

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

**INSURANCE MEMORANDUM CIRCULAR
NO. 2022-01**

**2022 AMENDMENTS TO THE 2014 RULES OF PROCEDURE
GOVERNING TRIAL AND HEARING OF CLAIMS CASES INVOLVING
INSURANCE OR REINSURANCE POLICIES OR THOSE
ARISING FROM MEMBERSHIP CERTIFICATES ISSUED BY
MUTUAL BENEFIT ASSOCIATIONS, IN THE INSURANCE COMMISSION**

Pursuant to the provisions of Sections 437, 438, and 439 of Republic Act No. 10607, otherwise known as “*An Act Strengthening the Insurance Industry, Further Amending Presidential Decree No. 612, Otherwise Known as the ‘Insurance Code’, as Amended,*” the following revised rules of procedure in filing complaints involving insurance or reinsurance policies, or those arising under the membership certificates issued by mutual benefit associations, are hereby adopted and promulgated, to wit:

**RULE 1
TITLE AND APPLICABILITY**

Section 1. Title. – These Rules shall be known as the “**2022 Amendments to the 2014 Rules of Procedure Governing Trial and Hearing of Claims Cases Involving Insurance and Reinsurance Policies and Those Arising from Membership Certificates Issued by Mutual Benefit Associations, in the Insurance Commission**”.

Section 2. Definitions. – For the purposes of these Rules, the word “*Commission*” shall pertain to the Insurance Commission; and the word “*Commissioner*” shall pertain to the Insurance Commissioner.

Section 3. How Construed. – These Rules shall be liberally construed to promote and attain the principal objective of adjudicating or settling claims and complaints and/or assisting the parties in obtaining a just, speedy, and inexpensive determination of claims and complaints involving any loss, damage, or liability for which an insurer may be answerable under any kind of policy or contract of insurance, or for which such insurer may be liable under a contract of suretyship, or for which a reinsurer may be sued under any contract of reinsurance it may have entered into, or for which a mutual benefit association may be held liable under a membership certificate it had issued to its member/s.

Section 4. Scope. – These Rules shall govern hearings of such claims and complaints where the amount of actual damages, excluding interests, costs, and

attorney's fees being claimed or sued upon any kind of insurance, bond, reinsurance contract, or membership certificate does not exceed in any single claim Five Million Pesos (PHP 5,000,000.00). Except as to the amount of actual damages, legal interest, attorney's fees and costs of suit, which include filing fees and litigation expenses, no other form of damages shall be recoverable.

RULE 2 PARTIES TO THE ACTION OR PROCEEDINGS

Section 1. *Parties in Interest.* – A real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entailed to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

Section 2. *Who may be Parties; Complainant and Respondent.* – The natural or juridical person, or the entity authorized by law, that filed a complaint with the Commission seeking relief from an insurance or reinsurance company or a mutual benefit association doing business in the Philippines for any loss, damage, or liability for which such insurer may be answerable under any kind of policy or contract of insurance, or for which such insurer may be liable under a contract of suretyship, or for which a reinsurer may be sued under a contract of reinsurance it may have entered into, or for which a mutual benefit association may be held liable under the membership certificate it had issued to its member/s, shall be called the “complainant”. The insurance or reinsurance company, or mutual benefit association, against whom relief is sought shall be called the “respondent”.

RULE 3 COMMENCEMENT OF ACTIONS, PLEADINGS, FILING AND SERVICE OF PLEADINGS

Section 1. *Commencement of Action; Verification and Certificate of Non-Forum Shopping.* – Any person seeking relief from an insurance company, reinsurance company, or mutual benefit association shall file with the Commission a verified complaint.

A complaint shall be verified by an affidavit of an affiant duly authorized to sign said verification. The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the complaint, and shall allege the following attestations:

- (a) The allegations in the pleading are true and correct based on his or her personal knowledge, or based on authentic documents;
- (b) The complaint is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and

- (c) The factual allegations therein have evidentiary support, or if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery.

The signature of the affiant shall further serve as a certification of the truthfulness of the allegations in the complaint.

The complainant shall also certify under oath in the complaint, or in a sworn certification annexed thereto and simultaneously filed therewith: (a) that he or she has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal, or quasi-judicial agency and, to the best of his or her knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if or she should thereafter learn that the same or similar action or claim has been filed or is pending, he or she shall report that fact within five (5) calendar days therefrom to the court wherein his or her aforesaid complaint has been filed.

The authorization of the affiant to act on behalf of a party, whether in the form of a secretary's certificate or a special power of attorney, should be attached to the complaint.

Failure to comply with the foregoing requirements as regards the certification against forum shopping shall not be curable by mere amendment of the complaint or other initiatory pleading but shall be cause for the dismissal of the case without prejudice, unless otherwise provided, upon motion and after hearing. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt of this Commission, without prejudice to the corresponding administrative and criminal actions. If the acts of the complainant or his or her counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt, as well as a cause for administrative sanctions.

Section 2. *Form of Pleadings, Copies.* – All pleadings filed with the Commission shall be legibly written or printed on legal size paper. The original and three (3) signed copies of every pleading shall be accepted by the Commission if they conform to the formal requirements provided for by these Rules.

Section 3. *Contents of Complaint.* – The complaint shall state the names and addresses of the parties, the substance of the claim, the date when the loss occurred, the amount of the claim, the grounds of action, the relief/s sought, an allegation that there is a final denial of the claim by the respondent, and that there is no pending mediation conference in the Public Assistance and Mediation Division of this Commission. **In addition, the complaint shall also state the following:**

- (a) Names of witnesses who will be presented to prove the complaint's claim;
- (b) Summary of the witnesses' intended testimonies, provided that the judicial affidavits of said witnesses shall be attached to the complaint and