



Circular Letter (CL) No.:	2025-01
Date:	16 January 2025
Amends:	IC CL No. 2016-22

CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES, MUTUAL BENEFIT ASSOCIATIONS, PRE-NEED COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, AND TAKAFUL OPERATORS AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES ON INCLUSIVE MICRO PRODUCTS

WHEREAS, the Insurance Commission (IC) aims to promote access to affordable and accessible insurance products for the low-income sector in the Philippines;

WHEREAS, the provisions for microinsurance, micro pre-need, and micro health have been established to meet the risk protection needs of the poor, in line with Section 187 of the Insurance Code, as amended by Republic Act (RA) No. 10607, Insurance Memorandum Circular (IMC) 1-2010, IC Circular Letter (CL) No. 2016-22, and IC CL No. 2016-23;

WHEREAS, there is a need to distinguish between "micro health" and "micro HMO" products to address the distinct requirements of these categories, with "micro HMO" products specifically created to meet the requirement under IC CL No. 2017-19 for Health Maintenance Organizations (HMOs) to provide preventive care benefits and wellness programs;

WHEREAS, in recognition of the expansion of the insurance industry to accommodate Shari'ah-compliant products as well as the needs within the sector, "micro takaful," which offers coverage in the spirit of mutual assistance in alignment with Shari'ah principles, must be introduced;

WHEREAS, the IC recognizes the need to provide broader insurance coverage and options for all Filipinos, including our Muslim community;

WHEREAS, there is a continuous and growing demand for affordable inclusive micro products, particularly among the low-income and informal sector, to address crucial needs in healthcare, life coverage, and pre-need services;

NOW, THEREFORE, pursuant to the power granted to the Insurance Commissioner under Section 437 of the Insurance Code, as amended by RA No. 10607, Section 6 of RA No. 9829 otherwise known as the Pre-Need Code of the Philippines, and Section 4 of Executive Order (EO) No. 192 (s. 2015), the following guidelines are hereby promulgated:

Section 1. Applicability

This Circular Letter shall be applicable to all insurance companies, MBAs, pre-need companies, HMOs, and takaful operators offering inclusive micro products. All submissions and requests related to these inclusive micro products must comply with the guidelines and requirements set forth in this Circular Letter and any subsequent amendments thereto.

The Commission may supplement these rules and issue related guidelines and issuances as it may deem necessary for the effective implementation of the provisions of the inclusive micro products.

Section 2. Definition of Terms

- 2.1. **Inclusive Micro Products** are financial products specifically designed to provide affordable and accessible coverage to low-income and informal sector.
- 2.2. **Microinsurance** is an activity providing specific insurance, insurance-like and other similar products and services that meet the needs of the low-income sector for risk protection and relief against distress, misfortune and other contingent events.
- 2.3. **Micro Pre-Need** refers to a program that provides pre-need contracts, agreements, deeds, plans, or other instrumentalities as may in the future be determined by the IC that meets the needs of the poor for education, life or memorial services, and pension.
- 2.4. **MicroHealth.** The definition of MicroHealth provided in Section 1 of IC CL No. 2016-22 is amended to read as follows:

MicroHealth refers to an activity providing specific health insurance, and other similar products and services that address the health needs of the general population, particularly the low-income and the informal sector.

Offering of MicroHealth products shall be limited to duly authorized and licensed insurance companies, cooperative insurance societies, and mutual benefit associations.

- 2.5. **Micro HMO** products provide a wide array of medical, surgical, and hospital services that include preventive care and wellness programs and generally has no cash-out transaction that address the health needs of the general population, particularly the low-income and informal sector.

- 2.6. **Micro Takaful** operates on the principle of mutual assistance and shared responsibility, providing coverage for health, life, property, education etc. to the low-income and informal sector in accordance with Sharī'ah principles.

