CIRCULAR LETTER

TO : ALL INSURANCE COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : INTEREST INCOME DUE THE CONTRIBUTIONS TO THE SECURITY FUND LIFE AND NON-LIFE ACCOUNTS

I. The rates for the accrued interest income net of administrative expenses based on the approved COA-MBM-MOF Joint Circular No. 1-87 dated January 1, 1987 on the reassessed contributions to the Security Fund Accounts for the year 2007 are as follows:

   FOR LIFE INSURANCE COMPANIES  3.20999%
   FOR NON-LIFE INSURANCE COMPANIES  3.16598%

II. The aforesaid accrued interest income shall be reflected in your financial statements as of December 31, 2007.

EDUARDO T. MALINIS
Insurance Commissioner