



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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INSURANCE COMMISSION STRENGTHENS FRAMEWORK FOR MOBILE-DELIVERED INSURANCE PRODUCTS

Insurance Commissioner recently issued Circular Letter No. 2018-07 enhancing the framework on the use of mobile phones as an alternative distribution channel of insurance products.

This recently issued framework supplements the Guidelines on Electronic Commerce of Insurance Products issued by the Insurance Commission in 2014 which provides for the framework on the distribution of insurance products through the internet.

Under the enhanced framework, insurance companies may use mobile applications in the distribution of their insurance products provided that the use thereof had been previously approved by the Insurance Commission.

The mobile applications that are allowed to be used may either be pre-installed in a mobile device, or an item in a SIM menu of a mobile network carrier, or those that are downloadable by the public through major digital platforms, such as Apple Store, Google Play and Microsoft Windows Marketplace.

According to Commissioner Funa, the new regulation likewise provides a flexible framework as to the mode of payment of insurance products marketed and sold through mobile phones in addition to the usual payment using a credit/debit card or through accredited online payment system.

“Under the enhanced framework, payment of insurance premiums availed through the use of mobile phones may now be paid through automatic deduction to existing load of the user to the network carrier, billed through the postpaid plan or deducted from existing load wallet.”

He added, “As far as the Insurance Commission is concerned, the payment of insurance premiums by charging such amount to the prepaid load, postpaid plans and other electronic means is not violative of the Insurance Code. However, these payment methods are still subject to existing rules and regulations of the National Telecommunications Commission.”

Commissioner Funa said that the issuance of the enhanced framework on the use of mobile phones addresses the emerging trend in the distribution of insurance products through alternative channels.

“This will allow insurance providers to collaborate with telecommunications and mobile companies and to develop and introduce new and innovative integrated customer experience to the insuring public with the use of a mobile phone alone,” said Commissioner Funa.

“Insurance companies may provide introduction of new features such as access to the features of different insurance products, payment breakdown and filing of insurance claims using a mobile phone, thus, allowing wide spread availability of insurance product in a more convenient manner while maintaining, if not an improved customer satisfaction,” he added.



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