Section 3. Minimum Premium and Maximum Benefit

- 3.1. The amount of contributions, premiums, gross contract price, fees or charges, computed on a daily basis, does not exceed seven and a half percent (7.5%) of the current daily minimum wage rate for nonagricultural workers in Metro Manila.
- 3.2. For all inclusive micro products except micro HMO, the maximum sum of guaranteed benefits is not more than one thousand (1,000) times of the current daily minimum wage rate for nonagricultural workers in Metro Manila.
- 3.3. For micro HMO, a maximum benefit limit (MBL) not more than one thousand (1,000) times of the current daily minimum wage rate for nonagricultural workers in Metro Manila.

Section 4. Product Approval Guidelines

All submissions and requests for product approval concerning inclusive micro products must adhere to the following Circular Letters issued by the IC:

- 4.1. **Microinsurance** products must comply with the guidelines set forth in IMC No. 1-2010: Regulation for the Provision of Microinsurance Products and Services, IC CL No. 2015-53: Adoption and Implementation of Agriculture Microinsurance Framework, IC CL No. 2015-54: Adoption and Implementation of Enhanced Microinsurance Regulatory Framework, IC CL No. 2015-58-A: Guidelines on the Approval of Non-Life Insurance Policy Forms, and IC CL No. 2019-72: Guidelines on Approval of Life Insurance Products, Forms, and other Product-Related Requests.
- 4.2. **Micro Pre-Need** products must comply with IC CL No. 2015-51: Adoption and Implementation of the Micro Pre-Need Regulatory Framework and IC CL No. 2016-23: Key Features of Micro Pre-Need Products.
- 4.3. **MicroHealth** products must comply with IC CL No. 2016-22: Regulations for the Provision of Health Microinsurance (MicroHealth) Products and Services.
- 4.4. **Micro HMO** products must comply with IC CL No. 2017-19: Guidelines on the Approval of HMO Products and Forms.
- 4.5. **Micro Takaful** products must comply with IC CL No. 2024-13: Consolidated Guidelines for Takaful Window Operation.

All policy forms and agreements for inclusive micro products shall bear watermarks for identification (see Annex A).

Section 5. Product Inventory Report

- 5.1. All Companies offering inclusive micro products shall submit on or before April 30 of each year, an annual inventory of all products approved by the Insurance Commission as of 31 December of the prior year, including those products that the Company has discontinued selling, following the format prescribed by the Insurance Commission in Annex B.
- 5.2. For subsequent submissions, only changes to the product inventory of the prior year shall be reported.
- 5.3. The product inventory report shall be certified correct by the President and/or Chief Executive Officer.
- 5.4. The Product Inventory Report shall be submitted to the Actuarial Division via email at actuarial@insurance.gov.ph in Excel and PDF formats.

Section 6. Promoting Financial Literacy on Inclusive Micro Products

The success of raising public awareness and effecting behavior change rest largely on the concerted efforts of different stakeholder groups engaged in the promotion of inclusive micro products. The government and the private sector, including support institutions, should promote unified messages, carry out coordinated financial literacy campaigns, pool resources, and give high priority to the common goal of institutionalizing financial literacy.

Section 7. Filing Fee

Fees and charges pertaining to the approval of inclusive micro products and forms shall be fifty percent (50%) of the applicable filing fees for requests for approval of regular products and other forms.

Section 8. Separability Clause

If any provision of this Circular Letter shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Section 9. Effectivity

This Circular Letter shall take effect immediately.


REYNALDO A. REGALADO
Insurance Commissioner



ANNEX A

Sample Watermarks for Micro Products

MICROINSURANCE

MICRO PRE-NEED

MICROHEALTH

MICRO HMO

MICRO TAKAFUL

[Name of Company]
Inventory of Inclusive Micro Products
as of _____

Name of Inclusive Micro Product			Type	Kind	Date approved by IC	Status	
Product Name	Marketing Name	Brief Description*	[Individual / Group]	[Traditional / Variable / Accident / Health]		Open to New Business** / Closed to New Business / Discontinued	Date discontinued (if applicable)
1							
2							
3							
4							
5							

* must include paying period/s and coverage period/s
** includes any product which was available for sale during the year

Prepared by:

Name and Signature
Designation

Certified Correct by:

Name and Signature
Name of President/CEO/committee head on product oversight and governance