**ANNEX A – SUPPLEMENTARY REPORT**

SAMPLE REPORT OF INDEPENDENT AUDITOR

TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING

WITH THE INSURANCE COMMISSION

The Board of Directors and Stockholders

Company Name

Company Address

We have audited in accordance with the Philippine Standard on Auditing the financial statements of \_\_\_\_\_\_\_\_\_\_\_\_ (the Company) as at and for year ended (Date), on which we have rendered our report dated (Audit Report Date).

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the “Annex” is the responsibility of the Company’s management.

The supplementary information is presented for purposes of complying with the Insurance Commission Circular Letter No. \_\_\_\_ and is not a required part of the Company’s basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company’s basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Name and Signature of External Auditor / Auditing Firm

**ITEMS TO BE REPORTED IN THE SUPPLEMENTARY REPORT BY THE HEALTH MAINTENANCE ORGANIZATIONS**

In compliance with the requirements set forth by IC Circular Letter No. \_\_\_\_\_\_\_\_\_\_, hereunder is the information on the Company’s compliance with the prudential financial requirements prescribed by the Insurance Commission:

1. **Paid-Up Capital**

|  |  |  |
| --- | --- | --- |
| Paid-up capital per Company | ₱ | xxx |
| Required minimum paid-up capital |  | xxx |
| **Excess (Deficiency) in the Paid-up Capital** | **₱** | **xxx** |

1. **Security Deposit**

|  |  |  |
| --- | --- | --- |
| Minimum Required Security Deposit  *(25% of actual paid-up capital or Php5,000,000.00, whichever is higher)* | ₱ | xxx |
| Less: Actual Security Deposit |  | xxx |
| **Excess (Deficiency)** | **₱** | **xxx** |

1. **Net Worth**

|  |  |  |
| --- | --- | --- |
| Total Assets | ₱ | xxx |
| Total Liabilities |  | xxx |
| **Total Stockholders' Equity/Net Worth** | ₱ | xxx |
| Actual Paid-up Capital |  | xxx |
| **Excess (Deficiency) in Net Worth** | **₱** | **xxx** |

1. **Risk-Based Capitalization**

|  |  |  |
| --- | --- | --- |
| Actual Gross Membership Fee | ₱ | xxx |
| Maximum Risk on Membership Fee  *(Net worth x applicable factor or “No Limit”)* |  | xxx |
| **Over Exposure** | **₱** | **xxx** |

1. **Liquidity**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Quick Assets | ₱ | xxx | = | **XX** |
| Current Liabilities | ₱ | xxx |

1. **Other Requirements (Specify Section and CL No.)**

*e.g. Investment in real properties, dividend distribution, etc.*

*Notes:*

*In case of non-compliance to any of the requirements, the Company shall disclose its management plan/s or action to address the deficiencies.*