



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



Circular Letter (CL) No.:	2019-43
Date:	02 September 2019
Supplements:	CL 2016-41

CIRCULAR LETTER

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

**SUBJECT : GUIDELINES ON THE ANALYSIS OF QUARTERLY INTERIM
FINANCIAL STATEMENTS OF HEALTH MAINTENANCE
ORGANIZATIONS (HMOs)**

In relation to Section 2.2 of Circular Letter (CL) No. 2016-41 dated 29 July 2016, requiring all Health Maintenance Organizations (HMOs) to submit their Interim Financial Statements (IFS) and Computation of Acid-Test Ratio (ATR) and Net Worth on or before the 15th day of the month following the end of each quarter, submissions made shall be subject to the following:

1. Only those HMOs whose IFS were found to be with **significant concerns** shall receive a letter on the results of the analysis, together with the recommendations and requirements such as detailed schedules, supporting documents, and others. Said letter shall also prescribe the applicable period within which HMOs should comply.
2. **Significant concerns** shall include, but not limited to, the following:
 - a. Non-compliance with the Financial Capacity Requirements as prescribed by Section 1 of CL 2016-41 and/or projected non-compliance on subsequent periods;
 - b. Any material findings that may affect the company's financial condition on a going-concern basis, and/or the effect of which could lead to non-compliance with IC requirements;
 - c. Significant movements in the account balances;
 - d. Delayed submissions;

- e. Non-compliance with the recommendations and requirements of the analysis of the previous quarters and/or verification/examination of Audited Financial Statements which may affect the analysis of the current quarter; and
- f. Other violation of IC's applicable rules and regulations.

This Circular shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

