

[CIRCULAR LETTER NO. 2018-31, May 08, 2018]

FILING OF HMOS' 2017 AUDITED FINANCIAL STATEMENTS (AFS)

*Adopted: 02 May 2018
Date Filed: 08 May 2018*

Section 1 of Executive Order (EO) No. 192 (s. 2015)^[1] provides that jurisdiction over HMOs shall be transferred from the Department of Health (DOH) to the Commission. Additionally, Section 4 authorizes the Commission to: (a) issue rules and regulations, with respect to the establishment of HMO minimum capitalization, net worth, reserve funds and security deposit requirements, as well as the procedure for the submission of reportorial and/or examination requirements; and (b) regulate, supervise and monitor the operations and management of HMOs to ensure compliance with the EO, as well as existing laws, rules, regulations and other directives issued by the Commissioner. In order to implement EO No. 192, Circular Letter (CL) No. 2016-41 was issued, prescribing the minimum capitalization and financial capacity requirements for HMOs. Section 2.1 of CL No. 2016-41 requires all HMOs to submit their AFS, together with the supporting documents, on or before the 31st May of each year.

Pursuant to the above-quoted provisions, all HMOs are required to submit their respective 2017 AFS, together with the items enumerated in Annex "A"* on or before 31 May 2018. The prescription of the guidelines in the CL is without prejudice to the power of the Commission under Section 4(f) of EO No. 192 to require other relevant information that may come to its attention in the regulation, supervision and monitoring of the operations and management of HMOs.

A Filing Fee of Twenty Thousand Pesos (P20,000.00) plus Two Hundred Pesos (P200.00) representing Legal Research Fund (LRF) shall be imposed upon the submission of the said requirements.

Failure to submit the necessary documents within the prescribed deadline shall cause the imposition of Penalty of Five Thousand Pesos (P5,000.00) per day of delay in accordance with Section 2.3 of CL No. 2016-41, dated 29 July 2016 and pursuant to Section 4 (c) of EO No. 192, which authorizes the Commission to fix, assess and collect fees and/or charges as it may find reasonable in the exercise of regulatory powers.

Submission which are not in accordance with the required pro-forma template and with missing data/information and incomplete attachments shall not be accepted.

*(SGD) DENNIS B. FUNA
Insurance Commissioner*