

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



'18 AUG -8 P 6:47

**SENATE**

P.S. Res. No. 829

RECEIVED [Signature]

---

INTRODUCED BY **SENATOR JOSEPH VICTOR G. EJERCITO**

---

**RESOLUTION**

**DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATION OF INSURANCE COMPANIES, PARTICULARLY ON THE REPORTED UNETHICAL PRACTICES WITHIN THE INDUSTRY WITH THE END IN VIEW OF REVIEWING P.D. NO. 612, AS AMENDED BY REPUBLIC ACT NO. 10607**

**WHEREAS**, the insurance industry in the Philippines is among the growing industries posting a 34% growth during the first quarter of the year in premium contributions for life, non-life, and mutual benefit associations;

**WHEREAS**, this growth is indicative of people's growing investment on insurance products. Sale of variable life insurance products alone, posted a Php61.79 billion in premiums collected as of March 2018 and is being attributed to the overall growth in the industry;

**WHEREAS**, due to the public interest involved in insurance business, the role of the government in regulating the industry is vital to ensure that the public is protected from unethical and manipulative practices;

**WHEREAS**, under the Insurance Code of the Philippines, the Commission is mandated to ensure the efficient regulation of the insurance industry in accordance with global best practices and to protect the insuring public. In addition, the Commission is given adjudicatory powers to this end;

**WHEREAS**, in recent media reports, an alleged manipulation of policies worth Php101 Million was allegedly committed by agents of the Philippine American Life and General Insurance Company (PhilAm Life);

**WHEREAS**, as a result of this allegation, an administrative case was filed in 2017 against PhilAm Life and its three (3) agents before the Insurance Commission for the practice of "churning" or terminating insurance policies and creating new ones to generate more commissions<sup>1</sup>;

**WHEREAS**, these kinds of unethical practice within the industry threatens the security of the insuring public, affects their growing confidence to the industry, and in turn brings a negative impact to the contribution of insurance to national growth;

**WHEREAS**, the Congress needs to look into the regulatory power of the government through the Insurance Commission in order to afford protection to the public from unscrupulous companies, agents, and manipulative practices;

**NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the operation of insurance industries, particularly on the reported unethical practices within the industry with the end in view of reviewing P.D. No. 612, as amended by Republic Act No. 10607.

Adopted,



**JOSEPH VICTOR G. EJERCITO**

---

<sup>1</sup> <http://news.abs-cbn.com/news/08/01/18/businesswoman-complains-against-philam-life-for-churning-insurance-policies> (Accessed on 8 August 2018)