



<b>Circular Letter (CL) No.:</b>	<b>2022-45</b>
<b>Date:</b>	<b>10 October 2022</b>
<b>Supplements:</b>	<b>Insurance Memorandum Circular Letter No. 3-1993; Circular Letter No. 2016-04;</b>

### 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 2022

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**WHEREAS**, item 6.3 of Insurance Memorandum Circular No. 3-93<sup>1</sup> 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 insurance 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**."

**WHEREAS**, Section 307 of the Amended Insurance Code provides:

"xxx xxx xxx 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**.

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<sup>1</sup> Licensing of Agents and General Agents

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**, this Commission recognizes the need to update and revisit the term "*actively engaged*" as defined under Item 6.3 of IMC No. 3-93 while taking into consideration the amendment on the validity period of an agent's license;

**WHEREAS**, This Commission likewise recognizes the economic impact of the COVID-19 pandemic to insurance agents;

**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 the Republic Act. No. 10607, the following ***Guidelines on the Renewal of Insurance Agent's License/s Expiring 31 December 2022*** are hereby promulgated:

- I. All applications for renewal of insurance agents' licenses expiring 31 December 2022 shall be submitted through the Enhanced Licensing System (ELS) by the insurance companies represented by the agents **beginning 1<sup>st</sup> September 2022 until on or before 31 December 2022.**
- 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;
  - b. Documentary Stamp Tax affixed to the hard copy which must be reflected in the soft copy to be uploaded;
  - c. Signature (handwritten/electronic) of authorized company representative to the hard copy which must be reflected in the soft copy to be uploaded; and
  - d. List of names, kind/type of license, and the amount of commission or compensation earned by the agents in a prescribed format, herein attached as **Annex A**, signed by the authorized representative to the company with a rank of at least Vice-President.
- III. An agent is considered "actively engaged" if the aggregate amount of commission or other compensation received by the agent during the 3-year validity period (i.e 2020, 2021, and 2022) amounts to **at least Ten Thousand Eight Hundred Pesos (P10,800.00).**

For agents with both traditional life insurance agent's license and variable life insurance agent's license, the requirements shall be deemed complied

with if the agent has earned or received an aggregate amount of **at least Ten Thousand Eight Hundred Pesos (P10,800.00) in commission or other compensation for both lines.**

For non-life insurance agent representing more than one (1) non-life company, the requirement shall be deemed complied with if the agent has earned or received an aggregate amounting to **at least Ten Thousand Eight Hundred Pesos (P10,800.00) in commission or other compensation for all the companies represented.**

- IV. Late applications for renewal shall be accepted starting from the first working day of January until the **31<sup>st</sup> March 2023** subject to an **appropriate penalty of Five Hundred Pesos (P500.00) per calendar day.**

The penalty shall be computed beginning 01 January 2023 until the date of submission of complete documentary requirements.

- V. Applications with incomplete documentary requirements shall not be considered as "submitted".
- VI. Applications for renewal submitted beyond 31st March 2023 will be treated as **new applications with validity from 01 January 2024**; and
- VII. Submission of application for renewal of agent's license shall not be construed as an authority to sell unless the application for renewal is **approved.**

This Circular Letter shall take effect immediately.



**DENNIS B. FUNA**  
Insurance Commissioner



**ANNEX A: LIST OF AGENT**

	Agent Name (Last Name, First Name, Middle Name; Alphabetical Order)	Type of License (Ordinary, General)	Kind of License (Traditional, Variable, Non-Life)	Amount of Commission Earned (in monetary value)			Total Aggregate Amount
				2020	2021	2022	
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Authorized Company Representative

\_\_\_\_\_  
Insurance Company

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Date