



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



PRESS RELEASE
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IC ISSUES CIRCULAR LETTER AGAINST DISCRIMINATION OF PWDs

On 27 August 2020, the Insurance Commission (IC) issued Circular Letter No. 2020-86 providing for *Guidelines to Protect Persons with Disabilities (PWDs) From Any Form of Discrimination in the Insurance Industry*.

“The Insurance Commission is one with our National Government in upholding the role of the Philippines in the United Nations Convention on the Rights of Persons with Disabilities. In fact, the Philippines’ commitment to alleviate discrimination of persons with disability (PWDs) in public accommodations and services may be found in legislation under Republic Act No. 7277, as amended and otherwise known as the Magna Carta for Disabled Persons,” said Insurance Commissioner Dennis Funa.

The new Circular Letter aims to set guidelines to be followed by regulated entities that sell insurance products in the treatment of PWDs that intend to purchase or avail of insurance products or services.

Section 3 of the new Circular Letter categorically provides that “there shall be no outright declination or refusal of any application to be covered by any insurance contract solely on the ground of disability”. Under the same section, a PWD shall have the opportunity to accept or decline the premium that insurers may offer.

Further, Circular Letter No. 2020-86 likewise provides that the assessment of risks and the corresponding formulation of premiums for a PWD applicant shall be reasonable; and insurers must be prepared to explain to the PWD applicant the basis of the amount of premiums.

Relative to the formulation of premiums, insurers are enjoined to be transparent as regards the underwriting process, which process shall be disclosed to any insurance applicant, whether the latter is a PWD or not, upon the latter’s request.

“Under this new Circular Letter, insurers are likewise reminded of their compliance with the pertinent provisions of the Magna Carta for Disabled Persons. The Insurance Commission shall not tolerate discrimination against PWDs, in any and all forms. This is in line with the IC’s mandate to protect the ‘insuring public’, regardless of PWD status,” Commissioner Funa added.

Accordingly, the IC imposes penalties for violations of Circular Letter No. 2020-86. Section 6 of the same provides that any erring regulated entity shall be administratively liable to pay a fine in an amount not exceeding Two Hundred Thousand Pesos (Php 200,000.00) or shall have its Certificate of Authority or any form of license or authority granted by the IC revoked or suspended, or both, at the discretion of the Insurance Commissioner.

“We need to break the perception that having a disability is a disadvantage. On the contrary, our PWDs play a role in our Philippine economic development as we move into a more integrated and inclusive society. All the more that they should be afforded insurance coverage,” Commissioner Funa noted.

A handwritten signature in black ink, appearing to read 'Avilla', written in a cursive style.

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