



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



Circular Letter (CL) No.:	2018-30
Date:	30 April 2018
Supplements:	Circular Letter Nos. 2014-14 (<i>Definition and Licensing of 'Servicing Insurance Companies'</i>); and 2017-26 (<i>Voluntary Cessation of Non-Life Insurance Business in the Philippines</i>)

CIRCULAR LETTER

TO : ALL CONCERNED INSURANCE COMPANIES

SUBJECT : GUIDELINES FOR NON-LIFE INSURANCE COMPANIES WITH (1) EXISTING SERVICING LICENSES PRIOR TO 5 MAY 2017; OR (2) PENDING APPLICATIONS FOR SERVICING LICENSES PRIOR TO 5 MAY 2017

WHEREAS, servicing insurance companies, as defined under this Commission's Circular Letter No. 2014-14 dated 12 May 2014 (*Definition and Licensing of 'Servicing Insurance Companies'*) are required under said Circular Letter to secure servicing licenses, respectively;

WHEREAS, this Commission issued Circular Letter No. 2017-26 on 11 April 2017 providing for *Guidelines on Voluntary Cessation of Non-Life Insurance Business in the Philippines*, whereby concerned companies are respectively issued servicing licenses "x x x for purposes of voluntary cessation and withdrawal of business x x x";

WHEREAS, prior to the issuance of Circular Letter No. 2017-26 and its effectivity on 5 May 2017, several non-life insurance companies have already been operating as servicing insurance companies or have pending applications for servicing licenses;

WHEREAS, this Commission recognizes the need to issue supplemental guidelines that will cover non-life insurance companies with existing servicing licenses prior to the effectivity of Circular Letter No. 2017-26 on 5 May 2017; or those with pending applications for servicing licenses prior to said date;

NOW THEREFORE, pursuant to the powers vested upon the Insurance Commissioner under Section 437 of Republic Act No. 10607, otherwise known as the Amended Insurance Code of the Philippines, the following *Guidelines for Non-Life Insurance Companies with (1) Existing Servicing Licenses prior to 5 May 2017; or (2) Pending Applications for Servicing Licenses Prior to 5 May 2017* are hereby promulgated, to wit:

A. APPLICABILITY

These *Guidelines* shall apply to:

1. Non-life insurance companies with existing servicing licenses prior to 5 May 2017; and
2. Non-life insurance companies with pending applications for servicing licenses prior to 5 May 2017.

B. PROCESS

1. For non-life insurance companies with existing servicing licenses **prior to 5 May 2017** that are in a state of “*run-off*” or were allowed by this Commission to “*run-off*”, the following processes shall be observed:

(a) Renewal of Servicing License

If the concerned company's servicing license has expired or is about to expire within thirty (30) days from the effectivity of this Circular Letter, said company shall apply for the renewal of its servicing license with this Commission's Licensing Division within fifteen (15) days from the effectivity of this Circular Letter.

(b) Letter of Intent

Companies falling within the purview of Section B(1) of this Circular Letter shall confirm to this Commission, in writing and within forty-five (45) days from the effectivity of this Circular Letter, its intention whether:

- i. The concerned company is only engaged in servicing activities on a temporary basis and is intending to revive its business; or
- ii. The concerned company shall continue to “*run-off*” or cease/withdraw from doing insurance business.