



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



Circular Letter (CL) No. :	2016-48
Date :	01 September 2016
Supersedes:	None

CIRCULAR LETTER

**TO : ALL HEALTH MAINTENANCE ORGANIZATIONS (HMOs)
DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : DEPOSIT REQUIREMENT FOR HEALTH MAINTENANCE
ORGANIZATIONS (HMOs)**

In relation to the Deposit Requirement under Section 1.2 (a) and (e) of Circular Letter No. 2016-41, the Insurance Commission hereby issues the attached template of an Undertaking.

Only deposits and/or investments in a universal or commercial bank duly authorized by the Bangko Sentral ng Pilipinas are acceptable subject to the following conditions:

1. Deposit/Investment account shall maintain an amount of at least twenty percent (20%) of the Paid-Up Capital in cash, treasury bills, and treasury bonds or in any combination thereof;
2. All deposits/investments shall be in the name of the company; and
3. If under a Trust or Investment Management Account (IMA), the company shall be required to submit to the Commission quarterly reports/statements on the trust or investment management account.

Said Deposit Requirement is intended to protect the interest of the HMOs' enrolled member-subscribers including corporate client-subscribers.

This Circular Letter takes effect immediately.


EMMANUEL F. DOOC
Insurance Commissioner

BANK LETTERHEAD

UNDERTAKING

Date: _____

INSURANCE COMMISSION
1071 United Nations Avenue,
Ermita, Manila

HMO: _____

Investment Description: _____

Amount: _____

Insurance Commissioner:

Regarding the above _____ (deposit/ investment instrument) _____, held pursuant to Section 1.2, Deposit Requirement, of Circular Letter No. 2016-41 for _____ (Name of HMO)

And _____ (Name of Bank),

we hereby certify to the following:

1. that no prior liens or assignments have been effected on the records of the bank;
2. that _____ (Name of HMO) pledged the reference _____ (deposit/ investment instrument) to the Insurance Commission and _____ (Name of Bank) has recorded on its books that the securities are pledged to and held for the benefit and protection of enrolled members of _____ (Name of HMO); and
3. that the Bank will not withdraw any part thereof or otherwise transfer the funds until authorized by the Insurance Commission.

Name of HMO

Authorized Signatory: _____
Title: _____
Date: _____
Contact Details: _____

Name of the Bank

Authorized Signatory: _____
Title: _____
Date: _____
Contact Details: _____

(Note: This Undertaking must be duly notarized.)