



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



PRESS RELEASE
8 October 2021

**IC PLACES FORTICARE HEALTH SYSTEMS
INTERNATIONAL, INC. UNDER CONSERVATORSHIP**

In a letter dated 4 October 2021, IC placed Forticare Health Systems International, Inc. (“Forticare”), a health maintenance organization (HMO), under conservatorship.

Forticare was placed under conservatorship “due to its continuing inability and/or unwillingness to make cash infusion in compliance with the Order of the Insurance Commission” as it is unable to meet the solvency requirements for HMOs under Circular Letter No. 2016-41 dated 29 July 2016, as later amended by Circular Letter No. 2017-50 dated 30 October 2017.

Notably, Forticare itself, in a letter dated 9 September 2021, asked that it be placed under conservatorship because of an ongoing inability to comply to cover its net worth deficiency, submit a secretary’s certificate that its stockholders are willing to cover said deficiency, and to submit its 2020 Audited Financial Statements.

Acting on Forticare’s letter dated 9 September 2021, the IC issued a cease-and-desist order (CDO) against Forticare on 10 September 2021, immediately prohibiting it and its agents from transacting HMO business.

However, Forticare has already ceased marketing operations since May 2021; and its ongoing operations are only limited to processing claims and servicing its existing members’ benefits.

Regulation of and supervision over HMOs were transferred to the IC from the Department of Health (DOH) pursuant to Executive Order No. 192, s. 2015, issued by former President Benigno S. Aquino III.

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