



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



**PRESS RELEASE**  
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## **INSURANCE COMMISSION DRAFTS GUIDELINES ON LICENSING OF HMOS**

The Insurance Commission (IC) is set to issue the Guidelines on the Licensing of Health Maintenance Organizations (HMOs) by the end of this month.

Insurance Commissioner Emmanuel F. Doooc said “We have drafted the proposed guidelines in the issuance of certificates of authority to HMOs and we are targeting to finalize and circularize the same by the end of this month.”

Under Executive Order No. 192, series of 2015, which transferred the jurisdiction of HMOs from the DOH to the IC, all HMOs are required to comply with the regulatory requirements of procuring a license to operate from the IC.

The draft circular letter on the guidelines on licensing of HMOs provides for the documentary requirements to be submitted by new companies intending to operate as a HMO, to wit: a copy of its Articles of Incorporation or Cooperation, Certificate of Registration issued by the Securities and Exchange Commission or the Cooperative Development Authority, list of officers and members of the board of directors, waiver executed in favor of the IC to verify the existence of capital deposit/s of the company, and pre-operational balance sheet, among others.

In case of renewal of the Clearances to Operate issued by the Department of Health and the Certificates of Authority issued by the IC, companies will be required to submit a copy of its Clearance to Operate or Certificate of Authority, list of the current members of the board of directors and financial reports, among others.

Commissioner Doooc said that “there are existing HMOs with Clearances to Operate which will expire either on December 31, 2016 or December 31, 2017. There are also Certificates of Authority issued by the IC which will expire on December 31, 2016 pursuant to the guidelines issued by the IC in the renewal of HMOs Clearance to Operate expiring on December 31, 2015”. The IC will honor these licenses until the expiration date provided in their licenses as expressly provided under E.O. 192.

The IC previously issued a circular letter in the renewal of Clearances to Operate issued by the DOH expiring on December 21, 2015

The draft circular letter provides that those licenses expiring on December 31, 2016 and December 31, 2017 shall remain valid and effective until such date and may be renewed on or before the date of expiration subject to the submission of documentary requirements and payment of corresponding renewal fee. Those who fail to renew on or before the date of expiration shall be given until the end of 2<sup>nd</sup> quarter of the year

following its expiration to renew their licenses subject to the payment of penalties otherwise, they will be treated as new applications.

Under the proposed circular letter, the certificates of authority to be issued by the IC pursuant to the said circular letter will be valid until December 31, three years following its date of issuance and shall be renewable every three (3) years thereafter.

Last month, the IC issued a circular letter setting the minimum capitalization and financial capacity for HMOs. In its circular, the IC requires all existing HMOs to have a minimum paid-up capital of at least P10 million while new HMOs will be required to have at least P100 million paid-up capital.

As of date, there are 29 HMOs which are licensed to operate as HMOs in the country -- 15 of which are holders of Clearances to Operate from the DOH and 14 of which are holders of Certificates of Authority issued by the IC.

Since the effectivity of the Executive Order No. 192 in November 17, 2015, the IC has issued one license in favor of a new HMO company.



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