



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



PRESS RELEASE
15 June 2017

IC ISSUES SHOW CAUSE ORDER AGAINST CARITAS HEALTH SHIELD

Insurance Commissioner Dennis B. Funa issued a Show Cause Order against Caritas Health Shield, a health maintenance organization, ordering it to explain the numerous complaints filed against the company on the alleged fraudulent swiping of credit or debit cards.

Based on the complaints filed before the Insurance Commission (IC), agents of Caritas Health Shield would resort to different marketing strategies including offering of freebies in order to entice an individual to surrender his/her credit or debit card without disclosing that the same will be used to enrol him/her as member of Caritas Health Shield and to pay for the premiums.

The complainants alleged that it was never their intention to purchase any HMO products and thus requested for the cancellation of their contracts and return of the premiums paid through and charged to their credit or debit cards.

Commissioner Funa said, "Any marketing activity which misleads or tends to mislead consumers into buying HMO products without proper disclosure of the transaction is not tolerated by the Insurance Commission."

In the Show Cause Order issued by the IC, Caritas Health Shield was ordered to cease and desist from engaging in the activity complained of pending the conduct of an investigation.

According to Commissioner Funa, "Under present regulations, all complaints filed against HMOs received by the IC will be endorsed to the grievance machinery of the Association of Health Maintenance Organizations of the Philippines, Inc., (AHMOPI), an umbrella organization of HMOs."

"However, due to the number of complaints against Caritas Health Shield and the serious nature thereof, we issued an order against the company requiring it to answer all allegations of fraud and misrepresentation and why no administrative sanction shall be imposed against the company," Commissioner Funa added.

Commissioner Funa emphasized that all regulated entities of the Insurance Commission should first and foremost observe and safeguard the interest and welfare of the public.

By virtue of Executive Order No. 192, series of 2015, the jurisdiction over HMOs was transferred from the Department of Health to the Insurance Commission.

Since the IC assumed jurisdiction over HMOs, the Insurance Commission has been gradually issuing regulations on HMOs, including minimum capitalization, net worth, reserve fund and security deposit requirements, and approval of HMO products and forms.

Caritas Health Shield was established in 1995 and is primarily engaged in the business of developing, maintaining, arranging for and promoting comprehensive medical and health maintenance services. It is likewise the parent company of Caritas Life Insurance Company—a life insurance company, and Caritas Financial Plans, Inc. —a pre-need company, among others.


ATTY. JOANNE FRANCÉS D.C CASTRO
Media Relations Officer
jfdc.castro@insurance.gov.ph