing law, and IC rules and regulations, namely:

A. Section 248 of the Republic Act No. 10607 or the Amended Insurance Code

Section 248 of the Amended Insurance Code provides that "The proceeds of a life insurance policy shall be paid immediately upon maturity of the policy xxx Provided, however, That in the case of a policy maturing by the death of the insured, the proceeds thereof shall be paid within sixty (60) days after presentation of the claim and filing of the **proof of death of the insured.**"

B. IC Circular Letter (CL) No. 14-93

The provision on Claim Settlement under Optional Provisions of IC CL No. 14-93 entitled *Standard Life Insurance Policy Provisions* dated 25 June 1993 (herein attached) provides that "For any claim under this Policy, this Policy must be submitted at the office of the Company together with **due proof for the claim and all other requirements satisfactory to the Company.**"

As can be gleaned from the above provisions, there is no specific document/s mentioned to prove the fact of death of the insured.

Absence in law and IC regulations, the Parties to a life insurance policy, therefore, must refer to the specific requirements of the policy, company policies and/or existing business/industry practice on whether particular document/s satisfactorily proves the fact of death for purposes of claims settlement provided that the determination of such is not unreasonable, capricious, or whimsical.

While the Death Certificate is conclusive evidence as to the fact of death of the deceased and if duly registered with the Civil Register, is considered a public document and the entries found therein are presumed correct², this Commission cannot, however, pre-empt possible determination of the Court with respect to alternative document/s other than the Death Certificate that may satisfactorily prove the fact of death of the deceased/insured.

Please note that the above opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant only to the particular issues raised therein and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

For information and guidance.

Very truly yours,



DENNIS B. FUNA
Insurance Commissioner



Enclosed: As stated

² Stronghold Insurance Company, Inc. v CA and Felicitas Rivera, G.R. No. 83376, May 29, 1989



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
P.O. Box 3589, Manila
Tel. Nos. 59-92-21 to 25

Cable Address:
"KOMISEG"

25 June 1993

Circular Letter No. 14-93 CL

TO : ALL LIFE INSURANCE COMPANIES AUTHORIZED TO
TRANSACTION BUSINESS IN THE PHILIPPINES

SUBJECT : STANDARD LIFE INSURANCE POLICY PROVISIONS

For purposes of expediting the evaluation and approval of individual insurance plans, life insurance companies shall use the attached standard life insurance policy provisions. Any of the attached standard life insurance policy provisions or portions thereof not applicable to single or term policies shall to that extent not be incorporated therein.

This Circular shall not apply to policies of group life or industrial life insurance.

This Circular takes effect immediately.

EDUARDO T. MALINIS
Deputy Insurance Commissioner
Officer-In-Charge

act./

The Policy Data Page must include the following:

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A. Basic Information

1. Policy Number
2. Policy Date
3. Owner
4. Insured
5. Age of Insured As of Policy Date
6. Policy Amount
7. Life Insurance Plan
8. Maturity/Expiry/Termination Date

B. Schedule of Benefits & Premiums

1. Form No.
2. Benefit Description
3. Benefit Amount
4. Premiums
 - a. Premiums (annual and selected modes)
 - b. Due dates of the selected modes
 - c. Maximum Years Payable

C. Others

1. Form No.
2. Authorized Signatories
3. Issue Date

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INSURING CLAUSE

Subject to the terms and conditions of this Policy while in full force and effect, the Company will pay at its Head Office the Amount of Insurance to the designated Beneficiaries upon the death of the Insured, or the Pure Endowment Amount to the Owner upon the survival of the Insured at maturity date. Any indebtedness or lien under this Policy will be deducted from such payable amount.

The Amount of Insurance and the Pure Endowment Amount are each equal to the Policy Amount (for level benefit contracts). In addition, any then paid-up additional life insurance amount and any then remaining dividend accumulation are payable.

The Amounts of Insurance and the Pure Endowment Amounts are defined as follows (for varying benefit amounts):

GENERAL PROVISIONS

1. GRACE PERIOD

After the payment of the initial premium, any premium due must be paid not later than 31 days after its due date. Any unpaid premium is deductible from the benefits that may arise during the 31-day grace period.

