

[CIRCULAR LETTER NO. 218-35, June 26, 2018]

AMENDMENT TO THE PROVISIONS OF CIRCULAR LETTER (CL) NO. 2017-19 ON THE GUIDELINES ON THE APPROVAL OF HMO PRODUCTS AND FORMS AFFECTING LONG-TERM HMO PRODUCTS AND CORRESPONDING PROHIBITION ON THE SALE THEREOF

Adopted: 22 June 2018

Date Filed: 26 June 2018

WHEREAS, HMOs were given one (1) year from the effectivity of Circular Letter No. 2017-19 dated 31 March 2017, or until 31 March 2018, to amend their existing HMO products and corresponding Agreements and contract forms and submit the same to this Commission for approval; otherwise, the same can no longer be sold after the expiry of said period.

WHEREAS, this period was extended from 31 March 2018 until 30 April 2018 and 30 June 2018 pursuant to Circular Letter No. 2018-20 dated 27 March 2018 “[in] consideration of the request of the associations of HMOs and to give the Commission more time to evaluate and approve HMO products and corresponding Agreements and contract forms without disadvantaging HMOs x x x”;

WHEREAS, in the meantime, certain issues as regards long-term HMO products have emerged and were brought to the attention of this Commission;

WHEREAS, in order to address these issues, this Commission constituted a Long-Term HMO Product Guidelines Formulation Committee that is tasked to determine the legal and financial viability of long-term HMO products; and if found viable, to craft a circular letter on guidelines that HMOs selling long-term products will need to observe;

WHEREAS, pending results of the extensive study being conducted by the Long-Term HMO Product Guidelines Formulation Committee and the eventual intended issuance of the circular letter mentioned in the immediately preceding paragraph, this Commission finds that there is a need to suspend the 30 April 2018 deadline, but only insofar as the submission of the amended Agreements and contract forms of long-term HMO products is concerned;

NOW THEREFORE, pursuant to the power granted to the Insurance Commissioner to “*issue rules and guidelines, with respect to x x x registration of contracts and plan s x x x*” under Section 4 (a) of Executive Order No. 192, s. 2015 dated 12 November 2015, the undersigned hereby issues the following guidelines, viz:

1. **Suspension of Deadlines.** - To afford time for the Long-Term HMO Product Guidelines Formulation Committee constituted by this