



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



Insurance Commission Ruling (ICR) No.:	2021 - 02
Date:	19 Feb 2021

MR. PAULO GARCIA

President

Association of Insurance Brokers of the Philippines

5th Flr. Prudential Bank Bldg.

Ayala Avenue, Makati City

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SUBJECT : IC Circular Letter No. 2021-02

Dear **Mr. Garcia**:

This is in reference to your letter dated 02 February 2021 imploring the Commission to issue a clarificatory letter on the guidelines for the declaration and/or distribution of dividends as provided for under IC Circular Letter No. 2021-02 dated 07 January 2021 as it relates to Insurance Brokers.

Please be advised that the Commission confirms the following:

1. *That, Circular Letter 2021-02 is not intended to restrict or prohibit Insurance Brokers from declaring dividends but rather, the Circular only serves as a regulatory measure;*
2. *That, the phrase "sum sufficient to pay all losses" does not cover brokers as it finds relevance only to insurance companies; and*
3. *That, the phrase "all liabilities" only refers to those items that falls within the business of a broker such as taxes and other outstanding liabilities.*

Further, please be advised that the circular was only promulgated to impose appropriate safeguards on the monitoring of the financial well-being of all IC-regulated entities and is not intended to hamper the operations of any member of the industry.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

