

## MEMORANDUM OF AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

**PHILIPPINE HEALTH INSURANCE CORPORATION**, a Government Owned and Controlled Corporation duly organized and existing by virtue of Republic Act No. 7875 otherwise known as the National Health Insurance Act of 1995, with principal office address at No. 709, City State Center Bldg., Shaw Blvd., Pasig City, duly represented herein by its President and Chief Executive Officer, **ALEXANDER A. PADILLA**, hereinafter referred to as "**PHILHEALTH**",

and

**LAND BANK OF THE PHILIPPINES**, a government financial institution duly created and existing under and by virtue of R.A. No. 3844, as amended with principal office at the Land Bank Plaza 1598 M.H. Del Pilar Street, Malate, Manila, Philippines, represented herein by its President and Chief Executive Officer, **GILDA E. PICO**, hereinafter referred to as "**LANDBANK**";

### WITNESSETH: That

**WHEREAS**, in order to provide a more efficient and convenient payment channel to **PHILHEALTH**'s registered employers, **PHILHEALTH** has decided to adopt and implement an electronic and web-based collection platform herein referred to as "**PHILHEALTH Electronic Premium Reporting System (EPRS)**";

**WHEREAS**, **LANDBANK** has agreed to provide and interface the "**LANDBANK Electronic Collection Facility**" with the **EPRS** in order for **PHILHEALTH** to accept payments from registered employers online using their **LANDBANK** accounts and **LANDBANK** shall likewise provide reports necessary for **PHILHEALTH** to efficiently monitor payments made under the system;

**NOW THEREFORE**, for and in consideration of foregoing premises and the mutual covenants and conditions hereinafter set forth, the parties hereto have agreed, as they hereby agree, as follows:

### ARTICLE I OBJECTIVE

This Agreement has been entered into by the Parties with the primary purpose and objective of providing **PHILHEALTH** registered employers an electronic online payment and collection facility.

The Parties shall provide a web-based solution for internet originated payments and collections supported by all necessary facilities for the

effective and efficient management and handling of the collection of **PHILHEALTH** contributions due from registered employers.

## **ARTICLE II COMMITMENTS AND UNDERTAKINGS**

In order to attain the objectives of this Agreement, each Party hereby commits itself as follows:

**PHILHEALTH** shall:

1. Inform its registered employers that they may open a Current/Savings Account with no Average Daily Balance (ADB) requirement with **LANDBANK** where its remittances for **PHILHEALTH** shall be debited;
2. Inform all its registered employers that they may utilize the **EPRS** and **LANDBANK Electronic Collection Facility** for the remittance of contributions due to **PHILHEALTH**;
3. Provide **LANDBANK** with all the necessary data and information, as well as other pertinent technical requirements, specifications, procedures and facilities for the interface of the **LANDBANK Electronic Collection Facility**;
4. Open and maintain a Non-Interest Bearing Current Account with no ADB requirement with **LANDBANK** in order to implement the objectives of this Agreement;
5. Allow **LANDBANK** to put on hold for a period of fifteen (15) days on the daily collections remitted to the Non-Interest Bearing Current Account of **PHILHEALTH**; and
6. Accept and post all transactions and/or payments sent by **LANDBANK** in accordance with the terms and conditions set herein.

**LANDBANK** shall:

1. Handle the opening of Current/Savings Accounts with no Average Daily Balance (ADB) requirement for **PHILHEALTH** registered employers where remittances for **PHILHEALTH** shall be debited;
2. Interface the **LANDBANK Electronic Collection Facility** with **PHILHEALTH**'s system which shall allow **PHILHEALTH** to accept remittances of contributions from registered employers electronically;
3. Secure all the necessary approvals, permits, and clearances for the implementation of the project;
4. Accept, for and in behalf of **PHILHEALTH**, remittances of membership contributions from registered employers;
5. Provide **PHILHEALTH** an online viewing facility for proper monitoring of fund balances and collections;

6. Submit the Collection RF2 Files containing all the details of the remittances received by **LANDBANK** on behalf of **PHILHEALTH** to **PHILHEALTH** via Secure File Transfer Protocol (SFTP) or any other secured means on or before the agreed time of the following day;
7. Implement a hold period of fifteen (15) calendar days on the daily collections remitted to the Non-Interest Bearing Current Account of **PHILHEALTH**; and
8. Make funds withdrawable from the **PHILHEALTH** Non-Interest Bearing Current Account on the 16<sup>th</sup> day from the date of collection. Should this fall on a non-banking day, the funds shall be withdrawable on the next banking day.

