



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



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Supersedes:	None

CIRCULAR LETTER

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

**SUBJECT : AMENDMENT TO MINIMUM CAPITALIZATION AND
FINANCIAL CAPACITY REQUIREMENTS FOR HMOs**

WHEREAS, the Insurance Commission shall have the authority to exercise the following functions¹, among others:

- a. Issue rules and guidelines, with respect to the establishment of HMO minimum capitalization, net worth, reserve funds and security deposit requirements, as well as the criteria for qualification and disqualification of directors, officers and marketing personnel, and the procedure for the submission of reportorial and/or examination requirements, registration of contracts and plans, adjudication of claims, and other relevant matters, as necessary;
- b. Regulate, supervise, and monitor the operations and management of HMOs to ensure compliance with EO No. 192, s. 2015, existing laws, rules, regulations and such other directives and circulars issued by the Insurance Commissioner;
- c. Prepare, approve or amend, rules, regulations, orders, and circulars, and issue opinions, provide guidance on and supervise compliance with such rules, regulations, orders, and circulars.

WHEREAS, the Insurance Commission required HMOs a Deposit Requirement intended to protect the interest of the HMOs' enrolled member-subscriber including corporate client-subscribers.²

¹ Section 4, Executive Order (EO) No. 192, s. 2015

² CL 2016-48