



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



Circular Letter (CL) No	2017-58
Date	12 December 2017
Supersedes	None

CIRCULAR LETTER

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

SUBJECT : GUIDELINES ON THE APPROVAL OF ACQUISITION OF CONTROL OF HEALTH MAINTENANCE ORGANIZATIONS

Pursuant to the authority granted to the Insurance Commission by Executive Order No. 192, series of 2015, entitled "*Transferring the Regulation and Supervision over Health Maintenance Organizations from the Department of Health to the Insurance Commission, Directing the Implementation Thereof and for Other Purposes*", the following **Guidelines on Approval of Acquisition of Control of a Health Maintenance Organization** are hereby issued:

Section 1. **SCOPE AND DEFINITION**

These Guidelines provide for the procedure and documentary requirements for the approval of acquisition of control of any Health Maintenance Organization (HMO).

For purposes of these Guidelines, the term "**control**" shall mean the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities by a contract other than a commercial contract for goods or non-management services or otherwise, or as defined by pertinent decisions of the Supreme Court.

Section 2. **APPROVAL OF ACQUISITION OF CONTROL**

No person shall acquire control of any HMO without the prior written approval from the Insurance Commission.