

IC OKs mobile app for insurance sale

By **MARY GRACE PADIN**

Insurance companies may now use mobile applications in the distribution of their products, the Insurance Commission (IC) said yesterday.

Insurance commissioner Dennis Funa signed Circular Letter 2018-07, providing an enhanced framework on the use of mobile phones as a distribution channel for insurance products.

The IC said this supplements the guidelines on the electronic commerce of insurance products issued by the regulator in 2014, one which provides the framework on the distribution of insurance products through the internet.

Under the enhanced framework, insurance companies are allowed to use mobile applications in the distribution of their products, provided that the use of the app has been approved by the IC.

The IC said the mobile applications could either be pre-installed in a mobile device, an item in the subscriber identification module (SIM) menu of a mobile network carrier, or those downloadable via major digital platforms, such as Apple Store, Google Play and Microsoft Windows Marketplace.

Funa said the new regulation provides for a flexible mode of payment for policy holders, in addition to the usual electronic payment modes through credit and debit cards.

"Under the enhanced framework, payment of insurance premiums availed through the use of mobile phones may now be paid through automatic deduction to existing load of the user to the network carrier, billed through the postpaid plan or deducted from existing load wallet," Funa said.

The commissioner said the payment of insurance premiums through such mode is not a violation of the law.

"As far as the Insurance Commission is concerned, the payment of insurance premiums by charging such amount to the prepaid load, postpaid plans and other electronic means is not violative of the Insurance Code. However, these payment methods are still subject to existing rules and regulations of the National Telecommunications Commission," he said.

Funa said the IC, through the new framework, addresses the emerging trend of distributing insurance products



Funa

through alternative channels.

"This will allow insurance providers to collaborate with telecommunications and mobile companies and to develop and introduce new and innovative integrated customer experience to the insuring public with the use of a mobile phone alone," Funa said.

"Insurance companies may provide introduction of new features such as access to the features of different insurance products, payment breakdown and filing of insurance claims using a mobile phone, thus, allowing wide spread availability of insurance product in a more convenient manner while maintaining, if not an improved customer satisfaction," he said.