



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Circular Letter (CL) No.:	2016 - 38
Date:	15 July 2016
Supplements:	CL No. 2015-32

CIRCULAR LETTER

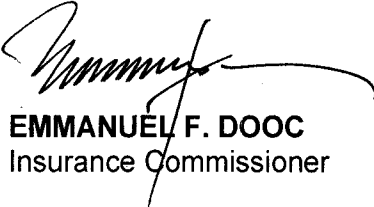
TO : ALL NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : DISCOUNT RATES FOR NON-LIFE INSURANCE POLICY RESERVES AS OF 30 JUNE 2016

Pursuant to Item 10 of IC Circular Letter No. 2015-32 entitled *Valuation Standards for Non-Life Insurance Policy Reserves*, attached hereto are the schedules of **Peso and Dollar Spot and Forward rates as of 30 June 2016** which will be used in discounting the cash flows in the calculation of policy reserves as of 30 June 2016.

The Peso spot and forward rates derived from the PDST-R2 rates and the Dollar spot and forward rates derived from the International Yield Curve from Bloomberg, shall be used for Peso-denominated and US Dollar-denominated policies, respectively. The Peso and Dollar spot and forward rates to be used for discounting cash flows with duration of more than 20 years were determined using the 2-year moving-average of the 20-year government bond yield rate.

Please be guided accordingly.


EMMANUEL F. DOOC
Insurance Commissioner

Annex A

Peso Spot and Forward Rates as of 30 June 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	2.1788%	2.1788%	51	5.4043%	5.0676%
2	2.4046%	2.6309%	52	5.3978%	5.0676%
3	3.1135%	4.5460%	53	5.3916%	5.0676%
4	3.3662%	4.1281%	54	5.3856%	5.0676%
5	2.9182%	1.1452%	55	5.3798%	5.0676%
6	2.9295%	2.9862%	56	5.3742%	5.0676%
7	2.9408%	3.0085%	57	5.3688%	5.0676%
8	3.4369%	6.9778%	58	5.3636%	5.0676%
9	3.9555%	8.1983%	59	5.3586%	5.0676%
10	4.5020%	9.5518%	60	5.3537%	5.0676%
11	4.4834%	4.2972%	61	5.3490%	5.0676%
12	4.4684%	4.3034%	62	5.3445%	5.0676%
13	4.4562%	4.3098%	63	5.3401%	5.0676%
14	4.4462%	4.3164%	64	5.3358%	5.0676%
15	4.4380%	4.3231%	65	5.3317%	5.0676%
16	4.4312%	4.3301%	66	5.3277%	5.0676%
17	4.4257%	4.3372%	67	5.3238%	5.0676%
18	4.4212%	4.3446%	68	5.3200%	5.0676%
19	4.4175%	4.3522%	69	5.3164%	5.0676%
20	4.4147%	4.3600%	70	5.3128%	5.0676%
21	5.8872%	40.1151%	71	5.3094%	5.0676%
22	5.8498%	5.0676%	72	5.3060%	5.0676%
23	5.8157%	5.0676%	73	5.3027%	5.0676%
24	5.7844%	5.0676%	74	5.2995%	5.0676%
25	5.7557%	5.0676%	75	5.2965%	5.0676%
26	5.7291%	5.0676%	76	5.2934%	5.0676%
27	5.7045%	5.0676%	77	5.2905%	5.0676%
28	5.6817%	5.0676%	78	5.2876%	5.0676%
29	5.6605%	5.0676%	79	5.2849%	5.0676%
30	5.6407%	5.0676%	80	5.2821%	5.0676%
31	5.6221%	5.0676%	81	5.2795%	5.0676%
32	5.6048%	5.0676%	82	5.2769%	5.0676%
33	5.5884%	5.0676%	83	5.2744%	5.0676%
34	5.5731%	5.0676%	84	5.2719%	5.0676%
35	5.5586%	5.0676%	85	5.2695%	5.0676%
36	5.5449%	5.0676%	86	5.2672%	5.0676%
37	5.5320%	5.0676%	87	5.2649%	5.0676%
38	5.5198%	5.0676%	88	5.2626%	5.0676%
39	5.5081%	5.0676%	89	5.2604%	5.0676%
40	5.4971%	5.0676%	90	5.2583%	5.0676%
41	5.4866%	5.0676%	91	5.2562%	5.0676%
42	5.4766%	5.0676%	92	5.2541%	5.0676%
43	5.4671%	5.0676%	93	5.2521%	5.0676%
44	5.4580%	5.0676%	94	5.2502%	5.0676%
45	5.4493%	5.0676%	95	5.2482%	5.0676%
46	5.4410%	5.0676%	96	5.2463%	5.0676%
47	5.4330%	5.0676%	97	5.2445%	5.0676%
48	5.4254%	5.0676%	98	5.2427%	5.0676%
49	5.4181%	5.0676%	99	5.2409%	5.0676%
50	5.4111%	5.0676%	100	5.2392%	5.0676%

