

[IC CIRCULAR LETTER NO. 14/89, June 20, 1989]

BREACH OF TARIFF RATES

Attention is invited to the provisions of Section 356 of the Insurance Code, as follows:

"SEC. 356. No member or subscriber of a rating organization, and no insurance company doing business in the Philippines, or agent, employee or other representative of such company, and no insurance broker shall charge or demand a rate or receive a premium which deviates from the rates, rating plans, classifications, schedules, rules and standards, made and last filed by a rating organization or by or on behalf of the insurance company, or shall issue or make any policy or contract involving a violation of such rate filings."

Violation of the injunction in the above quoted provisions of the Insurance Code by an insurance company, rating organization, agent, broker or other person shall be dealt with administratively under the provisions of Section 363 also of the Code, to wit:

"SEC. 363. If the Commissioner, after notice and hearing, finds that any insurance company, rating organization, agent broker or other person has violated any of the provisions of this title, he shall order the payment of a fine not to exceed five hundred pesos for each such offense, and shall immediately revoke the license issued to such insurance company, rating organization, agent or broker. The issuance, procurement or negotiation of a single policy or contract of insurance shall be deemed a separate offense."

Please be guided accordingly.

Adopted: 20 June 1989

(SGD.) ADELITA A. VERGEL DE DIOS
Insurance Commissioner



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