

**[IC CIRCULAR LETTER NO. 16-96, October 09,
1996]**

CLAIMS CONTROL CLAUSE

It has come to the attention of this Commission that some insurance companies doing business in the Philippines have been incorporating the Claims Control Clause in their reinsurance treaty agreement and/or facultative reinsurance.

As said clause is inconsistent with the provisions of Section 243 of the Insurance Code prescribing the period within which a claim for loss or damage should be paid, it is hereby required that, henceforth, all new/renewal reinsurance transactions, whether by way of treaty or facultative reinsurance shall not be subject to the said clause.

Strict compliance with the above requirement is enjoined.

Adopted: 9 Oct. 1996

(SGD.) EDUARDO T. MALINIS
Insurance Commissioner



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