



INSURANCE COMMISSION

KEY REGULATORY UPDATES IN THE INSURANCE SECTOR

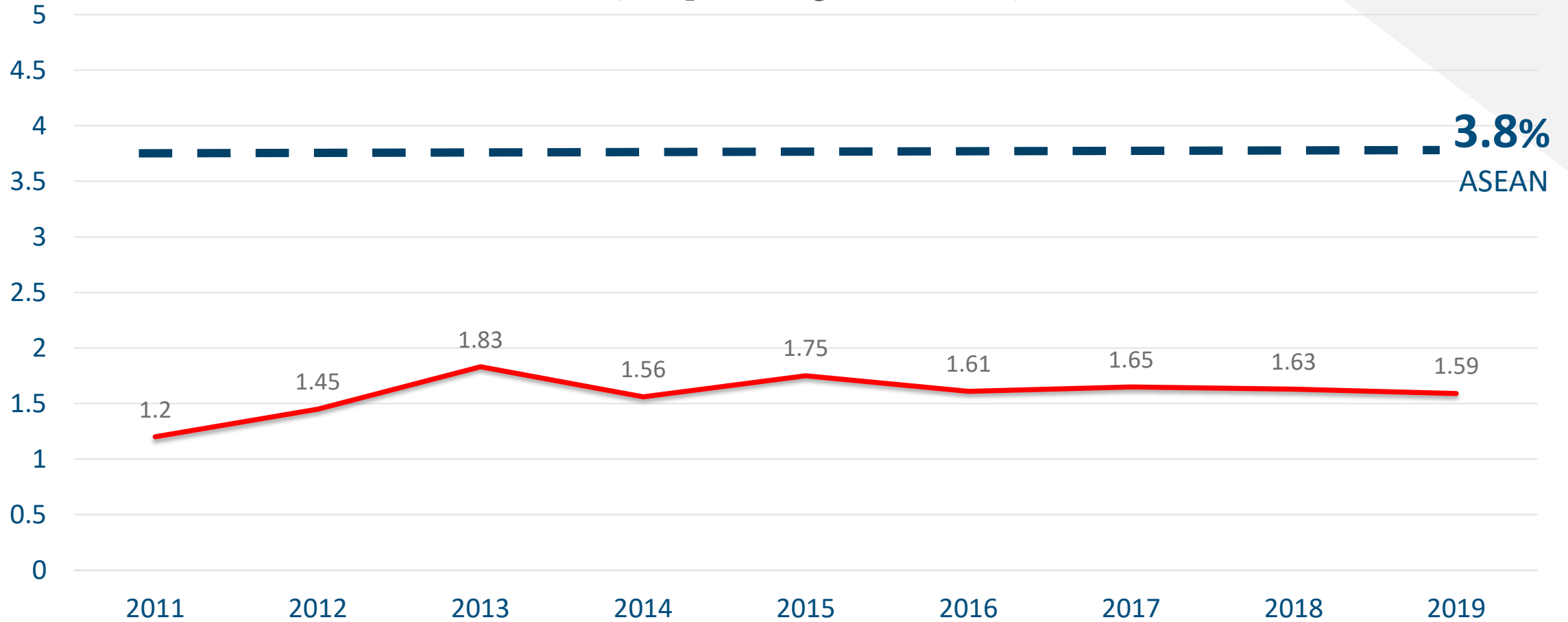
8th SEC-PSE Corporate Governance Forum

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Deputy Insurance Commissioner



