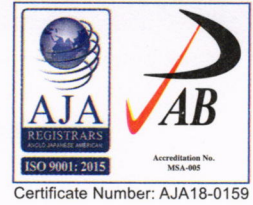




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Circular Letter (CL) No. :	2019-31
Date :	25 June 2019

CIRCULAR LETTER

TO : ALL HEALTH MAINTENANCE ORGANIZATIONS

SUBJECT : Regulation and Prohibitions in Relation to the Conduct of Business of Agents of Health Maintenance Organizations (HMOs) and Providing Penalties for Violation thereof

WHEREAS, Executive Order No. 192, Series of 2015 (E.O. No. 192, s. 2015) transferred the regulation and supervision of health maintenance organizations (HMOs) from the Department of Health (DOH) to the Insurance Commission (IC);

WHEREAS, the HMO industry is imbued with public interest and that there is a need to set guidelines on the conduct of business of HMO agents to ensure the protection of the public/ HMO clients.

NOW THEREFORE, pursuant to the power granted to the Insurance Commissioner to issue orders to prevent fraud and injury to the HMO plan holders and industry stakeholders under Section 4 (a) of Executive Order No. 192, s. 2015 dated 12 November 2015, the Commission hereby promulgates the regulation and prohibitions relating to the conduct of business of agents of health maintenance organizations (HMOs).

Section 1. SCOPE

This Circular shall govern the conduct of business of agents of health maintenance organizations in the Philippines.

Section 2. DEFINITION OF AN AGENT OF HEALTH MAINTENANCE ORGANIZATIONS (HMOs)

Any person who, for compensation, solicits or obtains a contract or agreement on behalf of any health maintenance organization or transmits for a person other than himself an application for a contract or agreement to or from an HMO or offers or assumes to act in the negotiating of such contract or agreement shall be an HMO agent within the intent of this Circular Letter and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an HMO agent is subject.