



**PRESS RELEASE**  
**28 February 2025**

**HMOs' NET INCOME LEAPS BY 122.95%  
AS OF Q4 2024, YEAR-ON-YEAR**

The Insurance Commission recently reported a 122.95% increase in the Total Net Income of the Health Maintenance Organization (HMO) industry as of 31 December 2024 ("Q4 2024") vis-à-vis as of 31 December 2023 ("Q4 2023").

"This is explained by the higher increase in the sector's Total Revenue compared to its Total Expenses, which resulted in a Net Income of ₱979.8 million as of Q4 2024 vis-à-vis the reported Net Loss of ₱4.27 billion as of Q4 2023," explained Insurance Commissioner Reynaldo A. Regalado.

The data was obtained from unaudited interim financial statements submitted by 28 HMOs, which were compared with the 27 submissions in Q4 2023.

The sector's Total Revenue jumped by 20.12% year-on-year, from ₱66.08 billion as of Q4 2023 to ₱79.37 billion as of Q4 2024. This growth was mainly due to an 18.43% increase in Membership Fees collected, comprising 95.30% of the total HMO revenue.

Meanwhile, the HMOs' Total Expenses grew by 11.44% due to a 10.08% increase in Healthcare Benefit and Claims paid, rising from ₱55.46 billion as of Q4 2023 to ₱61.05 billion as of Q4 2024.

"We also noted from the submissions, that the HMO sector's Total Assets, Total Invested Assets, Total Equity, Total Capital Stock, and Total Liabilities upswung across the board during the quarter under review," Commissioner Regalado added.

The industry saw a 23.85% growth in its Total Assets as of Q4 2024, year-on-year, rising from ₱60.66 billion to ₱75.13 billion. The 21.38% increase in Cash Equivalents, a marked 273.08% rise in Deposit to Healthcare Providers (Net), and a 27.51% increase in Membership Fees Receivable (Net) contributed to this growth.

The HMOs' Total Invested Assets, which comprise 23.77% of the sector's Total Assets, increased from ₱16.24 billion as of Q4 2023 to ₱17.86 billion as of Q4 2024, or by 9.92%. This increase is mainly attributed to the 21.38% rise in Cash Equivalents and 88.16% growth in Government Securities.

The industry's Total Equity, too, witnessed an 11.14% increase year-on-year, from ₱10.25 billion as of Q4 2023 to ₱11.40 billion as of Q4 2024. The main drivers for this growth are the 4.42% increase in Share Capital, 29.90% increase in Retained Earnings, and the substantial 114.43% growth in Reserve for Appraisal Increment – Property and Equipment.

HMOs' Total Capital Stock also saw a 4.43% increase amounting to ₱390 million, from ₱8.79 billion as of Q4 2023 to ₱9.18 billion as of Q4 2024.

Growths in Membership Fee Reserves (by 77.59%) and Claims Reserves (by 32.24%) are the primary drivers behind the 26.44% rise in HMOs' Total Liabilities, which climbed from ₱50.41 billion as of Q4 2023 to ₱63.73 billion as of Q4 2024. Additionally, the Accrued Expenses and Administrative Service Only (ASO) Reserve accounts registered increases by ₱1.26 billion and ₱1.12 billion, respectively. On the other hand, the sector's Other Reserves contracted by 99.98%, dropping from ₱6.92 billion as of Q4 2023 to ₱1.68 million as of Q4 2024.

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