INSURANCE PENETRATION RATE

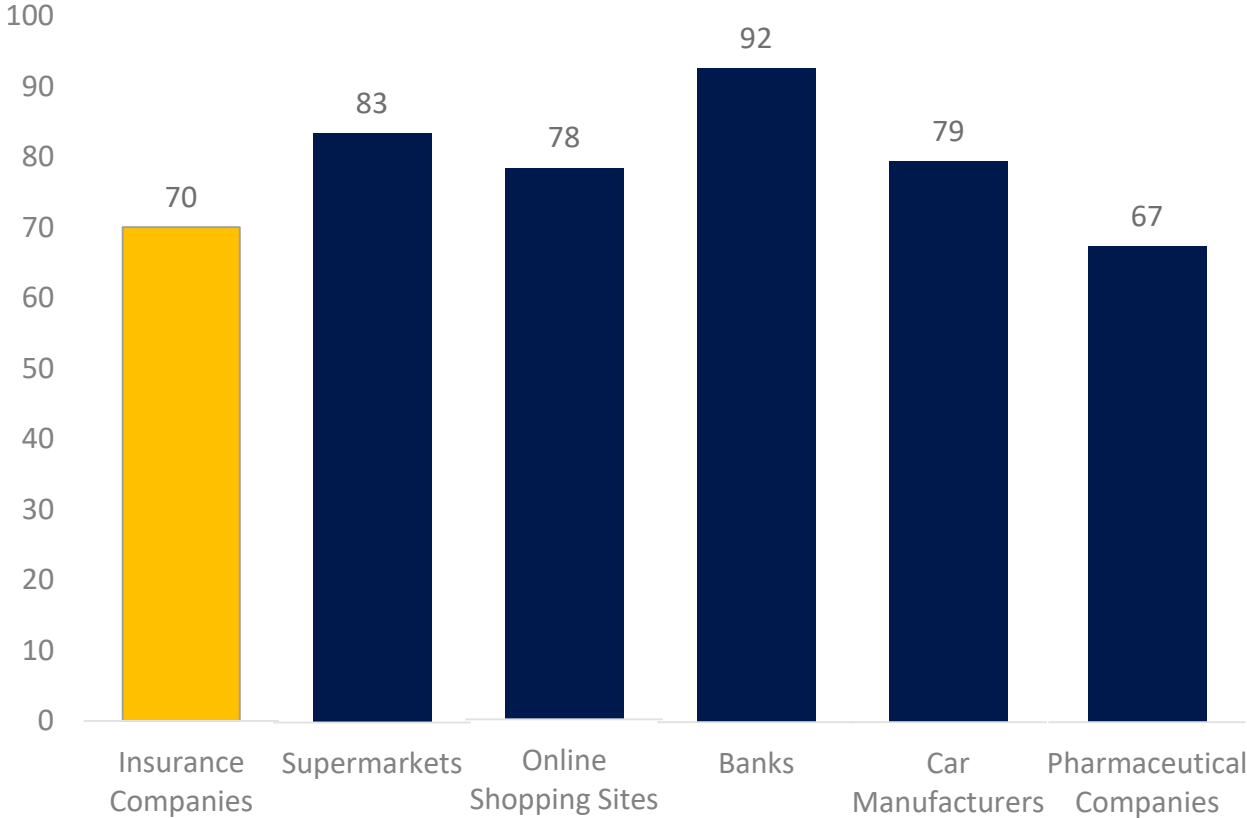
(as a percentage of the GDP)



