



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

CIRCULAR LETTER (CL) NO. :	2015 - 06
DATE :	11 February 2015

**CIRCULAR LETTER**

**TO : ALL ACCREDITED INSURANCE PROVIDERS OF COMPULSORY INSURANCE  
COVERAGE FOR MIGRANT WORKERS UNDER RA 10022**

**SUBJECT : NEW RESERVES COMPUTATION FOR THE COMPULSORY INSURANCE  
COVERAGE FOR MIGRANT WORKERS**

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The minimum reserves for the compulsory insurance coverage for migrant Workers under RA 10022 shall be computed based on the rate of **Thirty Dollars (\$30.00) and Sixty Five Dollars (\$65.00)** for the one year coverage of land-based and sea-based migrant workers, respectively or the Table of Premiums for fractional parts thereof as shown in Annex A. However, in case a provider decides to charge a rate higher than the said premium rates, the higher premium shall be the basis of the reserves computation. In all cases, the reserve shall be the higher of the amount determined in accordance with the minimum reserves computation prescribed in Annex B and the statutory reserves.

Non-compliance with this Circular shall be dealt with in accordance with the pertinent provisions of the amended Insurance Code (RA10607).

This Circular Letter supersedes the provisions of Circular Letter No. 10-2011 dated March 7, 2011 pertaining to reserve requirement and other Circulars inconsistent herewith.

The new reserves computation shall be applicable for compulsory insurance business covering migrant workers for financial statement starting calendar year 2014.

For strict compliance.

**EMMANUEL F. DOOC**  
Insurance Commissioner

**TABLE OF PREMIUMS FOR RESERVE COMPUTATION  
FOR COMPULSORY INSURANCE COVERAGE FOR AGENCY-HIRED MIGRANT WORKERS  
UNDER RA 10022**

Coverage Period	Premium (US\$)	
	Land-Based	Sea-Based
1 Month	2.83	6.13
2 Months	5.67	12.29
3 Months	8.50	18.42
4 Months	11.33	24.55
5 Months	14.17	30.70
6 Months	17.00	36.83
7 Months	17.50	37.92
8 Months	20.00	43.33
9 Months	22.50	48.75
10 Months	25.00	54.17
11 Months	27.50	59.58
1 Year	30.00	65.00
2 Years	60.00	130.00
n Years	30.00 (n)	65.00 (n)

*9 June 20*

**Procedures for the Computation  
of Reserves for OFW Compulsory Insurance Coverage**

Starting with the period ending **31 December 2014**, accredited insurance providers of the Compulsory Migrant Workers' Insurance under Republic Act 10022 shall compute the reserves as follows:

**FORMULATIONS FOR TOTAL RESERVES FOR THE COMBINED LIFE AND NON-LIFE PRODUCT**

**A. For One-Year or Less than One-Year Term Certificates Issued in Year ZZ**

Reserves as of 12/31/ZZ = 40% of the 1-Year Term or Less than 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ

**B. For Two-Year Term Certificates Issued in Year ZZ**

Reserves as of 12/31/ZZ = the SUM of (i) 40% of the 1-Year Term Premium and (ii) 80% of the 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ

Reserves as of 12/31/(ZZ+1) = 40% of the 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ+1

**C. For Three-Year Term Certificates Issued in Year ZZ**

Reserves as of 12/31/ZZ = the SUM of (i) 40% of the 1-Year Term Premium and (ii) 160% of the approved 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ

Reserves as of 12/31/(ZZ+1) = the SUM of (i) 40% of the 1-Year Term Premium and (ii) 80% of the approved 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ+1

Reserves as of 12/31/(ZZ+2) = 40% of the 1-Year Term Premium multiplied by the number of certificates issued during year ZZ that are still in-force as of December 31, ZZ+2



**Provided that:**

1. In no case shall the total reserves per certificate be lower than the following:

a.

<b>ONE-YEAR TERM</b>	<b>End of Year Reserves</b>
<b>Minimum Reserves for Sea-based</b>	<b>US \$ 26.00</b>
<b>Minimum Reserves for Land-based</b>	<b>US \$ 12.00</b>

b.

<b>TWO-YEAR TERM</b>	<b>End of Year Reserves, Year 1</b>	<b>End of Year Reserves, Year 2</b>
<b>Minimum Reserves for Sea-based</b>	<b>US \$ 78.00</b>	<b>US \$ 26.00</b>
<b>Minimum Reserves for Land-based</b>	<b>US \$ 36.00</b>	<b>US \$ 12.00</b>

c.

<b>THREE-YEAR TERM</b>	<b>End of Year Reserves, Year 1</b>	<b>End of Year Reserves, Year 2</b>	<b>End of Year Reserves, Year 3</b>
<b>Minimum Reserves for Sea-based</b>	<b>US \$ 130.00</b>	<b>US \$ 78.00</b>	<b>US \$ 26.00</b>
<b>Minimum Reserves for Land-based</b>	<b>US \$ 60.00</b>	<b>US \$ 36.00</b>	<b>US \$ 12.00</b>

- d. For term of coverage of less than one (1) year, the reserves shall be computed proportionately using the reserve for one year term.
2. For partnering insurance companies, the life insurance company and its counterpart non-life insurance company shall each be required to do a valuation and maintain their respective reserves, computed in accordance with each company's share in the total premium charged for the certificates issued.

Handwritten signatures in black ink, including a large stylized 'S' and several smaller, less legible marks.