



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



Circular Letter (CL) No:	<b>2019 - 07</b>
Date:	<b>18 March 2019</b>
Supersedes:	"None"

## CIRCULAR LETTER

**TO : All REGULATED ENTITIES OF THE INSURANCE COMMISSION**

**SUBJECT : GUIDELINE AND GROUNDS FOR THE REDUCTION OF PENALTIES DUE TO DELAYS IN THE SUBMISSION OF REPORTORIAL REQUIREMENTS**

**WHEREAS**, the Insurance Commission ("*Commission*") issued Circular Letter No. 2014-15 dated 15 May 2014 entitled "*Fees and Charges*" ("*Circular on Fees and Charges*");

**WHEREAS**, the Circular on Fees and Charges imposes penalties for the delay in the submission of the reportorial requirements as expressly enumerated in Item No. VII, paragraphs A, B and D;

**WHEREAS**, there were several circular letters subsequently issued by the Commission which required the submission of reportorial requirements by regulated entities and imposes penalty for any delay thereof;

**WHEREAS**, there is a need to rationalize the imposition of penalties by providing a guideline and grounds for the reduction of penalties due to delays in the submission of said reportorial requirements;

**NOW THEREFORE**, by the powers vested in me in accordance with the provisions of Section 437(d), (o) and (p) of Republic Act No. 10607, Section 6(b), (k) and (n) of Republic Act No. 9829 and Section 4(c), (j) and (l) of Executive Order No. 192, series of 2015, the guideline and grounds for the reduction of penalties due to delays in the submission of reportorial requirements is hereby promulgated:

**SECTION 1. *Application*** – This circular shall apply to the penalties imposed under Item No. VII paragraphs A, B and D of the Circular on Fees and Charges and the other circular letters subsequently issued by the Commission which requires the regulated entities' submission of reportorial requirements and imposes penalty for any delay.

**SECTION 2. *Grounds for the reduction of penalties*** – The Commission may, upon evaluation, consider any application and reduce the penalty imposed in an

amount not exceeding thirty percent (30%) of the total sum of the penalty based on any of the following grounds:


- a. If the non-compliance or delay was shown to be beyond the control of the entity involved, as determined by the Commission;
- b. Such penalty would be too burdensome and would greatly disrupt or affect the business operations, as determined by the Commission;
- c. If the non-compliance or delay was due to inadvertent mistake or accident;
- d. If the non-compliance or delay was due to excusable negligence;
- e. Other causes analogous to the foregoing, as determined by the Commission.

**SECTION 3. Procedure/Contents** – The written application to reduce the amount of the penalty imposed shall be filed within ten (10) calendar days from the receipt of any order or notice to pay, must be addressed to the Insurance Commissioner and shall contain the following:

- a. Facts and allegations pertaining to any of the grounds provided herein and relied upon;
- b. Accompanied by any pertinent documents, affidavits, or any other relevant proof in support of such facts and allegations pertaining to any of the aforementioned grounds;
- c. Under oath and signed by the President, or his/her equivalent, of the entity applying to reduce the penalty imposed.
- d. If the application is signed by any person other than the President, or his/her equivalent, it must be accompanied by a secretary's certificate or director's certificate authorizing the signatory to sign in behalf of the affected entity.
- e. The oath must also contain that the signatory has read the correspondence and the allegations therein are true and correct based on the signatory's personal knowledge or based on authentic records.

Any application for the reduction of penalties that does not comply with the aforementioned requirements shall warrant its immediate denial.

**SECTION 4. Miscellaneous provision** - This Circular shall take effect immediately

  
**DENNIS B. FUNA**  
Insurance Commissioner