### **ARTICLE III IMPLEMENTATING GUIDELINES**

1. **LANDBANK**, in accepting the remittances on behalf of **PHILHEALTH**, does not in any way guarantee that the amount remitted by the registered employer is the correct amount due or the correct payment for the state period or the employees covered therein, it being understood that by virtue of the foregoing collection arrangement, **LANDBANK** shall not be required to verify with **PHILHEALTH** the correctness of the amount paid. **LANDBANK** shall, however, ensure that the amount paid corresponds to the figures reflected in the system-generated acknowledgement receipt which is displayed in each successful transaction.
2. **LANDBANK** agrees to provide **PHILHEALTH** an electronic facility for downloading of Collection Files containing all the details of the remittances received by **LANDBANK** on behalf of **PHILHEALTH** and other electronic files that may be required by **PHILHEALTH**.
3. Subject to regular security procedures, **PHILHEALTH** reserves the right and **LANDBANK**, upon prior written notice by **PHILHEALTH**, agreed to allow **PHILHEALTH** to examine the Current/Savings Account arising from and by virtue of this Agreement during reasonable business hours of any banking day as **PHILHEALTH** may deem necessary, provided that the registered employer concerned has expressly given its consent to the disclosure of deposit information to **PHILHEALTH** or waived its right under applicable bank secrecy law. It is understood that such examination by **PHILHEALTH** shall strictly be limited only to the records pertaining to **PHILHEALTH** and such other miscellaneous payments for the account of **PHILHEALTH**.

Pursuant thereto, **PHILHEALTH** agrees to keep the confidentiality of any and all customer information and data obtained in connection with or relating to such examination. It shall likewise be the responsibility of **PHILHEALTH** to ensure that the employees or representatives who are recipients of the Confidential Information covenant on similar terms to keep such information strictly confidential.

4. **LANDBANK** shall undertake, in proper coordination with **PHILHEALTH**, an information dissemination campaign regarding arrangements embodied in this Agreement.

#### **ARTICLE IV EFFECTIVITY**

The Agreement shall be effective as of the date of the full compliance of the terms and conditions herein set forth and shall be enforceable until terminated by either Party upon sixty (60) days prior written notice served to the other party. Upon such termination, **LANDBANK** shall remit to **PHILHEALTH** all collections due to the latter, if any, and the relevant reports, records and documents required, pursuant to this Agreement.

#### **ARTICLE V COMPLAINTS**

1. Except for **LANDBANK**'s failure to credit the Current Account for any payments received pursuant to and under the Agreement, **PHILHEALTH** shall be responsible for handling and/or settlement of registered employer's complaints. For this purpose, all registered employers who have complaints against **PHILHEALTH** shall be referred/directed by **LANDBANK** to **PHILHEALTH**.
2. Any questions/complaints of **PHILHEALTH** with regard to this Agreement shall be handled by the **LANDBANK** Pasig Capitol Branch.

#### **ARTICLE VI CONFIDENTIALITY**

Both parties shall treat all customer, process, internet payment design, data and information as strictly confidential and shall not disclose any such data or information to any third Party without prior written consent of the other Party, except to the extent that such data or information is already in the public domain or is acquired from a third Party who is not in breach of any confidentiality undertaking or obligation with respect to the same, or where such disclosure is required by law, valid judicial order or process.

#### **ARTICLE VII MISCELLANEOUS PROVISIONS**

1. This Agreement shall be subject to a periodic review every after six (6) months and may be modified, amended or rescinded at any time for the mutual benefit and upon mutual agreement in writing of the Parties hereto.
2. It is understood and agreed that no employer-employee relationship shall exist or arise between **PHILHEALTH** and the **LANDBANK** representative/s and other workers who may be contracted by the latter to carry out the services of **LANDBANK** under this Agreement. **LANDBANK** shall hold **PHILHEALTH** free and harmless from any claims and causes of action relating to the employment status of the **LANDBANK**'s representatives and workers who shall remain accountable solely to **LANDBANK** in the performance of their duties.

