



Circular Letter (CL) No.	2026-05
Date	09 March 2026
Supplements	CL Nos. 2021-65 and 2023-09

CIRCULAR LETTER

TO : ALL COMPANIES ENGAGED IN HEALTH MAINTENANCE ORGANIZATION (HMO) BROKER BUSINESS, AND ACCREDITED EXTERNAL AUDITORS

SUBJECT : SUPPLEMENTAL GUIDELINES ON FINANCIAL STATEMENT DISCLOSURE REQUIREMENTS FOR HMO BROKER BUSINESS

WHEREAS, the Insurance Commission (IC) issued Circular Letter (CL) No. 2021-65¹ providing the rules and procedures for on-site examination and off-site verification of insurance and reinsurance broker companies, as amended by CL No. 2023-09;²

WHEREAS, the IC issued CL No. 2023-02³ prescribing the licensing, capitalization, and net worth requirements for applicants and/or existing broker companies engaged in, or intending to engage in, HMO broker business;

WHEREAS, the forms and disclosure requirements in the Notes to the Audited Financial Statements (AFS) for insurance and reinsurance broker companies under CL Nos. 2021-65 and 2023-09 are likewise deemed applicable to HMO broker companies;

WHEREAS, to enhance transparency and promote sound financial reporting, the IC finds it necessary to require the disclosure of compliance with the net worth requirement for HMO broker business in the Notes to the AFS under CL Nos. 2021-65 and 2023-09;

NOW, THEREFORE, in view of the foregoing and pursuant to the powers vested in the Insurance Commissioner under Section 437 of the Amended Insurance Code, the following rules and regulations are hereby promulgated:

¹ Entitled, "Revised On-Site Examination/Off-Site Verification Rules and Procedures for all Insurance and/or Reinsurance Brokers Authorized to do Business in the Philippines and IC-accredited External Auditors."

² Entitled, "Amendment to Annex A of CL No. 2021-65."

³ Entitled, "Amended Guidelines on the Licensing Requirements of Brokers Engaged in Health Maintenance Organization (HMO) Business."



SECTION 1. APPLICABILITY

This CL shall apply to all companies engaged in, or intending to engage in, business as HMO broker companies.

SECTION 2. DISCLOSURE ON NET WORTH REQUIREMENT COMPLIANCE

Section 3.1(a) of CL No. 2021-65 is hereby amended to incorporate the net worth requirements applicable to HMO broker companies, as prescribed under Section 3 of CL No. 2023-02, as follows:

Type of Business Done	Minimum Net Worth Requirement
Insurance or Reinsurance Broker <i>(license issued before 19 October 2018)</i>	₱10 million
Insurance or Reinsurance Broker <i>(license issued after 19 October 2018)</i>	₱20 million
Insurance and Reinsurance Broker <i>(license issued before 19 October 2018)</i>	₱25 million
Insurance and Reinsurance Broker <i>(license issued after 19 October 2018)</i>	₱50 million
HMO broker	₱15 million
HMO broker and insurance OR reinsurance broker	₱25 million
HMO broker and insurance AND reinsurance broker	₱35 million

For emphasis, the foregoing net worth requirements for HMO broker business shall apply to both existing and new entrants, as defined under CL No. 2023-02.

Broker companies engaged in, or with pending applications for, an HMO broker's license shall disclose such fact in the Notes to the AFS. The applicable net worth requirement set forth above shall be the basis for determining compliance in the conduct of on-site examination and off-site verification.

SECTION 3. REPORTING AND DISCLOSURE REQUIREMENTS

The rules and procedures on the determination of net worth and fiduciary ratio, as well as the conduct of on-site examination and off-site verification, including the required schedules and disclosures in the Notes to the AFS, as provided under CL Nos. 2021-65 and 2023-09, and as supplemented herein for HMO broker business, shall continue to apply.

SECTION 4. EFFECTIVITY CLAUSE

This Circular shall take effect immediately.



REYNALDO A. REGALADO
Insurance Commissioner

