



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



Circular Letter (CL) No.:	2017-20
Date:	31 March 2017

CIRCULAR LETTER

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

SUBJECT : ACCREDITATION OF HMO ACTUARIES

Pursuant to the requirements of Circular Letter No. 2016-41 Minimum Capitalization and Financial Capacity Requirements for HMOs and Circular Letter No. 2017-19 Guidelines on the Approval of HMO Products and Forms, the following rules and regulations on the accreditation of HMO actuaries are hereby promulgated:

1. Any person may be officially accredited by the Insurance Commissioner to act as an actuary for an HMO company authorized to do business in the Philippines upon application therefor and the payment of the corresponding fee hereinafter prescribed; Provided, that:
 - i. He is either a Fellow or an Associate in good standing of the Actuarial Society of the Philippines (ASP) at the time of his appointment and remains in such good standing during the tenure of his engagement;
 - ii. An Associate of the ASP shall be allowed to sign actuarial certifications required by IC Circular Letter No. 2016-41 and 2017-19 and perform such duties and responsibilities as an HMO Actuary until December 31, 2018, and may continue to do so beyond this date only after satisfying all the requirements to become a Fellow of the ASP;
 - iii. In the case of an actuary who is not a member of the ASP, he must apply and meet the requirements for accreditation either as Associate or Fellow of the ASP. In case he is not a Filipino citizen, he must be given permission by the pertinent government authorities to work in the Philippines.
 - iv. In addition, as a pre-requisite to undertake actuarial work pertaining to HMO business, and to continue to be accredited as an HMO Actuary,

he must:

- a) Complete the minimum required seminars/training and/or examinations conducted by reputable training providers, which will be recommended by the ASP and endorsed by the Insurance Commission from time to time; or
- b) Have at least two (2) years of relevant work experience in the actuarial field in the HMO or medical insurance industry, preferably in the Philippine setting.

Pertinent certificate of completion of such seminar and/or examination and other proofs substantiating the said required qualifications shall be submitted to the Insurance Commission.

2. The accreditation of the actuary shall be suspended or revoked on the following grounds:
 - i. Failure to adequately perform the required duties and functions of an HMO accredited actuary prescribed in the IC Circular Letter No. 2016-41 and 2017-19, in this Circular and succeeding pertinent circulars to be issued by the IC;
 - ii. Failure to disclose conflict of interest;
 - iii. Failure to comply with the Code of Conduct and Standards of Practice of the ASP; and
 - iv. Such other grounds as may be determined by the Insurance Commissioner.
3. No actuary engaged by an HMO company shall be at the same time a stockholder or board of director, chief executive officer or chief financial officer of the company or hold any position that the Commissioner may determine to have an inherent conflict of interest to the position of an actuary.
4. The Commissioner may also require HMO companies to submit, from time to time, other documents, aside from the ones specified in IC Circular Letter No. 2016-41 and IC Circular Letter 2017-19, which shall be duly certified to by an accredited actuary.
5. Any HMO company authorized to do business in the Philippines may employ any person who has the competence to do the actuarial work but who may not be officially accredited under any of the foregoing qualifications; *Provided*, That he is under the supervision of an accredited actuary and shall not, at any time, have the authority to sign any actuarial certification.
6. An accredited actuary of a life insurance, non-life insurance or pre-need

company may be allowed to render his services to an HMO company provided he has fulfilled the requirements under Section 1 of this Circular.

7. The application for accreditation should be filed with the Licensing Division of this Commission. For this purpose, the Licensing Division has updated and unified the application form for accreditation of an actuary for Life Insurance, Non-life Insurance, Pre-Need, and HMO businesses.
8. Payment of licensing fee in the amount of Forty Five Thousand Pesos (₱45,000.00) plus Legal Research Fee equal to 1% of the licensing fee shall be valid for three (3) years. However, if the applicant is an Associate of the Actuarial Society of the Philippines, the licensing fee shall be pro-rated by applying the following factors: two-thirds (2/3) for Associates applying for accreditation in 2017 and one-third (1/3) for Associates applying for accreditation in 2018.

Discounts in accordance with CL No. 2016-19 shall be applied to those applying for accreditation in more than one industry.

This Circular Letter takes effect immediately.



DENNIS B. FUNA
Insurance Commissioner