



Circular Letter (CL) No.:	2023-23
Date:	11 October 2023
Supplements:	Insurance Memorandum Circular No. 3-1993

CIRCULAR LETTER

TO : All Insurance Companies, Insurance Agents, and General Agents Doing Business in the Philippines

SUBJECT : Guidelines in the Renewal of Insurance Agent's License Expiring 31 December 2023

WHEREAS, Item 6.3 of Insurance Memorandum Circular No. 3-93¹ provides for the definition of “**actively engaged**” for the purpose of renewal of insurance agent's license, to wit:

"The term 'actively engaged' shall be taken to mean that the license holder shall have earned, **during the year following the issuance of the license, commissions or other compensation for services rendered** as such insurance agent or general agent amounting to at least **three thousand six hundred pesos**."

WHEREAS, Section 307 of the Insurance Code, as amended by Republic Act No. 10607, provides:

“xxx xxx xxx 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 xxx.**

xxx xxx xxx. **The license shall expire after the thirty-first day of December of the third year following the date of issuance unless it is renewed.**”

Licenses may be renewed in the case of the company represented by such agent xxx xxx xxx.”

¹ “Licensing of Insurance Agents and General Agents” dated 28 June 1993.

WHEREAS, this Commission recognizes the need to update and revisit the term “actively engaged” as defined under Item 6.3 of IMC No. 3-93 while taking into consideration the amendment on the validity period of an agent's license;

WHEREAS, this Commission likewise recognizes the economic impact of the COVID-19 pandemic to insurance agents during the State of Public Health Emergency;

NOW, THEREFORE, in view of all the foregoing and pursuant to the statutory powers granted to the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as amended by the Republic Act. No. 10607, the following Guidelines on the Renewal of Insurance Agent's License/s Expiring 31 December 2023 are hereby promulgated:

- I. All applications for renewal of insurance agents' licenses expiring 31 December 2023 shall be submitted through the Enhanced Licensing System (ELS) by the authorized representative of each insurance company.
- II. All applications shall be accompanied by:
 - a. Duly accomplished, readable, legible, and notarized application form signed by the authorized representative of the company with a rank of at least Vice-President or an equivalent rank;
 - b. Documentary Stamp Tax affixed to the hard copy which must be reflected in the soft copy to be uploaded; and
 - c. List of names of agents with corresponding type of license, and the amount of commission or compensation earned, using the prescribed format herein attached as Annex A, and signed by the authorized representative of the company with a rank of at least Vice-President or an equivalent rank.
- III. An agent is considered “actively engaged” if the aggregate amount of commission or other compensation received by the agent during the 3-year validity period (i.e. 2021, 2022, and 2023) amounts to **at least Ten Thousand Eight Hundred Pesos (₱10,800.00)**.

For an agent with both traditional life insurance agent's license and variable life insurance agent's license due for renewal, he/she shall be considered as “actively engaged” if the agent has earned or received an aggregate amount of **at least Ten Thousand Eight Hundred Pesos (₱10,800.00)** in commission or other compensation **for both lines**.

For a non-life insurance agent representing more than one (1) non-life company, the requirement shall be deemed complied with if the agent has earned or received an aggregate commission amounting to **at least Ten Thousand Eight Hundred Pesos (₱10,800.00)** in commission or other compensation **from all the companies represented**.

- IV. Late applications for renewal shall be accepted starting from the first working day of January until the **31st March 2024**, subject to an appropriate penalty of **Five Hundred Pesos (P500.00) per calendar day of delay**².

The penalty shall be computed beginning 01 January 2024 until the date of submission of complete documentary requirements.

- V. Applications with incomplete documentary requirements shall not be considered as "submitted".
- VI. Applications for renewal submitted beyond 31st March 2024 will be treated as **new applications starting January 2025, subject to the submission of complete documentary requirements**; and
- VII. Submission of application for renewal of agent's license shall not be construed as an authority or license to engage in business as an insurance agent unless the application for renewal is approved by this Commission.

This Circular Letter shall take effect immediately.


REYNALDO A. REGALADO
Insurance Commissioner



² As provided under Circular Letter No. 2014-15 dated 15 May 2014.

ANNEX A: LIST OF AGENTS

Agent Name (Last Name, First Name, Middle Name; Alphabetical Order)	Type of License (Ordinary, General)	Kind of License (Traditional, Variable, Non-Life)	Amount of Commission Earned (in monetary value)			Total Aggregate Amount
			2020	2021	2022	
1						
2						
3						
4						
5						
6						
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9						
10						
11						
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(Continue on separate sheet if necessary)

Name, Signature and Position of Authorized Company Representative

Insurance Company

Date