



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

Circular Letter (CL) No.:	2015-45
Date:	8 September 2015
Supplements:	IC Circular Letter No. 17-2006

CIRCULAR LETTER

TO : ALL LIFE AND NON-LIFE INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : AUTHORITY OF THE INSURANCE COMMISSION TO ASSUME JURISDICTION OVER COMPLAINTS AGAINST INSURANCE AGENTS TERMINATED DUE TO SETTLEMENT/COMPROMISE

It has been observed that cases against insurance agents are withdrawn by the complainant because of settlement/compromise. However, it must be emphasized that the primordial interest is to maintain the **integrity and trustworthiness** of insurance intermediaries to protect the interests of the insuring public.

Under Section 307 of the Amended Insurance Code provides that, **"the Commissioner shall satisfy himself as to the competence and trustworthiness of the applicant and shall have the right to refuse to issue or renew and to suspend or revoke any such license in his discretion."**

Hence, pursuant to Sections 307 and 437 of the Amended Insurance Code, IC Circular Letter No. 17-2006 is hereby supplemented as follows:

"To further promote professionalism on the sales force of the insurance industry and to protect the insuring public and other stakeholders, this Commission will establish a Negative List of insurance agents. In line with this, all life and non-life insurance companies must provide this Office with a list of your inactive as well as active agents who may have been found guilty of, or with pending complaints filed against them before the company, any administrative body or court, for committing any of the following:

1. Willfully violating any provision of the Insurance Code; or
2. Intentionally making a material misstatement in his application to qualify as an insurance agent; or
3. Obtaining or attempting to obtain a license by fraud or misrepresentation; or
4. Fraudulent or dishonest practices; or
5. Misappropriating or converting to his own use or illegally withholding moneys required to be held in a fiduciary capacity; or

6. Not demonstrating trustworthiness and competence to transact business as an insurance agent in such manner as to safeguard the public; or
7. Materially misrepresenting the terms and conditions of policies or contracts of insurance which he seeks to sell or has sold.

In the event that a complaint filed at the company level by a policy owner against an erring agent is terminated by virtue of a settlement/compromise between the policy owner and the agent, the settlement/compromise shall be without prejudice to:

- a. the right of the company to refer the matter to the Insurance Commission, through the Licensing Division, for appropriate action under this Circular; or
- b. the right of the Insurance Commission to assume jurisdiction over the complaint *motu proprio*.

xxxx.”

For strict implementation.



EMMANUEL F. DOOC
Insurance Commissioner