2. INCONTESTABILITY

Except for non-payment of premiums or any other grounds recognized by law and jurisprudence, the Company cannot contest this Policy after it has been in force during the lifetime of the Insured for two (2) years from date of issue of this Policy or of its last reinstatement.

3. ENTIRE CONTRACT

The Company issues this Policy in consideration of its application and the receipt of its initial premium. This Policy, its application, a copy of which is attached, and all attached riders and endorsements constitute the entire Contract.

Only the Chairman of the Board of Directors, the President, or officers duly authorized in writing by the Board of Directors have the authority to modify this contract. Any such modification must be in writing and duly signed by the authorized officer.

4. EFFECTIVITY OF POLICY AND POLICY DATE

This Policy becomes effective only upon the payment of its initial premium and its delivery to the Owner while the Insured is alive and in good health. The Policy Date, shown in the policy data page will be used to determine premium due dates, policy years and policy anniversaries.

5. MISSTATEMENT OF AGE

The age at issue of the Insured is his age [last/nearest] birthday as of the Policy Date.

If the age of the Insured has been misstated, the amount of insurance will be adjusted to the amount which the premium would have purchased at the correct age, applicable risk class and applicable premium rates as of the policy date.

If at the correct age, the Insured is not eligible for any coverage under this Policy or its riders, the Company will refund the corresponding premiums actually received by the Company less any indebtedness under this Policy.

6. SUICIDE

In case of suicide by the Insured within the first two (2) years from the date of issue of this Policy or of its last reinstatement, if any, the then pertinent provisions of the Insurance Code, as amended, will apply.

Where the suicide is not compensable, the liability of the Company is limited to the refund to the Owner of the premiums actually received by the Company for the then current policy year without interest, plus the cash value as of the end of the then previous policy year, if any, less all indebtedness under this Policy.

7. NON-PARTICIPATING / PARTICIPATING

a. For Non-Participating Contracts

This Policy is non-participating and does not share in the divisible surplus of the Company.

b. For Participating Contracts

The Company will determine yearly as a dividend that part, if any, of the divisible surplus of the Company as may be distributed to this Policy.

8. DIVIDENDS (for participating contracts)

Dividends may be payable on this Policy as of each policy anniversary date. Upon written request, such dividends may be: (1) paid in cash to the Owner; or (2) applied to any premium due; or (3) left to accumulate with interest at a rate set by the Company; or (4) applied as paid-up additional participating [non-participating] life insurance.

If no option is elected, Option [Company's choice] automatically applies. Any option elected applies only to subsequent dividends.

9. NON-FORFEITURE

If this Policy has an available Cash Value as set forth in the Table of Non-Forfeiture Values, the Owner may, by written request, elect any of the options below.

If a premium due is not paid and no option is chosen by the end of the Grace Period, then the Automatic Option provision will apply.

Option 1. Net Surrender Value (for non-participating contract)

The Owner may surrender this Policy for its Net Surrender Value which is the Cash Value derived from the Table of Non-Forfeiture Values, less any indebtedness under this Policy.

Option 1. Net Surrender Value (for participating contract)

The Owner may surrender this Policy for its Net Surrender Value, which is the Cash Value derived from the Table of Non-Forfeiture Values, together with any cash value of paid-up insurance from dividends and remaining dividend accumulation, less any indebtedness under this policy.

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Option 2. Paid-Up Insurance

This Policy may be continued without further premiums as participating [non-participating] Paid-Up Insurance with a reduced amount of insurance equal to the level amount corresponding to the Net Surrender Value at the then attained age of the Insured for the remaining duration of this Policy.

Option 3. Extended Term Insurance (for non-participating contract)

This Policy may be continued without further premiums as a non-participating Extended Term Insurance with a level amount of insurance equal to the amount of insurance for the then policy year less any indebtedness under this Policy. The duration of the term insurance is what corresponds at the then attained age of the Insured to the Net Surrender Value. If the Net Surrender Value is more than enough to continue the extended term insurance until the maturity date, the excess is used to provide the corresponding amount of Paid-Up Pure Endowment payable to the Owner at maturity date if the Insured is then alive.

