CIRCULAR LETTER

TO:  ALL HEALTH MAINTENANCE ORGANIZATIONS (HMOs)
     DOING BUSINESS IN THE PHILIPPINES

SUBJECT:  DEPOSIT REQUIREMENT FOR HEALTH MAINTENANCE ORGANIZATIONS (HMOs)

In relation to the Deposit Requirement under Section 1.2 (a) and (e) of Circular Letter No. 2016-41, the Insurance Commission hereby issues the attached template of an Undertaking.

Only deposits and/or investments in a universal or commercial bank duly authorized by the Bangko Sentral ng Pilipinas are acceptable subject to the following conditions:

1. Deposit/Investment account shall maintain an amount of at least twenty percent (20%) of the Paid-Up Capital in cash, treasury bills, and treasury bonds or in any combination thereof;
2. All deposits/investments shall be in the name of the company; and
3. If under a Trust or Investment Management Account (IMA), the company shall be required to submit to the Commission quarterly reports/statements on the trust or investment management account.

Said Deposit Requirement is intended to protect the interest of the HMOs' enrolled member-subscribers including corporate client-subscribers.

This Circular Letter takes effect immediately.

EMMANUEL F. DOOC
Insurance Commissioner
UNDERTAKING

Date: __________________________

INSURANCE COMMISSION
1071 United Nations Avenue,
Ermita, Manila

HMO: __________________________

Investment Description: ____________

Amount: _________________________

Insurance Commissioner:

Regarding the above (deposit/investment instrument) ________, held pursuant to Section 1.2, Deposit Requirement, of Circular Letter No. 2016-41 for

______________________________ (Name of HMO)

And

______________________________ (Name of Bank),

we hereby certify to the following:

1. that no prior liens or assignments have been effected on the records of the bank;
2. that ______ (Name of HMO) _______ pledged the reference (deposit/investment instrument) _______ to the Insurance Commission and _______ (Name of Bank) _______ has recorded on its books that the securities are pledged to and held for the benefit and protection of enrolled members of _______ (Name of HMO) ______; and
3. that the Bank will not withdraw any part thereof or otherwise transfer the funds until authorized by the Insurance Commission.

______________________________
Name of HMO

Authorized Signatory: __________________________
Title: __________________________
Date: __________________________
Contact Details: __________________________

______________________________
Name of the Bank

Authorized Signatory: __________________________
Title: __________________________
Date: __________________________
Contact Details: __________________________

(Note: This Undertaking must be duly notarized.)