



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



PRESS RELEASE
4 August 2023

CARITAS HEALTH SHIELD, INC.
PLACED UNDER RECEIVERSHIP

Caritas Health Shield, Inc. (“CHSI”), a health maintenance organization (“HMO”) regulated by the Insurance Commission (“IC”), transitioned from conservatorship to receivership per latest order of the IC dated 25 July 2023.

In its letter dated 25 July 2023, the IC expressed its findings that CHSI’s five (5)-year rehabilitation plan was not viable; and placed the company under receivership. IC likewise ordered CHSI to submit an improved, more viable, and fully supported rehabilitation proposal within a ninety (90)-day period.

The IC emphasized in its letter to CHSI dated 25 July 2023 that the protection of the interests of the company’s members is the primordial concern.

A *Notice of Stay Order* was also simultaneously released, suspending payment of all claims against CHSI effective from 1 August 2023, unless payment is ordered or approved by the IC. Actions or proceedings for the enforcement of claims against CHSI were also ordered suspended; and CHSI was prohibited from selling, encumbering, transferring, or disposing its property unless recommended by the Receiver and approved by the IC.

CHSI was placed under conservatorship on 18 January 2023 due to its continuing inability or unwillingness to comply with the requirements of the IC, particularly as regards the regulator’s solvency requirements. It was found that CHSI had incurred a net worth deficiency of ₱6.48 billion as of 2018.

It will be recalled that the supervision of HMOs was transferred from the Department of Health (“DOH”) to the IC pursuant to Executive Order No. 192, Series of 2015. Section 4 (i) of said Executive Order empowers the IC to “issue appropriate directives, such as but not limited to the appointment of conservators, receivers or liquidators, to HMOs which fail to comply with [said] Order, related laws, rules, regulations, orders, and circulars issued pursuant thereto”. Per Section 6 of Circular Letter No. 2019-35 dated 18 July 2019 issued in accordance with said Executive Order, the IC is authorized to terminate the conservatorship of an HMO and place said company under receivership if it shall determine “that the continuance in business of the HMO would be hazardous to planholders and creditors”. **[END]**