



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



**PRESS RELEASE**  
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**INSURANCE COMMISSION RELEASES 4Q 2019  
DATA FOR HEALTH MAINTENANCE ORGANIZATION  
("HMO") INDUSTRY PERFORMANCE**

As of the quarter ending on 31 December 2019 ("4Q 2019"), there were twenty-nine (29) health maintenance organizations ("HMOs") that have submitted their unaudited interim financial reports to the Insurance Commission.

"Based on these unaudited reports, the HMO industry's total asset base grew by 10.58% from ₱38.96 billion pesos as of 4Q 2018 to ₱43.08 billion pesos as of 4Q 2019, 46.38% of which consisted of cash and cash equivalents," said Insurance Commissioner Dennis Funa.

The HMO industry's total liabilities likewise rose to ₱35.57 billion as of 4Q 2019—a 9.70% increase from ₱32.43 billion in 2018, and 39.26% of which was due to unearned membership fees.

Notwithstanding the increase in liabilities, an upward trend in total equity was observed. Total equity of the HMO industry grew by 14.95%, from ₱6.53 billion as of 4Q 2018 to ₱7.51 billion during the same quarter in 2019.

According to Commissioner Funa, "said upward trend in the HMO industry's equity could be attributed to an increase in the industry's aggregate capital stock, which consisted 38.08% of the industry's total equity."

"Remarkably, not only did it contribute to the industry's equity, the industry's capital stock actually expanded by 4.49% from ₱2.74 billion as of 4Q 2018 to ₱2.86 billion as of 4Q 2019 according to the interim reports," he added.

Meanwhile, the HMO industry's total revenues jumped to ₱51.56 billion as of 4Q 2019 compared to the previous year's ₱45.30 billion, showing an increase of 13.83%. This increase can be attributed to the industry's growing total membership or enrollees' fees that account for 96.61% of the total revenues.

However, the unaudited reports also reveal that the HMO industry's total income declined by 23.76% from ₱1.65 billion as of 4Q 2018 to ₱1.26 billion as of 4Q 2019. This can be attributed to the increase in healthcare benefits and claims paid by the industry, which consists 76.34% of the industry's total expenses vis-à-vis the industry's increasing revenues.

“It should be noted that the statistics mentioned were obtained before the onset of the community quarantine due to the 2019 Coronavirus Disease (“COVID-19”) pandemic. The Insurance Commission is hopeful that the economic and financial impact of the pandemic in the succeeding reporting quarter will, to a certain degree, be mitigated by the measures in the various COVID-19-related Circular Letters that we have issued,” Commissioner Funa said.

A handwritten signature in black ink, appearing to read 'Avilla', written in a cursive style.

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