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CIRCULAR LETTER

**TO : ALL INSURANCE/REINSURANCE COMPANIES AND
MUTUAL BENEFIT ASSOCIATIONS AUTHORIZED TO
TRANSACTION BUSINESS IN THE PHILIPPINES**

SUBJECT : INVESTMENTS IN MUTUAL FUNDS

In accordance with Section 196 (10) of the Insurance Code of 1978, as amended, mutual funds may be allowed as additional investment outlet for insurance/reinsurance companies and mutual benefit associations, provided that:

- The mutual funds had the prior approval by the Securities and Exchange Commission.
- The investments in mutual funds shall be limited to fixed income funds only.
- The maximum exposure in the aggregate to fixed income mutual funds shall not exceed 10% of total admitted assets in the case of a life company and 20% of net worth in the case of a non-life company as shown in its latest synopsis.
- This shall be considered surplus investment.

Please be guided accordingly.


EMMANUEL F. DOOC
Insurance Commissioner