



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



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## CIRCULAR LETTER

**TO : ALL NON-LIFE INSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : INVESTMENT IN INCOME PRODUCING REAL PROPERTIES**

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For the purpose of further enhancing the Capital Build Up Program of insurance companies in view of the country's prevailing low interest rate environment, any non-life insurance company may acquire real property, other than property to be used primarily for the accommodation of its own business, as an investment for the production of income or may acquire real property to be improved or developed for such investment purpose.

This shall be considered as admitted asset pursuant to the provisions of Section 202 of the Insurance Code, as amended by R.A. No. 10607, stated as follows:

*"(b) Investments in securities, including money market instruments, and in real property acquired or held in accordance with and subject to the applicable provisions of this Code and the income realized therefrom or accrued thereon.*

*"(k) Other assets, not inconsistent with the provisions of paragraph (a) to (j) hereof, which are deemed by the Commissioner to be readily realizable and available for the payment of losses and claims at values to be determined by him in a circular, rule or regulation."*

subject to the following conditions:

### 1. Qualification:

Only those non-life insurance companies with a minimum networth of five hundred fifty million pesos (Php 550,000,000.00) and have complied with the liquidity requirements may invest in income producing real properties. A company should adopt a comprehensive liquidity risk management framework that requires maintaining sufficient liquidity to withstand a range of stress events. The said framework shall be duly approved by the Board of Directors.