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| Circular Letter (CL) No.: | 2025-15 |
| Date: | 28 July 2025 |
| Amends: | Exhibits II and III, Annex A of IMC No. 11-2006 |

CIRCULAR LETTER

TO : ALL MUTUAL BENEFIT ASSOCIATIONS (MBAs) AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : AMENDMENTS TO INSURANCE MEMORANDUM CIRCULAR NO. 11-2006 ON THE ADOPTION OF RISK-BASED CAPITAL FRAMEWORK FOR THE PHILIPPINE MUTUAL BENEFIT ASSOCIATIONS (MBAs)

WHEREAS, the Commission issued Insurance Memorandum Circular No. 11-2006, which implemented the adoption of the Risk-Based Capital Framework for the Philippine Mutual Benefit Associations (MBAs);

WHEREAS, the Commission also issued Circular Letter No. 2022-24, introducing the new Financial Reporting Framework (FRF) for MBAs;

WHEREAS, in alignment with the adoption of the new FRF, it is necessary to amend the current RBC Framework for MBAs by incorporating new accounts and their corresponding RBC factors, to ensure consistency with the updated reporting standards;

NOW THEREFORE, pursuant to the authority granted under Sections 231 and 437 of the Amended Insurance Code, the following rules and regulations governing the amended RBC Framework for MBAs are hereby issued:

1. Amended Risk-Based Capital (RBC) Framework

MBAs shall implement the amended RBC Framework, which includes the following accounts and their respective RBC factors:

| Account | RBC Factor |
|---|------------|
| Unremitted Members' Contributions, Dues, and Fees | 8% |
| Unremitted Premiums | 8% |
| Due from Ceding Companies | |
| <i>Of best security</i> | 0% |

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| <i>Adequately secured</i> | 10% |
| <i>Others</i> | 30% |
| Funds Held By Ceding Companies | |
| <i>Of best security</i> | 0% |
| <i>Adequately secured</i> | 10% |
| <i>Others</i> | 30% |
| Amounts Recoverable from Reinsurers | |
| <i>Of best security</i> | 0% |
| <i>Adequately secured</i> | 10% |
| <i>Others</i> | 30% |
| Members Assessment Receivable | 8% |
| Mutual, Unit Investment Trust, Real Estate Investment Trusts and Other Funds | 20% |
| Accounts Receivable | 20% |
| Investment in Subsidiaries, Associates, and Joint Ventures | 20% |
| Right-of-Use Asset | 20% |
| Non-Current Assets Held for Sale | 20% |
| Derivative assets held for hedging (including any accrued income) | 20% |

The amended RBC template is attached as **Annex A**.

2. RBC Framework shall be subject to review at least once every three (3) years.

The Commission may issue such other guidelines as it deems necessary to enforce the provisions of this Circular.

3. Effectivity

This Circular shall take effect immediately. Except as amended and supplemented hereby, all other provisions of IMC No. 11-2006 shall remain effective.


REYNALDO A. REGALADO
Insurance Commissioner

