



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



Circular Letter No.:	2020-39
Date:	09 April 2020
Supplements:	CL No. 2020-33

CIRCULAR LETTER

TO : ALL MUTUAL BENEFIT ASSOCIATIONS (MBAs) DOING BUSINESS IN THE PHILIPPINES

SUBJECT : CLASSIFYING MUTUAL BENEFIT ASSOCIATIONS (MBAs) AS HEALTH INSURANCE PROVIDERS UNDER IATF-EID RESOLUTION NO. 19, AND SUPPLEMENTING CIRCULAR LETTER NO. 2020-33

WHEREAS, the President of the Philippines issued Proclamation No. 922 s. 2020 dated 08 March 2020, entitled "*Declaring a State of Public Health Emergency Throughout the Philippines due to Covid-19*";

WHEREAS, the President issued Proclamation No. 929 s. 2020 dated 16 March 2020, entitled "*Declaration of a State of Calamity Throughout the Philippines Due to Coronavirus Disease 2019*";

WHEREAS, per a Memorandum from the Executive Secretary dated 16 March 2020, and pursuant to Proclamations No. 922 and 929, the entirety of Luzon was placed under enhanced community quarantine (ECQ);

WHEREAS, on 03 April 2020, the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID) issued IATF Resolution No. 19, series of 2020, upon the request of the Insurance Commissioner thru the Department of Finance, providing that "*Health Maintenance Organizations (HMOs), the Philippine Health Insurance Corporation (PHIC), and health insurance providers, shall be considered as part of health frontline services, for purposes of exempting their workers in the implementation of the ECQ*";;

WHEREAS, the Insurance Commission issued Circular Letter No. 2020-33 dated 07 April 2020, entitled "*Declaration of HMOs and Health Insurance Companies*

as Health Frontline Services and Exempting them from the Enhanced Community Quarantine (ECQ)", which provides as follows:

"Section 1. Pursuant to IATF-EID Resolution No. 19, s. 2020, Health Maintenance Organizations (HMOs) and life and non-life insurance companies with health insurance products (health insurers) are hereby designated as part of the health frontline services. Accordingly, certain designated employees of these companies may be exempted from the implementation of the Enhanced Community Quarantine (ECQ)."

WHEREAS, Section 403 of the Insurance Code, as amended by Republic Act No. 10607, provides the following definition of a mutual benefit association:

"Section 403. Any society, association or corporation, without capital stock, formed or organized not for profit but mainly for the purpose of paying sick benefits to members, or of furnishing financial support to members while out of employment, or of paying to relatives of deceased members of fixed or any sum of money, irrespective of whether such aim or purpose is carried out by means of fixed dues or assessments collected regularly from the members, or of providing, by the issuance of certificates of insurance, payment of its members of accident or life insurance benefits out of such fixed and regular dues or assessments, but in no case shall include any society, association, or corporation with such mutual benefit features and which shall be carried out purely from voluntary contributions collected not regularly and/or no fixed amount from whomsoever may contribute, shall be known as a mutual benefit association within the intent of this Code. x x x"

WHEREAS, the Insurance Commission recognizes the necessity of allowing mutual benefit associations to maintain operational capacity for processing of claims arising from death of their members considering its volume, as well as the need to service the marginalized;

NOW THEREFORE, pursuant to the authority vested in the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as amended, in relation to Section 403 thereof, **mutual benefit associations (MBAs) shall likewise be classified as health insurance providers, supplementing Circular Letter No. 2020-33 for purposes of exempting the workers of MBAs in the implementation of the ECQ.**

These MBAs shall likewise be covered by the implementing guidelines that shall be issued by the Insurance Commissioner, and shall strictly abide by them.

This Circular Letter shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

