



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



Circular Letter (CL) No.:	2017 - 02
Date:	12 January 2017
Supplements:	CL No. 2016-67

### 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 31 DECEMBER 2016**

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Pursuant to Item 10 of IC Circular Letter No. 2016-67 entitled *Valuation Standards for Non-Life Insurance Policy Reserves*, attached hereto are the schedules of **Peso and Dollar Spot and Forward rates as of 29 December 2016** which will be used in discounting the cash flows in the calculation of policy reserves as of 31 December 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.

**DENNIS B. FUNA**  
Insurance Commissioner

Peso Spot and Forward Rates as of 29 December 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	2.4670%	2.4670%	51	4.9925%	5.0034%
2	3.9335%	5.4209%	52	4.9927%	5.0034%
3	3.5522%	2.7939%	53	4.9929%	5.0034%
4	3.9452%	5.1332%	54	4.9931%	5.0034%
5	4.9160%	8.8907%	55	4.9933%	5.0034%
6	4.9813%	5.3081%	56	4.9935%	5.0034%
7	5.0527%	5.4827%	57	4.9937%	5.0034%
8	4.9325%	4.0946%	58	4.9938%	5.0034%
9	4.8157%	3.8861%	59	4.9940%	5.0034%
10	4.7011%	3.6750%	60	4.9941%	5.0034%
11	4.7976%	5.7680%	61	4.9943%	5.0034%
12	4.8962%	5.9868%	62	4.9944%	5.0034%
13	4.9972%	6.2170%	63	4.9946%	5.0034%
14	5.1011%	6.4603%	64	4.9947%	5.0034%
15	5.2081%	6.7184%	65	4.9949%	5.0034%
16	5.3188%	6.9937%	66	4.9950%	5.0034%
17	5.4337%	7.2886%	67	4.9951%	5.0034%
18	5.5532%	7.6064%	68	4.9952%	5.0034%
19	5.6781%	7.9508%	69	4.9953%	5.0034%
20	5.8090%	8.3268%	70	4.9955%	5.0034%
21	4.9770%	-10.3558%	71	4.9956%	5.0034%
22	4.9782%	5.0034%	72	4.9957%	5.0034%
23	4.9793%	5.0034%	73	4.9958%	5.0034%
24	4.9803%	5.0034%	74	4.9959%	5.0034%
25	4.9812%	5.0034%	75	4.9960%	5.0034%
26	4.9820%	5.0034%	76	4.9961%	5.0034%
27	4.9828%	5.0034%	77	4.9962%	5.0034%
28	4.9836%	5.0034%	78	4.9963%	5.0034%
29	4.9842%	5.0034%	79	4.9964%	5.0034%
30	4.9849%	5.0034%	80	4.9965%	5.0034%
31	4.9855%	5.0034%	81	4.9965%	5.0034%
32	4.9860%	5.0034%	82	4.9966%	5.0034%
33	4.9866%	5.0034%	83	4.9967%	5.0034%
34	4.9871%	5.0034%	84	4.9968%	5.0034%
35	4.9875%	5.0034%	85	4.9969%	5.0034%
36	4.9880%	5.0034%	86	4.9969%	5.0034%
37	4.9884%	5.0034%	87	4.9970%	5.0034%
38	4.9888%	5.0034%	88	4.9971%	5.0034%
39	4.9892%	5.0034%	89	4.9972%	5.0034%
40	4.9895%	5.0034%	90	4.9972%	5.0034%
41	4.9899%	5.0034%	91	4.9973%	5.0034%
42	4.9902%	5.0034%	92	4.9974%	5.0034%
43	4.9905%	5.0034%	93	4.9974%	5.0034%
44	4.9908%	5.0034%	94	4.9975%	5.0034%
45	4.9911%	5.0034%	95	4.9976%	5.0034%
46	4.9913%	5.0034%	96	4.9976%	5.0034%
47	4.9916%	5.0034%	97	4.9977%	5.0034%
48	4.9918%	5.0034%	98	4.9977%	5.0034%
49	4.9921%	5.0034%	99	4.9978%	5.0034%
50	4.9923%	5.0034%	100	4.9978%	5.0034%

