



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



Circular Letter (CL) No.:	2019-26
Date:	20 June 2019
Supersedes:	NONE

### CIRCULAR LETTER

**TO :** ALL HEALTH MAINTENANCE ORGANIZATIONS (“HMO”) DOING BUSINESS IN THE PHILIPPINES

**SUBJECT :** AMENDMENT TO SECTION 3 IMPLEMENTATION AND EFFECTIVITY OF CIRCULAR LETTER (CL) NO. 2018-68

**DATE :** 03 JUNE 2019

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**WHEREAS**, Section 4 of Executive Order (E.O) No. 192, s 2015 grants authority to the Insurance Commission (IC) to regulate, supervise, and monitor the operations and management of HMOs to ensure compliance with this Order, existing laws, rules, and regulations, and such other directives and circulars issued by the Insurance Commissioner; and to 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 issued on 28 December 2018 CL No. 2018-68 – Standard Chart of Accounts (SCA) for Health Maintenance Organizations (HMOs) to establish uniform, comprehensive, minimum chart of accounts to improve data collection, financial reporting, accuracy and comparability across the HMO industry;

**WHEREAS**, due to compelling reasons such as high impact on the costs in adjusting accounts and on the timeliness of immediate submissions of reports, HMOs sought the IC to defer the effectivity of CL No. 2018-68 requiring HMOs to submit financial reports under the new standards;

**WHEREAS**, the IC recognizes the challenges of the HMOs for immediate compliance;

**NOW THEREFORE**, to give HMOs ample time to prepare and to make modifications in their accounting system to align with the Standard Chart of Accounts (SCA) provided under CL No. 2018-68, and in accordance with the authority given to the Insurance Commissioner pursuant to Section 4 of Executive Order No. 192, Series of 2015, Section 3 of CL No. 2016-68 is amended as follows:

### **3. Implementation and Effectivity**

For Interim Financial Reporting, the Standard Chart of Accounts shall be implemented for the 3<sup>rd</sup> quarter of 2019 Interim Financial Statements submission on 15 October 2019 and thereafter.

For Audited Financial Statements, this Circular shall be implemented for the 2019 Audited Financial Statements submission on 31 May 2020 and thereafter.

This Circular Letter shall be effective immediately.



**DENNIS B. FUNA**  
Insurance Commissioner

