



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



Legal Opinion (LO) No.:	2024-01
Date:	15 April 2024

MR. MARK JEROME T. FERNANDEZ, CPA, RFC, AFA, CWP, CEPP
Chairman of the Board
Aetos Financial Insurance Agency
mjtfernandez@gmail.com

Subject: **REQUEST FOR CLARIFICATION ON POSSIBLE VIOLATION OF INSURANCE COMPANY**

Dear Mr. Fernandez:

This has reference to your electronic mail sent to us on 22 February 2024 pertaining to the above subject.

In said correspondence, you inquired if The Insular Life Assurance Company, Ltd. committed any violation on the company's failure to release any dividends in accordance with the pertinent provisions of Section 408 in relation to Section 403 of Republic Act (R.A.) No. 10607 and cited the alleged accumulation of said company's retained earnings for calendar years 2017-2022. Further, you also mentioned that because of the minimal dividend declaration of the insurance company, some policyholders who rely on the dividends to pay their future premiums are constrained to keep paying their traditional life insurance policies because the dividends are not enough to pay future premiums.

THE LEGAL INQUIRIES

From the foregoing, it appears that there are two (2) inquiries that warrant this Commission's opinion, to wit:

1. Whether The Insular Life Assurance Company, Ltd. can also be considered as a Mutual Benefit Association in accordance with the pertinent provisions of R.A. No. 10607; and
2. Whether The Insular Life Assurance Company, Ltd committed a violation of the third paragraph of Section 408 of R.A. No. 10607.