



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



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CIRCULAR LETTER

TO : All Insurance Companies and intermediaries

SUBJECT : Guidelines on Group Insurance of Both Life and Non-life Insurance Companies

WHEREAS, group insurance has become an important line of business in insurance that provides certain cover to classes of individuals at a lower cost;

WHEREAS, group insurance as a scheme of distribution has gained tremendous growth particularly in the microinsurance level and has become a reliable vehicle to promote financial inclusion;

WHEREAS, while group insurance provides simple distribution of products and benefits at lower cost, it poses issues on transparency, disclosures, and obligations of the insurers and policyholders;

WHEREAS, group insurance may be used as a scheme by some persons acting as policyholders in a group policy primarily for income generation rather than the promotion of interest of its members and to mask the lack of license as an intermediary;

WHEREAS, group insurance greatly affects the interest of employees and ordinary Filipinos as it is now being availed of by employees through group life and health insurance and by low income groups and as an add on to services required by or offered by public utility providers such as those in public transportation and telecommunication.