



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



<b>Circular Letter (CL) No.:</b>	<b>2022-55</b>
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<b>Supersedes:</b>	<b>None</b>

## CIRCULAR LETTER

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

**SUBJECT : 2022 PHILIPPINE INTERCOMPANY MORTALITY STUDY**

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**WHEREAS**, the 2016 Philippine Intercompany Mortality (PICM) Study was undertaken by both the Insurance Commission (IC) and the Actuarial Society of the Philippines (ASP) to develop the 2017 PICM Table, an updated mortality table that is reflective of the life insurance industry's experience. Life insurance companies were required to participate in the said study per IC Circular Letter (CL) No. 2016-57.

**WHEREAS**, there is a need to further examine mortality trends over the recent years, in particular (a) the industry's experience compared to the 2017 PICM Table and (b) the impact of the COVID-19 pandemic to the mortality claims experience of the life insurance industry.

**WHEREAS**, the analysis of the mortality claims experience, as significantly affected by the pandemic, is imperative in analyzing its impact to pricing adequacy and the industry's financial stability.

**NOW, THEREFORE**, pursuant to the authority of the Insurance Commissioner under Section 437 of the Insurance Code, as amended by Republic Act No. 10607, all life insurance companies, with life insurance policies issued on or before **31 December**

2020, are hereby enjoined to participate in the 2022 PICM Study to be undertaken by the IC and the ASP.

## **Section 1. GUIDELINES TO THE CONDUCT OF THE 2022 PHILIPPINE INTERCOMPANY MORTALITY STUDY**

### **I. INTRODUCTION**

1. The 2022 PICM Study (Study) is a joint initiative between the IC, through its Actuarial Division, and the ASP, through its Life Insurance Committee (Committee). It aims to examine the industry's mortality experience compared to the 2017 PICM Table and the impact of COVID-19 to the experience. The Study will not result to an updated mortality table.
2. The mortality tool (Tool) used to gather and compile the data for the 2016 PICM will also be used for the 2022 study. To ensure data privacy and security, each company shall be provided with the tool to process their individual records. The processed data will be submitted to IC. IC will validate the data and use the same tool to consolidate all data submitted. IC will then provide the consolidated data to the Committee for its further study and preparation of reports and recommendations.
3. In order to quantify the impact of COVID-19 on the mortality, 2 sets of results are expected to be submitted for the study with 1) all deaths tagged as DEATH and 2) only COVID-19 deaths tagged as DEATH. Even as COVID-19 claims are recent and may not yet be fully reported, the experience from claims reported may already give an indication of the minimum impact of COVID-19 on industry mortality.
4. The data for the study will be submitted by each company using the same software used in the 2016 PICM Study which was previously launched through IC Circular Letter 2016-57. The said software will be made available to each participating company for free.
5. The IC will use the same tool to consolidate all submitted data. Only the consolidated data shall be forwarded to ASP for analysis and preparation of reports, including recommendations. All participating companies shall be provided with a copy of the experience study report.

### **II. OVERVIEW OF THE STUDY**

1. The Study will be conducted using policy count and will only cover direct, standard risk, individual business.
2. The Study will cover experience from policy anniversaries in 2014 up to policy anniversaries in 2021.
3. The Study aims to analyze the experience under various study parameters, such as age, gender, product type, distribution channel, and underwriting basis.