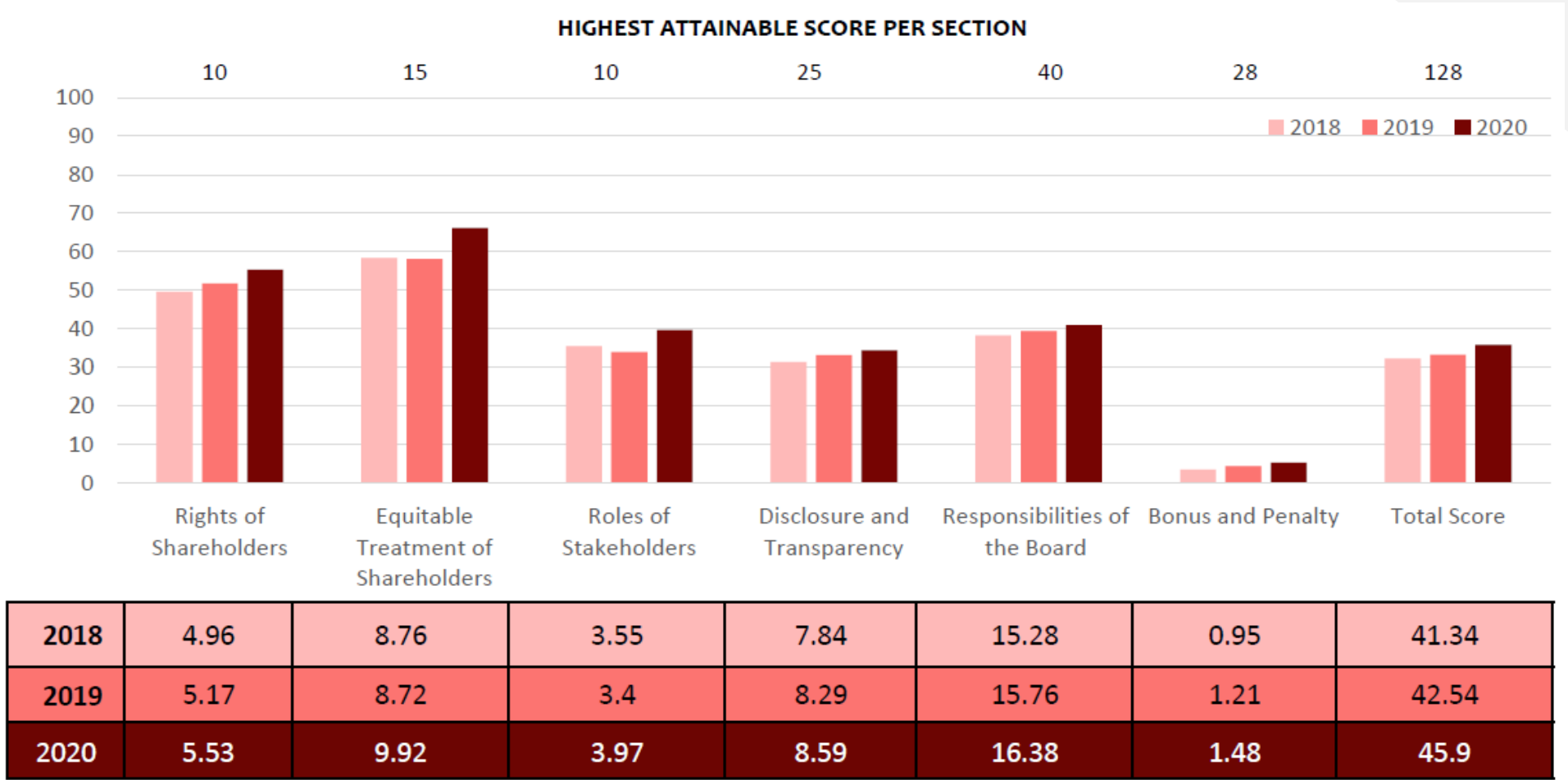
Sources: Insurance Commission Annual Reports; ASEAN Insurance Markets, 2015

INSURANCE PENETRATION RATE

Level of Trust



INSURANCE SECTOR CG PERFORMANCE - 2020



Source: Institute of Corporate Directors

REVISED CODE OF CORPORATE GOVERNANCE


- **Circular Letter No. 2020-71 or the “Revised Code of Corporate Governance for Insurance Commission Regulated Companies”**
- Covers all insurance/reinsurance companies, insurance and reinsurance brokers, MBAs, pre-need companies, HMOs
- Key reference materials:
 - (a) SEC’s Code of Corporate Governance for Publicly Listed Companies
 - (b) international best practices and standards on corporate governance

REVISED CODE OF CORPORATE GOVERNANCE


- **16 principles, 64 recommendations**
 - board responsibilities
 - disclosure and transparency
 - internal control system and risk management framework
 - relate with shareholders
 - duties of stakeholders
- “comply or explain” approach

ANNUAL CORPORATE GOVERNANCE REPORT

- Certified by the Chairman, CEO, all IDs, compliance officers, corporate secretary
- ACGR shall be duly notarized
- Submit to IC on or before May 30
- Philippine Catastrophe Insurance Facility program for Non-Life Insurance Companies



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



Certificate Number: AJA18-0199

Circular Letter (CL) No.:	2020-72
Date:	13 June 2020
Amending:	None

CIRCULAR LETTER

TO : ALL INSURANCE/REINSURANCE COMPANIES, INSURANCE AND REINSURANCE BROKERS, MUTUAL BENEFIT ASSOCIATIONS, PRE-NEED COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS

SUBJECT : SUBMISSION OF THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

WHEREAS, the Annual Corporate Governance Report (ACGR) aims to assess all Insurance Commission Regulated Companies' (ICRCs) observance of different principles and recommendations of the Insurance Commission's Code of the Corporate Governance.

WHEREAS, the Philippine Government and the World Bank (WB) signed a Development Policy Loan (DPL) to support the Philippines in promoting competitiveness, enhancing fiscal sustainability and strengthening financial resilience to natural disasters and climate change.

WHEREAS, in the DPL, the Insurance Commission (IC) is in-charge of *Objective 8: Improve private insurance market sustainability for natural disasters and climate change*.