Annex B

Dollar Spot and Forward Rates as of 30 June 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	1.5298%	1.5298%	51	4.0468%	3.8349%
2	1.6192%	1.7087%	52	4.0427%	3.8349%
3	1.7339%	1.9637%	53	4.0388%	3.8349%
4	1.8683%	2.2726%	54	4.0350%	3.8349%
5	2.0295%	2.6768%	55	4.0313%	3.8349%
6	2.1809%	2.9414%	56	4.0278%	3.8349%
7	2.3346%	3.2613%	57	4.0244%	3.8349%
8	2.4683%	3.4095%	58	4.0212%	3.8349%
9	2.5941%	3.6062%	59	4.0180%	3.8349%
10	2.7259%	3.9190%	60	4.0150%	3.8349%
11	2.8418%	4.0083%	61	4.0120%	3.8349%
12	2.9603%	4.2724%	62	4.0091%	3.8349%
13	3.0815%	4.5477%	63	4.0064%	3.8349%
14	3.2058%	4.8358%	64	4.0037%	3.8349%
15	3.3336%	5.1387%	65	4.0011%	3.8349%
16	3.3213%	3.1370%	66	3.9986%	3.8349%
17	3.3101%	3.1316%	67	3.9961%	3.8349%
18	3.2999%	3.1260%	68	3.9938%	3.8349%
19	3.2904%	3.1204%	69	3.9914%	3.8349%
20	3.2816%	3.1146%	70	3.9892%	3.8349%
21	4.3502%	28.2034%	71	3.9870%	3.8349%
22	4.3267%	3.8349%	72	3.9849%	3.8349%
23	4.3053%	3.8349%	73	3.9829%	3.8349%
24	4.2857%	3.8349%	74	3.9809%	3.8349%
25	4.2676%	3.8349%	75	3.9789%	3.8349%
26	4.2509%	3.8349%	76	3.9770%	3.8349%
27	4.2355%	3.8349%	77	3.9752%	3.8349%
28	4.2211%	3.8349%	78	3.9734%	3.8349%
29	4.2078%	3.8349%	79	3.9716%	3.8349%
30	4.1954%	3.8349%	80	3.9699%	3.8349%
31	4.1837%	3.8349%	81	3.9682%	3.8349%
32	4.1728%	3.8349%	82	3.9666%	3.8349%
33	4.1625%	3.8349%	83	3.9650%	3.8349%
34	4.1529%	3.8349%	84	3.9635%	3.8349%
35	4.1438%	3.8349%	85	3.9620%	3.8349%
36	4.1352%	3.8349%	86	3.9605%	3.8349%
37	4.1271%	3.8349%	87	3.9590%	3.8349%
38	4.1194%	3.8349%	88	3.9576%	3.8349%
39	4.1121%	3.8349%	89	3.9562%	3.8349%
40	4.1051%	3.8349%	90	3.9549%	3.8349%
41	4.0985%	3.8349%	91	3.9536%	3.8349%
42	4.0922%	3.8349%	92	3.9523%	3.8349%
43	4.0862%	3.8349%	93	3.9510%	3.8349%
44	4.0805%	3.8349%	94	3.9498%	3.8349%
45	4.0751%	3.8349%	95	3.9486%	3.8349%
46	4.0698%	3.8349%	96	3.9474%	3.8349%
47	4.0648%	3.8349%	97	3.9462%	3.8349%
48	4.0600%	3.8349%	98	3.9451%	3.8349%
49	4.0554%	3.8349%	99	3.9440%	3.8349%
50	4.0510%	3.8349%	100	3.9429%	3.8349%