



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



**ADVISORY NO. 6 - 2018**

**TO : ALL MUTUAL BENEFIT ASSOCIATIONS DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : IMPLEMENTATION OF THE NEW VALUATION STANDARDS FOR LIFE INSURANCE POLICY RESERVES**

**DATE : 17 APRIL 2018**

---

Circular Letter 2016-66 provides that the reserves for traditional life insurance policies shall be valued, where appropriate, using gross premium valuation to be implemented effective 01 January 2017.

In view, however, of the recent developments related to the implementation thereof by mutual benefit associations, there appears a pressing need to issue a new Financial Reporting Framework (FRF) for MBAs which should be implemented simultaneously with the new valuation standard to avoid asset-liability mismatch that can distort financial statements.

Hence, the said implementation date is meantime deferred until such time that this Commission issues a new FRF for MBAs.

  
**DENNIS B. FUNA**  
Insurance Commissioner

