



Circular Letter (CL) No.:	2022-48
Date:	14 October 2022
Amends:	C.L. No. 2021-27 C.L. No. 2022-34

CIRCULAR LETTER

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

SUBJECT : AMENDMENTS TO CIRCULAR LETTER NO. 2021-27 AND CIRCULAR LETTER NO. 2022-34

WHEREAS, this Commission issued Circular Letter No. 2021-27 (*Strict Implementation of Sustainable Catastrophe Insurance Premium Rates and Establishment of the Philippine Catastrophe Insurance Facility*) directing the non-life companies to appoint their authorized representatives to participate in the Philippine Catastrophe Insurance Facility Technical Working Group (PCIF-TWG) to ensure an inclusive and consultative process for the determination of risk-appropriate and sustainable catastrophe insurance rates and rating structure, which shall be adopted and implemented by all non-life companies for their new and renewal business;

WHEREAS, this Commission issued Circular Letter No. 2022-34 prescribing *Guidelines in the Adoption of the Revised Schedule of Minimum Catastrophe Rates*;

WHEREAS, upon the effectivity of Circular Letter No. 2022-34, non-life insurers were given time to advise their clients of the implementation of the revised schedule of minimum rates for earthquake and typhoon and flood risk covers;

WHEREAS, in the Philippine Insurers and Reinsurers Association, Inc.'s (PIRA) letter dated 11 August 2022, this Commission was apprised of and consequently recognized the need to adjust the notification systems and procedures of non-life insurers, as well as the annual budget limits of their respective clients;

NOW, THEREFORE, pursuant to the authority of the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, the following *Amendments to Circular Letter No. 2021-27 and Circular Letter No. 2022-34* are hereby adopted and promulgated:

Section 1. Item 2 of Circular Letter No. 2021-27 is hereby amended to read as follows:

*"2. All non-life insurance companies shall adopt and implement the new rates and rating structure and shall apply to all insurance policies which provide cover for catastrophe risks, with effective term beginning **01 January 2023**, **for** new and renewal business."*

Section 2. Section 4 of Circular Letter No. 2022-34 is hereby amended to read as follows:

"Section 4. Transitory Provisions

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*All policies with issue and inception dates earlier than **01 January 2023** shall use the flat catastrophe minimum rate of 0.10% for earthquake risks and 0.05% for typhoon and flood risks. **All policies with issue and/or inception dates from 01 January 2023 and onwards** shall already use the minimum rates prescribed in **Annex A** of this Circular Letter."*

Section 3. Except as amended and supplemented hereby, all other provisions of Circular Letter No. 2021-27 and Circular Letter No. 2022-34 shall remain effective. The unamended provisions of said Circular Letters and the amendments introduced herein shall be read and construed as a single issuance.

Section 4. This Circular Letter shall take effect immediately.



DENNIS B. FUNA
Insurance Commissioner