Option 3. Extended Term Insurance (for participating contract)

This Policy may be continued without further premiums as a participating [non-participating] Extended Term Insurance with a level amount of insurance equal to the amount of insurance for the then policy year less any indebtedness under this Policy. The amount of insurance is equal to the amount of insurance of the life insurance plan for the then policy year together with any then paid-up insurance amount and remaining dividend accumulation. The duration of the term insurance is what corresponds at the then attained age of the Insured to the Net Surrender Value. If the Net Surrender Value is more than enough to continue the extended term insurance until the maturity date, the excess is used to provide the corresponding amount of Paid-Up Pure Endowment payable to the Owner at maturity date if the Insured is then alive.

10. POLICY LOAN

At any time after a Cash Value is available under this Policy and while this Policy is in force other than as Extended Term Insurance, the Owner may obtain a loan for an amount not exceeding the Cash Value on the sole security of this Policy and its proper assignment.

The loan will be charged interest at a rate approved by the Insurance Commission as communicated to the borrower on the date the loan is effected. The loan together with interest is payable on or before the next policy anniversary, but, if it is not paid, both loan and interest automatically becomes a new loan on the policy anniversary, on which interest will be charged at the rate in effect from that date.

All loans and their interest are deducted automatically from any amount payable by the Company under this Policy. This Policy automatically terminates if the total debt under this Policy exceeds the Cash Value.

The Company may postpone the granting of a loan, other than to pay a premium due, for not more than six (6) months after receiving the written application for the loan.

11. PREMIUM LOAN OPTION

a) For Non-Participating Contract

If the Premium Loan Option is elected, any premium due remaining unpaid at the end of its Grace Period is automatically paid as a Policy Loan. However, if the Net Surrender Value is not enough, the next smaller mode premium is paid instead, provided this is not less than a quarterly premium. If the Net Surrender Value is still less than a quarterly premium, this Policy remains in force only for that proportion of a quarter of a year which the Net Surrender Value bears to the quarterly premium.

When the Net Surrender Value becomes less than the quarterly mode premium due, the Owner will be informed in writing of the remaining term of coverage.

b) For Participating Contract

If the Premium Loan Option is elected, any premium due remaining unpaid at the end of the Grace Period is automatically paid as a withdrawal from the remaining dividend accumulation and as a Policy Loan for any deficiency in the dividend accumulation. However, if the Net Surrender Value is not enough, the next smaller mode premium is paid instead, provided this is not less than a quarterly premium. If still less than a quarterly premium, this Policy remains in force only for that proportion of a quarter of a year which the then Net Surrender Value bears to the quarterly premium.

When the Net Surrender Value becomes less than the quarterly mode premium due, the Owner will be informed in writing of the remaining term of coverage.

12. TABLE OF NON-FORFEITURE VALUES

The attached Table of Non-Forfeiture Values shows the Cash Values, Paid-Up Insurance amounts and Extended Term Insurance durations. Policy Values beyond those shown in this Table are available upon written request. Except for the years and days under Extended Term Insurance, all values shown are on the basis of per thousand of policy amount.

13. AUTOMATIC OPTION

If a premium due remains unpaid and no option is chosen by the Owner at the end of the Grace Period, the [xCompany's choice: Net Surrender Value, Paid-Up Insurance or Extended Term Insurance] Option is deemed to have been chosen.

14. SETTLEMENT OPTION

Settlement options other than lump sum are available upon written application to the Company.

15. REINSTATEMENT

Subject to the approval of the Company, this Policy may be reinstated at any time within three (3) years from the due date of the premium in default provided:

- a. the policy has not been surrendered for cash or converted to Extended Term Insurance which has expired;
- b. a written application for reinstatement is submitted to the Company together with evidence of insurability of the Insured satisfactory to the Company; and
- c. all amounts necessary to put the Policy in force are received by the Company.

16. IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, is the government office in charge of the enforcement of all laws relating to insurance and has supervision over insurance companies. It is ready at all times to render assistance in settling any controversy between an Insurance Company and a policyholder relating to insurance matters.

