



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

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| Circular Letter (CL) No. | 2018-51 |
| Date: | 15 October 2018 |
| Supplements | IC CL No. 2014 - 15 on the schedule of Fees and Charges |

CIRCULAR LETTER

TO : ALL REGULATED ENTITIES AND THE GENERAL PUBLIC

SUBJECT : GUIDELINES DEFINING AN ONLINE INSURANCE AGGREGATOR AND PROVIDING FOR THE LICENSING AND REGULATION THEREOF

WHEREAS, The Insurance Code, as amended by Republic Act ("R.A.") No. 10607, provides that insurance business shall be under the primary and exclusive supervision and regulation of the Insurance Commission¹;

WHEREAS, Insurance products are currently sold thru intermediaries such as agents and brokers;

WHEREAS, regulated entities as well as private corporations expressed desire to tap into emerging modes to distribute insurance products which are convenient and practical to prospective clients;

WHEREAS, insurance aggregation is an alternative distribution channel through which a customer can obtain insurance. It gathers related insurance products from different insurance providers wherein the prospective client can choose through the internet or mobile application;

WHEREAS, the objective of the regulation of insurance aggregators is to supervise and monitor aggregators as an insurance intermediary that maintains a website that provides the insurance prospect with price comparison and information on products sold by different insurers;

¹ Section 193, R.A. 10607

WHEREAS, in order to address the need to regulate insurance aggregation, this Circular Letter is issued to provide guidelines in the licensing and regulation of insurance aggregators and to clarify their status in the insurance industry in conjunction with IC CL No. 2014-47 entitled "Guidelines on Electronic Commerce of Insurance Products" dated 21 November 2014;

NOW THEREFORE, by the power vested in me under Section 437 of the Insurance Code, as amended by R.A. No. 10607, the following "**Guidelines Defining an Online Insurance Aggregator and Providing for the Licensing and Regulation Thereof**" is hereby promulgated as follows:

SECTION 1. TITLE

These guidelines shall be called the "Guidelines Defining an Online Insurance Aggregator and Providing for the Licensing and Regulation Thereof."

SECTION 2. DEFINITION OF TERMS

In these Guidelines, unless the context otherwise requires, the following terminology has the following meaning:

Insurance Aggregator – is an internet-based platform that accumulates and provides insurance policy quotations from various insurance companies based on a pre-determined set of needs specified by the prospective client and from which the prospective client can choose from. It is also called a "price comparison website".

SECTION 3. APPLICABILITY

These Guidelines shall apply only to online aggregation of insurance products.

SECTION 4. LICENSING REQUIREMENT

For the grant of license/renewal, which shall be valid for three (3) years from the grant of the license and renewable thereafter, the applicant shall ensure the fulfillment of the conditions including but not limited to the following:

- a.) Letter of Intent to engage in online aggregation of insurance products, duly signed by the President/Chief Executive Officer of the company, addressed to the Insurance Commissioner, together with the payment of a fee in the amount of Fifty Thousand Five Hundred Pesos (Php50,500.00) inclusive of legal research fee;
- b.) Certificate of Registration with the following government agencies:
 - i) Securities and Exchange Commission and
 - ii) Bureau of Internal Revenue
- c.) Certified copy of the Articles of Incorporation/Partnership/Cooperation, By-laws and any amendments;
- d.) Copy of the business model and system framework/module of operation;
- e.) Copy of the aggregation agreement with insurance companies; and
- f.) Any other documents deemed necessary by the Insurance Commission.

SECTION 5. MANDATORY PROVISIONS OF THE AGGREGATION AGREEMENT

The provisions in the agreement for the online aggregation of insurance products shall contain, among others, the following provisions:

- a.) The online insurance aggregator is not engaged in any business other than the objective of web based aggregation;
- b.) The insurance aggregator is not engaged in acts similar to an insurance agent or broker;
- c.) Applicant shall not have any exclusive arrangement with insurance companies or other regulated entities;
- d.) Product information displayed by insurance aggregators shall be authentic and be based solely on information received from the insurers or other regulated entities;
- e.) The contents of the website shall be unbiased and factual in nature;
- f.) Product comparison that are displayed shall be up to date and reflect the true picture of the product; and
- g.) Compliance with existing laws and regulations such as but not limited to Republic Act No. 10173 or the Data Privacy Act of 2012.

SECTION 6. CANCELLATION OR SUSPENSION OF LICENSE

The license of the Insurance Aggregator may be cancelled or suspended after due notice and hearing if the following acts are committed:

- a.) Violation of any of the provisions of the Insurance Code as amended by Republic Act No. 10607 and Circulars of the insurance Commission;
- b.) Furnishing wrong or false information for obtaining a license; or conceals or fails to disclose material facts in the application submitted for obtaining a license.

Section 7. IMPLEMENTING DIVISION

The Licensing Division shall implement the provisions of this Circular Letter.

Section 8. EFFECTIVITY

This Circular shall take effect immediately.


DENNIS B. FUNA
Insurance Commissioner