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**Annex B**

<b>Dollar Spot and Forward Rates as of 29 December 2016</b>					
<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>	<b>Tenor/Term (In years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>
1	1.2298%	1.2298%	51	3.6249%	3.6498%
2	1.5830%	1.9374%	52	3.6254%	3.6498%
3	2.0170%	2.8906%	53	3.6259%	3.6498%
4	2.3613%	3.4011%	54	3.6263%	3.6498%
5	2.6603%	3.8651%	55	3.6267%	3.6498%
6	2.8942%	4.0716%	56	3.6271%	3.6498%
7	3.1334%	4.5806%	57	3.6275%	3.6498%
8	3.3065%	4.5266%	58	3.6279%	3.6498%
9	3.4709%	4.7956%	59	3.6283%	3.6498%
10	3.6436%	5.2108%	60	3.6287%	3.6498%
11	3.7800%	5.1542%	61	3.6290%	3.6498%
12	3.9207%	5.4804%	62	3.6293%	3.6498%
13	4.0659%	5.8246%	63	3.6297%	3.6498%
14	4.2162%	6.1898%	64	3.6300%	3.6498%
15	4.3721%	6.5796%	65	3.6303%	3.6498%
16	4.3540%	4.0833%	66	3.6306%	3.6498%
17	4.3379%	4.0797%	67	3.6309%	3.6498%
18	4.3233%	4.0759%	68	3.6311%	3.6498%
19	4.3101%	4.0721%	69	3.6314%	3.6498%
20	4.2980%	4.0682%	70	3.6317%	3.6498%
21	3.5893%	-9.6147%	71	3.6319%	3.6498%
22	3.5921%	3.6498%	72	3.6322%	3.6498%
23	3.5946%	3.6498%	73	3.6324%	3.6498%
24	3.5969%	3.6498%	74	3.6327%	3.6498%
25	3.5990%	3.6498%	75	3.6329%	3.6498%
26	3.6010%	3.6498%	76	3.6331%	3.6498%
27	3.6028%	3.6498%	77	3.6333%	3.6498%
28	3.6045%	3.6498%	78	3.6335%	3.6498%
29	3.6060%	3.6498%	79	3.6337%	3.6498%
30	3.6075%	3.6498%	80	3.6339%	3.6498%
31	3.6088%	3.6498%	81	3.6341%	3.6498%
32	3.6101%	3.6498%	82	3.6343%	3.6498%
33	3.6113%	3.6498%	83	3.6345%	3.6498%
34	3.6125%	3.6498%	84	3.6347%	3.6498%
35	3.6135%	3.6498%	85	3.6349%	3.6498%
36	3.6145%	3.6498%	86	3.6351%	3.6498%
37	3.6155%	3.6498%	87	3.6352%	3.6498%
38	3.6164%	3.6498%	88	3.6354%	3.6498%
39	3.6173%	3.6498%	89	3.6356%	3.6498%
40	3.6181%	3.6498%	90	3.6357%	3.6498%
41	3.6188%	3.6498%	91	3.6359%	3.6498%
42	3.6196%	3.6498%	92	3.6360%	3.6498%
43	3.6203%	3.6498%	93	3.6362%	3.6498%
44	3.6210%	3.6498%	94	3.6363%	3.6498%
45	3.6216%	3.6498%	95	3.6365%	3.6498%
46	3.6222%	3.6498%	96	3.6366%	3.6498%
47	3.6228%	3.6498%	97	3.6367%	3.6498%
48	3.6234%	3.6498%	98	3.6369%	3.6498%
49	3.6239%	3.6498%	99	3.6370%	3.6498%
50	3.6244%	3.6498%	100	3.6371%	3.6498%

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