WHEREAS, a *Memorandum of Understanding (MOU)* dated 28 January 2020 has been signed among Philippine Insurers and Reinsurers Associations (PIRA), National Reinsurance Corporation of the Philippines (NatRe) and the Insurance Commission (IC) to cooperatively strengthen catastrophe resilience in the Philippines.

WHEREAS, all non-life insurance and professional reinsurance companies need to provide additional information on the companies' policies and programs on its participation in the Philippine Catastrophe Insurance Facility, if applicable, to be included in the submission of the ACGR.

NOW THEREFORE, pursuant to the powers granted to the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as

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o. 9829, otherwise known as the Pre-Need Code of Executive Order (E.O.) No. 192, Series of 2015, with an ACGR¹ subject to the following:

MISSION; WHERE SUBMITTED

Two (2) copies of a fully accomplished and certified Corporate Governance Unit of the Commission, on or before 30 May 2021 based on the ICRC's subsequent submission of the fully accomplished and ACGR to the IC shall be on or before 30 May of each year.

THE ACGR.

All relevant information from January to December 2020.

SIGNATORIES.

The ACGR shall be submitted to the IC shall be duly notarized and signed by the following signatories:

- Chairman;
- Executive Officer (CEO);
- Compliance Officers;
- and the Corporate Compliance Officer; and

ACGR IN THE COMPANY'S WEBSITE.

The ACGR shall be posted on the company website. The ACGR with accessible links shall be posted on the ICRCs' respective website within five (5) working days of the submission to the IC.

The ACGR responses shall also be posted on the ICRCs' respective websites. The documents to be posted in the website shall include:

- Annual Statements;
- Annual Reports;
- Minutes of the Board of Directors;
- Minutes of the Association;
- Minutes of the Shareholder's meetings (or an excerpt of the said minutes);
- Insurance Policies;
- and
- Insurance Policies of insurance and reinsurance brokerage companies, insurance and reinsurance companies and health maintenance organization companies.

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IC INITIATIVES DURING THE COVID-19 PANDEMIC

CL No. 2020-18 or the *“Guidelines Regarding the Extension of Grace Period of All Insurance, Pre-Need and HMO Policies/Plans/Agreements Due to COVID-19 Coronavirus Outbreak in the Philippines”*

- Encouraged regulated entities to extend the grace period by at least another thirty-one (31) days

IC INITIATIVES DURING THE COVID-19 PANDEMIC

CL No. 2020-25 or the *“Guidelines on the Issuance of Extension of Coverage or Hold Cover in Insurance Policies, Pre-Need Plans and Agreements Due to COVID-19 Pandemic in the Philippines”*

- Applicable to:
 - (a) all insurance policies or HMO agreements about to expire; or
 - (b) all existing insurance policies, pre-need plans or HMO agreements which are the subject of ongoing negotiations or applications for issuance or renewal thereof

- Mandated the issuance of extension of coverage for insurance policies or HMO agreements about to expire

- Provided for the issuance of a hold cover for insurance, pre-need plan or HMO agreement coverage

IC INITIATIVES DURING THE COVID-19 PANDEMIC

CL No. 2020-93 on the *“Suspension of the Imposition of Penalty for the Non-Filing, Late Filing, and Failure to Comply with Compulsory Notification and Other Reportorial Requirements During the Period of Community Quarantine”*

CL No. 2021-38 or the *“Guidelines on the Re-imposition of Penalties which were Suspended under CL No. 2020-93 as Directed under Bayanihan 2”*

IC INITIATIVES DURING THE COVID-19 PANDEMIC

CL No. 2020-29 or the *“Guidelines Governing Initiatives of Life Insurance Companies to Sell Life Insurance Products to the Public During the ECQ Period Due to the COVID-19 Pandemic”*

CL No. 2020-36 or the *“Guidelines Governing Initiatives of Non-Life Insurance Companies to Sell Non-Life Insurance Products to the Public During the ECQ Period Due to the COVID-19 Pandemic”*

CL No. 2020-109 or the *“Guidelines on Institutionalization of ‘Remote Selling Initiatives’ As A Permanent Mode of Selling Insurance Products”*

IC INITIATIVES DURING THE COVID-19 PANDEMIC

Circular Letter No. 2020-70 on the *“Recognition of Digital Payments As An Integral Part of Insurance Technology (InsurTech), Providing for its Framework, and Encouraging Its Adoption in Insurance Transactions”*



THANK YOU!