



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



Circular Letter (CL) No. :	2019-28
Date :	21 June 2019

## CIRCULAR LETTER

**TO : ALL HEALTH MAINTENANCE ORGANIZATIONS**

**SUBJECT : "Guidelines on the Issuance of Cease and Desist Orders (CDOs) against Health Maintenance Organizations (HMOs)"**

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Pursuant to the powers granted to the Insurance Commissioner to issue orders to prevent fraud and injury to the HMO plan holders and industry stakeholders under Section 4(e) of Executive Order No. 192, s. 2015 dated 12 November 2015, the Commission hereby promulgates this guidelines pertaining to the issuance of cease and desist orders against insurance companies and health maintenance organizations (HMOs).

### **Section 1. SCOPE**

This Circular shall govern the issuance of the Insurance Commission of Cease and Desist Orders (CDOs) against health maintenance organizations (HMOs).

### **Section 2. ISSUANCE OF CEASE AND DESIST ORDER**

The Commission may, after proper investigation or verification, *motu proprio*, or upon verified complaint by any aggrieved party, issue a cease and desist order without the necessity of a prior hearing if in its judgment the act or practice, unless restrained, will operate as a fraud on HMO members, or otherwise likely to cause grave or irreparable injury or prejudice to the public.

Until the Commission issues a cease and desist order, the fact that an investigation has been initiated or that a complaint has been filed, including the contents of the complaint, shall be confidential. Upon issuance of a cease and desist order, the Commission shall

make public such order and a copy thereof shall be immediately furnished to each person subject to the order.

### **Section 3. LIFTING OF CEASE AND DESIST ORDER**

Any HMO company against whom a Cease and Desist order was issued may, within five (5) days from receipt of the order, file a formal request for lifting thereof. Said request shall be set for hearing by the Commission not later than fifteen (15) days from its filing and the resolution thereof shall be made not later than ten (10) days from the termination of the hearing.

### **Section 4. SEPARABILITY CLAUSE**

Should any provision of this Circular or any part thereof be declared invalid, the other provisions, insofar as they are separable from the invalid ones, shall remain in full force and effect.

### **Section 5. REPEALING AND AMENDING CLAUSE**

All Orders, Rules and Regulations, Memoranda and other issuances inconsistent with or contrary to the provisions of this Circular are hereby repealed/amended accordingly.

### **Section 6. EFFECTIVITY**

This Circular shall be effective immediately.

  
**DENNIS B. FUNA**  
Insurance Commissioner

