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Section II: Independent Service Auditor's Type 2 Assurance Report

To: Board of Directors of Insular Health Care, Inc.

Scope

We have been engaged to report on *Description of Insular Health Care Inc.'s Comprehensive HMO Healthcare Services throughout the period 1 January 2021 to 31 December 2021* (Description) in accordance with the criteria for a description of a service organization's system set forth in the Description Criteria DC section 200 2018 Description Criteria for a Description of a Service Organization's System in a SOC 2 Report (Description Criteria) and the suitability of the design and operating effectiveness of controls included in the Description throughout the period 1 January 2021 to 31 December 2021 to provide reasonable assurance that the service commitments and system requirements were achieved based on the trust services criteria for **security, availability, processing integrity, confidentiality, and privacy** set forth in TSP section 100, 2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (applicable trust services criteria).

The Description also indicates that Insular Health Care, Inc.'s controls can provide reasonable assurance that certain service commitments and system requirements can be achieved only if complementary user entity controls assumed in the design of Insular Health Care, Inc.'s controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Insular Health Care Inc.'s responsibilities

Insular Health Care, Inc. is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that the service commitments and system requirements were achieved. Insular Health Care, Inc. has provided the accompanying assertion titled, *Assertion of Insular Health Care Inc. Management Assertion* (Assertion) about the presentation of the Description based on the Description Criteria and suitability of the design and operating effectiveness of the controls described therein to provide reasonable assurance that the service commitments and system requirements would be achieved based on the applicable trust services criteria. Insular Health Care, Inc. is responsible for (1) preparing the Description and Assertion; (2) the completeness, accuracy, and method of presentation of the Description and Assertion; (3) providing the services covered by



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the Description; (4) identifying the risks that would threaten the achievement of the service organization's service commitments and system requirements; and (5) designing, implementing, and documenting controls that are suitably designed and operating effectively to meet the applicable trust services criteria stated in the Description.

Our responsibilities

Our responsibility is to express an opinion on the presentation of the Description and on the suitability of the design and operating effectiveness of the controls described therein to meet the applicable trust services criteria, based on our procedures.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, (1) the Description is presented in accordance with the Description Criteria, and (2) the controls described therein are suitably designed and operating effectively to provide reasonable assurance that the service organization's service commitments and system requirements would be achieved based on the applicable trust services criteria. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves:

- ▶ obtaining an understanding of the system and the service organization's service commitments and system requirements
- ▶ performing procedures to obtain evidence about whether the description is presented in accordance with the Description Criteria
- ▶ performing procedures to obtain evidence about whether controls stated in the description were suitably designed to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria.
- ▶ assessing the risks that the Description is not presented in accordance with the Description Criteria and that the controls were not suitably designed or operating effectively to meet the applicable trust services criteria.
- ▶ testing the operating effectiveness of those controls to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria.
- ▶ evaluating the overall presentation of the Description.

Our examination also included performing such other procedures as we considered necessary in the circumstances.



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Inherent limitations

The Description is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the system that each individual user may consider important to its own particular needs. Because of their nature, controls at a service organization may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements are achieved based on the applicable trust services criteria. Also, the projection to the future of any evaluation of the presentation of the Description, or conclusions about the suitability of the design or operating effectiveness of the controls to meet the applicable trust services criteria, is subject to the risk that the system may change or that controls at a service organization may become ineffective.

Description of tests of controls

The specific controls we tested, and the nature, timing, and results of those tests are listed in the accompanying *Description of Trust Criteria, Controls, Tests and Results of Tests* (Description of Tests and Results).

Opinion

In our opinion, in all material respects:

- a. the Description presents Insular Health Care, Inc.'s Comprehensive HMO Healthcare Services that were designed and implemented throughout the period 1 January 2021 to 31 December 2021 in accordance with the Description Criteria.
- b. the controls stated in the Description were suitably designed to provide reasonable assurance that the service commitments and system requirements would be achieved based on the applicable trust services criteria if the controls operated effectively and user entities applied the controls assumed in the design of Insular Health Care, Inc.'s controls throughout the period 1 January 2021 to 31 December 2021.
- c. the controls stated in the description operated effectively to provide reasonable assurance that the service commitments and system requirements were achieved based on the applicable trust services criteria throughout the period 1 January 2021 to 31 December 2021, if the user entity controls assumed in the design of Insular Health Care, Inc.'s controls operated effectively throughout the period 1 January 2021 to 31 December 2021.

Restricted use

This report, including the description of tests of controls and results thereof in the Description of Tests and Results, is intended solely for the information and use of Insular Health Care, Inc., user entities of Insular Health Care, Inc.'s Comprehensive



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HMO Healthcare Services during some or all of the period 1 January 2021 to 31 December 2021 and prospective user entities, independent auditors and practitioners providing services to such user entities who have sufficient knowledge and understanding of the following:

- ▶ The nature of the service provided by the service organization
- ▶ How the service organization's system interacts with user entities, subservice organizations, or other parties, including complementary user entity controls assumed in the design of the service organization's controls
- ▶ Internal control and its limitations
- ▶ User entity responsibilities and how they interact with related controls at the service organization
- ▶ The applicable trust services criteria
- ▶ The risks that may threaten the achievement of the service organization's service commitments and system requirements and how controls address those risks

This report is not intended to be, and should not be, used by anyone other than these specified parties.

SyCip Gorres Velayo & Co.
SyCip Gorres Velayo & Co.
March 24, 2022
Ayala Avenue, Makati City, Philippines