



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



Circular Letter (CL) No.:	2018-28
Date:	11 April 2018
Supplements:	CL No. 2018-18

CIRCULAR LETTER

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

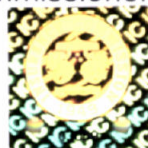
SUBJECT : DISCOUNT RATES FOR NON-LIFE INSURANCE POLICY RESERVES AS OF 31 MARCH 2018

Pursuant to Item 10 of IC Circular Letter No. 2018-18 entitled *Valuation Standards for Non-Life Insurance Policy Reserves*, attached hereto are the schedules of **Peso and Dollar Spot and Forward rates as of 28 March 2018 and 29 March 2018**, respectively, which will be used in discounting the cash flows in the calculation of policy reserves as of 31 March 2018.

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 28 March 2018					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	3.0986%	3.0986%	51	4.9894%	5.3433%
2	4.2281%	5.3699%	52	4.9962%	5.3433%
3	4.7024%	5.6575%	53	5.0027%	5.3433%
4	5.1469%	6.4916%	54	5.0090%	5.3433%
5	5.3905%	6.3706%	55	5.0151%	5.3433%
6	6.2901%	10.9048%	56	5.0209%	5.3433%
7	7.2520%	13.2091%	57	5.0266%	5.3433%
8	6.8599%	4.1551%	58	5.0320%	5.3433%
9	6.4876%	3.5550%	59	5.0373%	5.3433%
10	6.1296%	2.9616%	60	5.0424%	5.3433%
11	6.2925%	7.9353%	61	5.0473%	5.3433%
12	6.4608%	8.3297%	62	5.0521%	5.3433%
13	6.6357%	8.7564%	63	5.0567%	5.3433%
14	6.8183%	9.2216%	64	5.0611%	5.3433%
15	7.0102%	9.7331%	65	5.0655%	5.3433%
16	7.2130%	10.3011%	66	5.0697%	5.3433%
17	7.4286%	10.9387%	67	5.0738%	5.3433%
18	7.6596%	11.6633%	68	5.0777%	5.3433%
19	7.9090%	12.4985%	69	5.0816%	5.3433%
20	8.1808%	13.4769%	70	5.0853%	5.3433%
21	4.4858%	-47.8567%	71	5.0889%	5.3433%
22	4.5246%	5.3433%	72	5.0925%	5.3433%
23	4.5601%	5.3433%	73	5.0959%	5.3433%
24	4.5926%	5.3433%	74	5.0992%	5.3433%
25	4.6225%	5.3433%	75	5.1025%	5.3433%
26	4.6502%	5.3433%	76	5.1056%	5.3433%
27	4.6758%	5.3433%	77	5.1087%	5.3433%
28	4.6995%	5.3433%	78	5.1117%	5.3433%
29	4.7217%	5.3433%	79	5.1147%	5.3433%
30	4.7423%	5.3433%	80	5.1175%	5.3433%
31	4.7617%	5.3433%	81	5.1203%	5.3433%
32	4.7798%	5.3433%	82	5.1230%	5.3433%
33	4.7968%	5.3433%	83	5.1257%	5.3433%
34	4.8128%	5.3433%	84	5.1283%	5.3433%
35	4.8280%	5.3433%	85	5.1308%	5.3433%
36	4.8422%	5.3433%	86	5.1332%	5.3433%
37	4.8558%	5.3433%	87	5.1357%	5.3433%
38	4.8686%	5.3433%	88	5.1380%	5.3433%
39	4.8807%	5.3433%	89	5.1403%	5.3433%
40	4.8922%	5.3433%	90	5.1426%	5.3433%
41	4.9032%	5.3433%	91	5.1448%	5.3433%
42	4.9137%	5.3433%	92	5.1469%	5.3433%
43	4.9236%	5.3433%	93	5.1490%	5.3433%
44	4.9332%	5.3433%	94	5.1511%	5.3433%
45	4.9423%	5.3433%	95	5.1531%	5.3433%
46	4.9510%	5.3433%	96	5.1551%	5.3433%
47	4.9593%	5.3433%	97	5.1570%	5.3433%
48	4.9673%	5.3433%	98	5.1589%	5.3433%
49	4.9749%	5.3433%	99	5.1608%	5.3433%
50	4.9823%	5.3433%	100	5.1626%	5.3433%