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OPTIONAL PROVISIONS

1. ASSIGNMENT

The Company is not bound by any assignment of this Policy unless duly endorsed on this Policy. The Company assumes no responsibility for the effect, sufficiency or validity of any assignment. The Company has the right not to endorse any reassignment by any assignee.

2. CLAIM SETTLEMENT

For any claim under this Policy, this Policy must be submitted at the office of the Company together with due proof for the claim and all other requirements satisfactory to the Company.

3. BENEFICIARY

The Beneficiaries are the persons designated to receive the proceeds of this Policy upon the death of the Insured. Unless otherwise changed, the Beneficiaries are as designated in the attached application for this Policy.

If all Beneficiaries are designated as "revocable", the Owner may delete any Beneficiary or designate new Beneficiaries and exercise any and all other rights and privileges under this Policy while in force.

If any Beneficiary is designated "irrevocable", notwithstanding any contrary provision, the consent of all such irrevocable Beneficiaries is required before the Owner can exercise any and all other rights and privileges under this Policy.

Beneficiaries are classified either as a primary Beneficiary or as a secondary (or contingent) Beneficiary. Surviving Beneficiaries in the same beneficiary classification share equally in the death benefit proceeds for that beneficiary classification, unless otherwise specified. The death benefit proceeds are payable to primary Beneficiaries surviving at the death of the Insured; if no primary Beneficiary survives the Insured, to secondary Beneficiaries surviving at the death of the Insured; or if no Beneficiary survives the Insured, to the Owner, if alive, otherwise, to the estate of the Insured.

The Owner can change any beneficiary or beneficiary designation by written notice satisfactory to the Company, together with the written consent of all irrevocable Beneficiaries, subject to any assignment of this Policy in the records of the Company.

4. PREMIUM

All premiums are payable at the Head Office or other duly designated offices, or to duly authorized agents.

The mode of premium payments is as stated in the Application for this Policy unless changed subject to rules in effect at the time of such change.

5. LIMITATION OF ACTION

No legal action on this Policy may be filed after five (5) years from the time the cause of action accrues.

6. CURRENCY

All amounts of money in this Policy are in the legal currency of the Philippines.

The provision of Article 1250 of the Civil Code of the Philippines (RA No. 386) which reads

"In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment."

is understood and agreed not to apply in determining the extent of any liability of the Company in this Policy.

SPECIAL PROVISIONS

1. TERM PLANS WITH NO CASH VALUES

1. Forfeiture

This Policy has no cash value.

2. Policy Loan

No loan including Premium Loan is available in this Policy.

2. TERM PLANS WITH CASH VALUES

1. Policy Loan

No loan including Premium Loan is available in this Policy.

2. Non-Forfeiture Provisions - same as for permanent plans.

OPTIONAL PROVISIONS FOR TERM PLANS

1. OPTIONAL CONVERSION

Number of years such conversion is allowed and manner of computation for back premiums are left to Company's discretion.

Following is a sample:

This Policy, if in force, may be converted without evidence of insurability to a new policy on the Insured at any time [(a) or (b)]

(a) before the ____ Policy Anniversary.

(b) prior to age ____ of the Insured.

The new Policy may be on any whole life insurance or endowment plan with level amount of insurance then being issued by the Company. The amount of insurance of the new policy may not be more than the then amount of insurance of this Policy. The new premiums will be based on rates then in use for the then attained age of the Insured, and the applicable risk class under this Policy.

The conversion becomes effective only upon approval by the Company of the proper written application for the conversion duly signed by the Owner, all assignees, and all irrevocable Beneficiaries; and upon receipt of the full initial premium for the new policy.

2. RENEWAL

Left to the Company's discretion, although not needed if renewal terms are included in the schedule of benefits and premiums.

Following is a sample:

If at the end of the term of this Policy, the Insured has not reached age ____, this Policy may be renewed for the period shown in the schedule of Benefits and Premiums. Renewal will be effective upon payment of the premium corresponding to the Insured's attained age.

If under the terms of a rider providing benefits in the event of a total and permanent disability attached to this Policy a premium due at the end of the term of this Policy would be waived, this Policy will automatically be renewed in accordance with this Renewal provision.