



PRESS RELEASE
7 May 2025

**IC ORDERS LIQUIDATION OF
CARITAS FINANCIAL PLANS, INC.**

The Insurance Commission (IC) has recently ordered the liquidation of Caritas Financial Plans, Inc. (CFPI) and approved the company's liquidation plan. This was because CFPI incurred trust fund and capital deficiencies as of year-end 2024, based on unaudited financial statements.

The IC appointed Atty. Jose A. Barcelon as the liquidator of CFPI.

"The Commission is closely and continuously monitoring the financial condition of the companies under the pre-need sector. It is our duty to ensure that only those companies that meet statutory and regulatory solvency requirements are allowed to operate in order to safeguard the interests of the consumers of pre-need products," said Insurance Commissioner Reynaldo A. Regalado.

"Meanwhile, for those companies that cannot meet such requirements, the Commission will also make sure that the liquidation process is fast-tracked so that the claimants are able to receive payments of their liquidation values as soon as possible," he added.

In August 2023, the IC placed CFPI under conservatorship due to its inability to comply with the requirements of the Pre-Need Code of the Philippines (Republic Act No. 9829) and the Commission's order to address its capital impairment. The IC later placed CFPI under receivership in April 2024 as the company continued to suffer from liquidity problems resulting in delay and difficulty in paying its obligations. CFPI's parent company, Caritas Health Shield, Inc. (CHSI), was not in a position to infuse additional capital to CFPI, as CHSI itself suffered from solvency issues.

Section 50 of the Pre-Need Code of the Philippines empowers the IC to order the liquidation of a pre-need company and approve and implement a liquidation plan upon the determination and confirmation that such company is insolvent, i.e., it is generally unable to pay its liabilities as they fall due in the ordinary course of business or it has liabilities that are greater than its assets.

According to the approved liquidation plan, claimant-planholders and creditors of CFPI shall have a 120-day period within which to file claims between the 3rd and 4th quarters of 2025. The initial distribution of payments is tentatively scheduled some time during the 1st quarter of 2026.

The public is encouraged to regularly visit the IC's website at www.insurance.gov.ph for updates on their claims in the liquidation proceedings. All claimants will be notified of the results of the evaluation of their respective claims.

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