



Legal Opinion No:	2023-14
Date:	16 May 2023

MR. DONALD C. SAUROMBE
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SUBJECT: Request for Legal Opinion on Electronic Sale of Insurance Products by Intermediaries

Dear **Mr. Saurombe:**

The Insurance Commission (Commission) replies to your letter dated 24 March 2023, requesting for a legal opinion regarding electronic sale of insurance products by intermediaries.

MPT Mobility Corporation (MPTM) is a subsidiary of Metro Pacific Tollways Corporation (Metro Pacific).¹ MPTM operates the MPT DriveHub, a companion mobile application (App), owned by Metro Pacific.²

To maximize the use of the App, MPTM plans to create an electronic marketplace where licensed insurance companies could sell non-life insurance policies, among others. And for the use of the marketplace, MPTM will receive either referral fee or revenue share.³

From these material facts, you raised the following questions:

1. Whether or not a juridical person may act as an insurance agent/broker;
2. Whether or not the person named in the insurance agent/broker license may be outsourced;
3. Whether or not the Company, in offering insurance products in its App, is deemed an intermediary under CL 2014-47;

¹ Letter dated 24 March 2023, p. 1, ¶ 1.
² Id., ¶ 2.
³ Id., pp. 2-3, ¶ 3.

4. What type of license or authorization must an entity secure from the IC in order to validly engage as an intermediary in the electronic commerce of insurance products [?]; and

5. What type of authorization or prior approval must an entity secure from the IC for offering insurance products in a mobile application [?]

The Commission resolves the above questions *in seriatim* tackling jointly questions 4 and 5.

I. A juridical person may act as an insurance agent or broker.

Section 307 of the Insurance Code, as amended by Republic Act No. 10607 (Insurance Code) reads:

Section 307. . . .

No **person** shall **act as an insurance agent or as an insurance broker** in the solicitation or procurement of applications for insurance, or receive for services in obtaining insurance, any commission or other compensation from any insurance company doing business in the Philippines, or any agent thereof, without first procuring a license so to act from the Commissioner, which must be renewed every three (3) years thereafter. . . .

. . . . (*Emphases supplied*)

In relation to this, Section 373 of the Insurance Code provides:

Section 373. A license issued to a partnership, association or corporation to act as an insurance agent, general agent, insurance broker, reinsurance broker, or adjuster shall **authorize only the individual named in the license who shall qualify therefor as though an individual licensee.** The Commissioner shall charge, and the licensee shall pay, a full additional license fee as to each respective individual so named in such license in excess of one. (*Emphases supplied*)

By using the word “person”, Section 307 did not limit the privilege to be an insurance agent or broker to a natural person. Section 373 determines who shall represent a juridical person when granted a license: the named individual in the license. Further, both **Insurance Memorandum Circular (IMC) No. 3-93⁴** and **Circular Letter (CL) No. 2018-52⁵** define “person” to include any individual, partnership, association or corporation.⁶ Accordingly, a juridical person may be licensed as insurance agent or broker.

⁴ Entitled “*Licensing of Insurance Agents and General Agents.*”

⁵ Entitled “*Guidelines on the Licensing Requirements of Insurance and/or Reinsurance Broker.*”

⁶ IMC No. 3-93, § 1(a) and CL No. 2018-52, § 2(d), respectively.