



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



Circular Letter (CL) No.:	2022-03
Date:	18 January 2022
Supplements:	Insurance Memorandum Circular No. 3-1993; Circular Letter No. 2016-04;

CIRCULAR LETTER

TO : All Insurance Companies, Insurance Agents, and General Agents Doing Business in the Philippines

SUBJECT : Guidelines in the Renewal of Insurance Agent’s License Expiring 31 December 2021

WHEREAS, Item 6.3 of Insurance Memorandum Circular No. 3-93 dated 28 June 1993 entitled “Licensing of Insurance Agents and General Agents” provides for the definition of “actively engaged” for the purpose of renewal of an insurance agent’s agent, to wit:

“The term ‘**actively engaged**’ shall be taken to mean that the license holder shall have earned, during the year following the issuance of the license, commissions or other compensation for services rendered as such insurance agent or general agent amounting to **at least three thousand six hundred pesos.**” (Emphasis supplied.)

WHEREAS, Section 307 of the Insurance Code, as amended by Republic Act No. 10607 provides:

“Section 307. No insurance company doing business in the Philippines, nor any agent thereof, shall pay any commission or other compensation to any person for services in obtaining insurance, unless such person shall have first procured from the Commissioner a license to act as an insurance agent of such company or as an insurance broker as hereinafter provided.

No person shall act as an insurance agent or as an insurance broker in the solicitation or procurement of applications for insurance, or receive for services in obtaining insurance, any commission or other compensation

from any insurance company doing business in the Philippines, or **any agent thereof, without first procuring a license so to act from the Commissioner, which must be renewed every three (3) years thereafter** xxx

xxx xxx xxx. **The license shall expire after the thirty-first day of December of the third year following the date of issuance unless it is renewed.**

Licenses may be renewed in the case of the company represented by such agents xxx xxx xxx.”

WHEREAS, the Commission recognizes the need to update and revisit the term “*actively engaged*” as defined under Item 6.3 of IMC No. 3-93 and taking into consideration that the validity of agent’s licenses is for a period of three (3) years following the amended of the Insurance Code;

WHEREAS, the COVID-19 pandemic has impacted and presented new challenges for insurance agents to earn a living;

WHEREAS, this Commission recognizes the need to clarify Item 6.3 of IMC No. 3-93 on the term “*actively engaged*” in view of the amendments on the validity period of an agent’s license, the economic impact of the COVID-19 pandemic to insurance agent’s, and the need to issue clarificatory guidelines and to ease the regulatory requirements.

NOW, THEREFORE, in view of all the foregoing and pursuant to the statutory powers granted to the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act. No. 10607, the following ***Guidelines on the Renewal of Insurance Agent’s Licenses expiring on the 31 December 2021*** is hereby promulgated:

- I. All applications for renewal of insurance agent licenses for the Licensing Year 2022-2024 shall be submitted through the Enhanced Licensing System (ELS) by the insurance companies represented by the agents.
- II. All applications shall be accompanied by:
 - a. Duly Accomplished, readable, legible, and notarized Application Form signed by the authorized representative of the company with a rank of at least Vice-President. In case of unavailability of a notary, a notation must be made on the application form indicating that a notary was unavailable at the time of accomplishment or submission;
 - b. Documentary Stamp Tax affixed to the hard copy which must be reflected in the soft copy to be uploaded;
 - c. Signature (handwritten/electronic signature) of authorized company representative affixed to the hard copy which must be reflected in the soft copy to be uploaded;
 - d. List of Names, Type of License and Commissions Earned of the Agents.

- III. An agent is considered as “*actively engaged*” if the aggregate amount of commission or other compensation received by the agent during the 3-year validity period (i.e., 2019, 2020 and 2021) amounts to **at least ₱10,800.00.**

For agents with both traditional life insurance agent’s license and variable life insurance agent’s license, the requirement shall be deemed complied with if the agent has earned or received an aggregate amount **of at least ₱10,800** in commission or other compensation for both lines.

For non-life insurance agents representing more than one (1) non-life company, the requirement shall be deemed complied with if the agent has earned or received an aggregated of **at least ₱10,800** in commission or other compensation for all the companies represented.

- IV. Incomplete submissions shall not be considered as submitted.
- V. Late applications for renewal and completion of lacking requirements will be accepted starting from 01 January until 31 March 2022 subject to appropriate penalty of Five Hundred Pesos (₱500.00) per calendar day. All submissions made after 31 March 2022 shall be considered as **disapproved.**
- VI. Those who fail to renew until 31 March 2022 may reapply for a license which shall be treated as new application beginning 01 January 2023.

This is to reiterate that payment of commissions to any person without any license from this Commission to act as an insurance agent, regardless of the amount involved, is a violation of Section 307 of the Insurance Code, as amended by Republic Act No 10607.

This Circular Letter shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

