



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



Legal Opinion (L.O.) No.	LO-2017-05
Date:	July 12, 2017

MR. RAMON YAP DIMACALI
President and CEO
FPG INSURANCE CO., INC.
6F Zuellig Building
Makati Avenue corner Paseo de Roxas,
Makati City

ATTENTION : **ATTY. ISAGANI N. ACOSTA**
Vice-President

SUBJECT : **Insurability of Exemplary Damages**
(Re: Directors and Officers Liability
Insurance Coverage)

Dear Mr. Dimacali:

This is with reference to your letter dated 08 September 2016 requesting for this Commission's confirmation that punitive, exemplary, aggravated or multiplied damages, fines, and penalties are insurable provided that the same will not be adjudged as criminal in nature.

This inquiry is in connection with the definition of the term "loss" as provided under your Directors and Officers Liability Insurance approved by this Commission on 21 May 2012 which provides:

"Loss means the amount which an Insured becomes legally obligated to pay on account of any cover Claim including, but not limited to:

xxx xxx xxx

(h) punitive, exemplary, aggravated or multiplied damages or civil fines or penalties **unless the Company is legally prohibited**