3. The failure of the Parties to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right or remedy a Party may have, nor shall it be construed as a waiver of any subsequent breach or default or the terms, conditions and covenants herein contained, which shall be in full force and effect. No waiver by either Party shall be deemed to have been made unless expressed in writing and signed by a duly authorized representative thereof.
4. If any of the provisions of this Agreement be declared invalid or illegal, such invalidity or illegality shall not in any way affect the remaining provisions hereof or any vested right which may have already accrued in favor of the Parties.
5. During the period when collections and payments made in accordance with this Agreement are not yet credited to the **PHILHEALTH** Non-Interest Bearing Account, risk of loss of the amounts collected electronically shall be the sole responsibility of **LANDBANK**, without prejudice to the **LANDBANK**'s right to avail of its legal remedies against the person responsible for the loss.
6. **LANDBANK** shall be relieved from the performance of its obligations and the payment of penalties under this Agreement in the event of force majeure.
7. This Agreement and the documents referred to herein or executed contemporaneously herewith constitute the entire Agreement of the Parties with respect to the subject matter hereof and shall supersede any prior expressions of intent or understanding with respect to this transaction.
8. Neither Party may assign or delegate its rights, duties or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, a Party may assign this Agreement to an affiliate, subsidiary or any entity owned or controlled by the assigning Party, or pursuant to the merger, consolidation or corporate reorganization upon notice to **LANDBANK**.
9. **PHILHEALTH** at its own expense, agrees to indemnify and hold **LANDBANK**, its directors, officers and employees, free and harmless from any and all losses, damages or liabilities, of whatever kind and nature, including Attorney's fees, which **LANDBANK** may suffer in connection with this Agreement for causes attributable to the fault or negligence of **PHILHEALTH** and/or its employees. Likewise, **LANDBANK**, at its own expense, shall indemnify and hold **PHILHEALTH**, its directors, officers and employees free and harmless with respect to losses, damages or liabilities, including Attorney's fees, to the extent based upon (i) personal injury or property damage caused by the fault or negligence of **LANDBANK** or its employees, or (ii) any breach or wilful, intentional or negligent actions or failures by **LANDBANK** or its employees.
10. This Agreement shall be governed and construed in accordance with the laws of the Philippines.

- 11. Any legal action arising under or by virtue of this Agreement shall be brought only and exclusively in the proper courts of Pasig City to the exclusion of all other courts.
- 12. The waiver or failure of a Party to exercise any right provided for herein shall not be deemed a waiver of any further right hereunder. The rights and remedies of a Party set forth in this Agreement are in addition to any rights or remedies the **PHILHEALTH** may otherwise have at law or in equity.
- 13. All provisions hereof relating to proprietary rights, confidentiality and non-disclosure and indemnification shall survive the completion of the collection services or any earlier termination of this Agreement.
- 14. In case of unresolved conflicts in the interpretation and implementation of this Agreement, the Parties agree to submit such dispute/s to arbitration in accordance with Philippine arbitration laws, rules and regulations.

**IN WITNESS WHEREOF**, the parties through their respective authorized representative have hereinto signed in this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2015 at \_\_\_\_\_, Philippines.

**PHILIPPINE HEALTH  
INSURANCE CORPORATION**

**LAND BANK OF THE  
PHILIPPINES**

By:

By:

**ALEXANDER A. PADILLA**  
President and CEO

**GILDA E. PICO**  
President and CEO

**SIGNED IN THE PRESENCE OF**

**NAME OF WITNESS**  
Position

**JOCELYN dG. CABREZA**  
EVP, Branch Banking Sector

**ACKNOWLEDGMENT**

**REPUBLIC OF THE PHILIPPINES)**

\_\_\_\_\_)

At the above stated place, on the \_\_\_\_\_ day of \_\_\_\_\_ 2015,  
before me personally appeared:

**NAME**

**GOVERNMENT-ISSUED  
IDENTIFICATION.NO.**

**EXPIRY**

**ALEXANDER A. PADILLA**

**GILDA E. PICO**

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed as well as the entities they respectively represent.

This instrument consists of \_\_\_\_ pages, including this page whereon this Acknowledgement is written and signed by the parties and their witnesses on each and every page thereof.

WITNESS MY HAND SEAL this\_\_\_\_day of\_\_\_\_\_, 2015 at \_\_\_\_\_.

Notary Public

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