



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



**PRESS RELEASE**  
**12 June 2020**

**IC ORDERS PRIME CARE KAAGAPAY LIFE PLAN, INC.  
TO CEASE AND DESIST FROM DOING BUSINESS**

Insurance Commissioner Dennis Funa has recently ordered Prime Care Kaagapay Life Plan, Inc. (“Prime Care Kaagapay”), a pre-need company, to cease and desist from transacting pre-need business and/or acting as a pre-need company. In the same *Cease and Desist Order* (“CDO”), Commissioner Funa also denied the company’s application for renewal of its *Certificate of Authority* to transact pre-need business for Licensing Year 2020.

The Insurance Commission (“IC”) issued the CDO due to Prime Care Kaagapay’s failure to meet the statutory minimum paid-up capitalization requirement of One Hundred Million Pesos (Php 100,000,000.00) under Section 9 of Republic Act No. 9829, otherwise known as the Pre-Need Code of the Philippines.

Under Section 53 of the same Code, the IC may issue a CDO against any pre-need company upon proof, after notice and hearing, of violation of any provision of said Code. Moreover, the provision authorizes the IC to issue a CDO “*ex parte*”, or even without notice and hearing, if the violation is “clearly apparent, injurious to a number of planholders and requires immediate intervention by the Commission.”

In February 2020, the IC required Prime Care Kaagapay to show cause why the company should not be sanctioned or penalized for submitting spurious bank certifications to evince its compliance with the capitalization requirement under the Pre-Need Code in relation to its pending application for the renewal of its *Certificate of Authority*.

According to Commissioner Funa, “it was affirmed by our investigation team that Prime Care Kaagapay had indeed submitted fake bank certifications that were supposed to prove its compliance with the minimum paid-up capital requirement for new companies under the Pre-Need Code.”

It will be noted that the company’s depository bank certified that authentic bank certifications reflect that the company maintained an outstanding balance below said minimum paid-up capital requirement. It was also affirmed that the company’s bank account had already been closed.

“Because the bank certifications submitted by Prime Care Kaagapay were proven as fake, the company then failed to meet the statutory minimum paid-up capital requirement. Thus, the *Certificate of Authority* issued by the IC in 2019 on the basis of the company’s representations and submissions relative to its capitalization is invalid. In consequence, the company cannot renew its license for the year 2020 because there was no valid 2019 license to speak of in the first place,” explained Commissioner Funa.

In the same CDO, Commissioner Funa likewise affirmed the placement of Prime Care Kaagapay under conservatorship in accordance with Section 49 of the Pre-Need Code of the Philippines. The company’s *Ex-Officio* Conservator was also ordered to conduct an examination into the affairs and financial condition of the company.

Under said provision of the Pre-Need Code, the IC appoints a conservator, who is tasked to take charge of a pre-need company’s assets, liabilities, and management, in order to ensure the financial viability of said company and the continued protection of its planholders.

“Let me stress that the issuance of the CDO against Prime Care Kaagapay and the denial of its application for the renewal of its license does not, and will not, preclude the Insurance Commission from considering and actually filing the appropriate cases, administrative or criminal, against the responsible officers of the company. The responsible officers should be held liable for their misrepresentations as well as the falsification of the bank certifications,” added Commissioner Funa.

According to the *General Information Sheet* submitted by Prime Care Kaagapay to the IC, the company’s board of directors and corporate officers are as follows: Jerome D. Oliveros (President/CEO); Moryula Geru M. Oliveros (Vice-President/COO); Roderick R. Badua (Corporate Secretary); Nina Corazon T. Oruga (Treasurer/CFO); and Joseph B. Oruga (Director).



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