



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



Circular Letter (CL) No.	2016-39
Date	25 July 2016
Supersedes	IMC No. 1/90 dated March 9, 1990

CIRCULAR LETTER

TO : ALL INSURANCE, PRE-NEED AND HMO COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : GUIDELINES IN THE ESTABLISHMENT, TRANSFER, CHANGE OF ADDRESS AND CLOSURE OF A BRANCH, EXTENSION, SATELLITE AND/OR SERVICE OFFICE AND PENALTIES IN CASE OF NON COMPLIANCE

Pursuant to the powers vested in the Insurance Commissioner under R.A. No. 10607 (Insurance Code, as amended), R.A. No. 9829 (An Act Establishing the Pre-Need Code of the Philippines) and E.O. 192 series of 2015 (Transferring the Regulation and Supervision of HMOs to the Insurance Commission), the following **Guidelines in the Establishment, Transfer, Change of Address and Closure of a Branch, Extension, Satellite and Service Offices and Penalties in case of Non-compliance** of an insurance, pre-need and HMO company is hereby promulgated:

I. Establishment, Transfer, Change of Address or Closure

- a. Before any branch, extension, satellite, and/or service office may be established in or transferred (from one city or municipality to another), the requesting company shall be required to submit the following documents in support of its application, subject to the payment of the fees following the schedule under Circular Letter No. 2014-15:
1. Special power of attorney authorizing the Manager or Officer-in-Charge of such branch, extension, satellite and/or service office to receive summons, notices and legal processes in any action or other legal proceedings against the said company, for and in its behalf;
 2. Board resolution approving the establishment or transfer of such branch, extension, satellite and/or service office;
 3. Appointment papers of officers; and

4. Certificates of employment of officers and employees of such branch, extension, satellite and/or service office.

b. In case of change of address of a branch, extension, satellite or service office where the new location would still be within the same city or municipality, the concerned company must first notify this Commission of its intention to change such address at least thirty (30) days before the actual transfer.

c. In case of closure of a branch, extension, satellite or service office, the concerned company must first notify this Commission of its intention to close any of its branch, extension, satellite and/or service office at least thirty (30) days before the actual closure, stating reasons therefor and subject to the evaluation and/or further instructions from this Commission.

If no such advise is made under (b) and (c), summonses, notices or processes of any kind sent to the last known address of such branch, extension, satellite and/or service office shall be sufficient service and deemed as if served on the company itself.

II. Employment of Non-Life Company Underwriter in Branch, Extension and/or Service Office of Non-Life Insurance Companies

In addition to the above-mentioned requirements, every branch, extension, satellite and/or service office of a Non-Life Insurance Company must employ a Non-Life Company Underwriter, duly registered with this Commission, for each line of risks, such as fire, marine, casualty and surety in which such branch, extension, satellite and/or service office is authorized to write and issue insurance policies or bonds by the insurance company concerned.

III. Penalties for Non Compliance

Failure to notify this Commission of such opening, transfer, change of address or closure shall be subject the non compliant company to the following penalties:

- a. Failure to notify re: establishment/transfer Php25,000.00
- b. Failure to notify re: change of address..... Php25,000.00
- c. Failure to notify re: closure..... Php25,000.00

This Circular takes effect immediately.


EMMANUEL F. DOOC
Insurance Commissioner