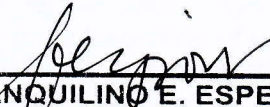




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



CERTIFIED TRUE / PHOTO COPY


TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

Date: _____

Circular Letter (CL) No.:	2020-77
Date:	7 July 2020
Supplements:	CL No. 2019-54, d. 3 October 2019; CL No. 2019-49, d. 12 September 2019; CL No. 2018-72, d. 28 December 2018

CIRCULAR LETTER

**TO : ALL INSURANCE / REINSURANCE COMPANIES DOING
BUSINESS IN THE PHILIPPINES**

**SUBJECT : SUPPLEMENTAL GUIDELINES ON ANNUAL REPORTING OF
BUSINESS PROCESS OUTSOURCING (BPO) ACTIVITIES
UNDER SECTION 1 OF CIRCULAR LETTER NO. 2019-49, AS
AMENDED BY SECTION 1 OF CIRCULAR LETTER NO. 2019-
54**

WHEREAS, this Commission issued Circular Letter No. 2018-72 on 28 December 2018 providing for *Guidelines on Business Process Outsourcing (BPO) Activities of Insurers/Reinsurers*;

WHEREAS, this Commission issued Circular Letter No. 2019-49 on 12 September 2019 providing for *Supplemental Guidelines on Business Process Outsourcing (BPO) Activities of Insurers/Reinsurers*;

WHEREAS, this Commission issued Circular Letter No. 2019-54 on 3 October 2019 on *Amendments to Circular Letter No. 2019-49 on the Supplemental Guidelines on Business Process Outsourcing (BPO) Activities of Insurers/Reinsurers*;

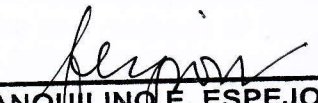
WHEREAS, under Section 1 of Circular Letter No. 2019-54, this Commission removed the process of pre-approval of outsourcing agreements/contracts and instead only required the annual reporting of the same as part of the regular or special examination into the affairs and methods of doing business of insurers/reinsurers in accordance with Section 253 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607; and

WHEREAS, this Commission has recently received several inquiries as regards the scope of the required annual reports and the contents of or required information under said reports; and thus finds the need to provide clarification as regards said matters;

NOW, THEREFORE, pursuant to the undersigned's powers under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, to "amend or repeal rules, regulations and orders," the following *Supplemental Guidelines on Annual Reporting of Business Process Activities under Section 1 of Circular Letter No. 2019-49, as Amended by Section 1 of Circular Letter No. 2019-54* are hereby adopted and promulgated, to wit:


1. **Scope of Annual Reports.** – The written annual reports required to be submitted under Section 1 of Circular Letter No. 2019-49, as amended by Section 1 of Circular Letter No. 2019-54, shall only include outsourcing agreements/contracts that are related to the conduct of insurance or reinsurance business. Said annual reports shall not include outsourcing agreements/contracts that are only incidental or unrelated to the conduct of insurance or reinsurance business (e.g., messengerial, janitorial, and security services, etc.)
2. **Contents of Annual Reports.** – The written annual reports required to be submitted under Section 1 of Circular Letter No. 2019-49, as amended by Section 1 of Circular Letter No. 2019-54, shall include the following information, to wit:
 - a. Identities of the contracting parties;
 - b. Dates of the execution of the outsourcing agreements/contracts;
 - c. Nature of the activities outsourced; and
 - d. Period of the outsourcing agreements/contracts.
3. **Examination of Outsourcing Agreements/Contracts.** – In connection with the regular or special examination into the affairs and methods of doing business of insurers/reinsurers, this Commission's examiners shall have the power to require an insurer / reinsurer to submit copies of its outsourcing agreements / contracts covered by the annual reports for examination.
4. **Effectivity.** – This Circular Letter shall take effect immediately.

CERTIFIED TRUE / PHOTO COPY



TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

Date: _____



DENNIS B. FUNA
Insurance Commissioner

