



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

CIRCULAR LETTER (CL) NO.:	2015-36
DATE	JULY 13, 2015
SUPPLEMENTS	CL NO. <del>2014-42-A</del>

**CIRCULAR LETTER**

**TO : ALL LIFE INSURANCE COMPANIES AND MUTUAL BENEFIT ASSOCIATIONS DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : DISCOUNT RATES FOR GROSS PREMIUM VALUATION OF LIFE INSURANCE POLICY RESERVES**

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Pursuant to Item IV.1 of IC Circular Letter No. 2014-42-A entitled *Valuation Standards for Life Insurance Policy Reserves*, attached hereto are the schedules of Peso and Dollar spot and forward rates which will be used in the computation of gross premium valuation reserves of traditional life insurance policies as of the following dates:

<b>Valuation Date</b>	<b>Peso and Dollar Spot and Forward Rates</b>
1. As of December 31, 2014	As of December 29, 2014, the last trading date in 2014 <b>(Annexes A &amp; A.1)</b>
2. As of June 30, 2015 (for life insurance companies only)	As of June 30, 2015 <b>(Annexes B &amp; B.1)</b>

The Peso spot and forward rates derived from the PDST-R2 rates and the Dollar spot and forward rates derived from the International Yield Curve from Bloomberg, shall be used for Peso-denominated and US Dollar-denominated policies, respectively.

These rates shall be used for all cash flows including the non-guaranteed benefits under the traditional life policies.

The Actuarial Valuation Reports as of December 31, 2014 and June 30, 2015 duly certified by an accredited Actuary and based on the new valuation standards prescribed under Circular Letter No. 2014-42-A shall be submitted to this Commission **on or before 31 October 2015 and 28 February 2016**, respectively.

Please be guided accordingly.

  
**EMMANUEL F. DOOC**  
Insurance Commissioner

**Annex A**

<b>Peso Spot and Forward Rates as of December 29, 2014</b>					
<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>	<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>
1	2.4397%	2.4397%	51	4.5376%	4.5355%
2	2.7735%	3.1083%	52	4.5376%	4.5355%
3	3.1125%	3.7938%	53	4.5376%	4.5355%
4	3.3502%	4.0666%	54	4.5375%	4.5355%
5	3.3749%	3.4738%	55	4.5375%	4.5355%
6	3.6930%	5.2983%	56	4.5374%	4.5355%
7	4.0197%	6.0014%	57	4.5374%	4.5355%
8	3.9948%	3.8211%	58	4.5374%	4.5355%
9	3.9722%	3.7917%	59	4.5373%	4.5355%
10	3.9512%	3.7618%	60	4.5373%	4.5355%
11	4.0879%	5.4645%	61	4.5373%	4.5355%
12	4.2280%	5.7826%	62	4.5373%	4.5355%
13	4.3723%	6.1187%	63	4.5372%	4.5355%
14	4.5211%	6.4759%	64	4.5372%	4.5355%
15	4.6753%	6.8575%	65	4.5372%	4.5355%
16	4.8355%	7.2682%	66	4.5372%	4.5355%
17	5.0026%	7.7132%	67	4.5371%	4.5355%
18	5.1777%	8.1993%	68	4.5371%	4.5355%
19	5.3620%	8.7351%	69	4.5371%	4.5355%
20	5.5570%	9.3315%	70	4.5371%	4.5355%
21	5.3360%	1.0124%	71	4.5370%	4.5355%
22	5.1247%	0.7821%	72	4.5370%	4.5355%
23	4.9220%	0.5603%	73	4.5370%	4.5355%
24	4.7272%	0.3470%	74	4.5370%	4.5355%
25	4.5399%	0.1424%	75	4.5370%	4.5355%
26	4.5397%	4.5355%	76	4.5369%	4.5355%
27	4.5396%	4.5355%	77	4.5369%	4.5355%
28	4.5394%	4.5355%	78	4.5369%	4.5355%
29	4.5393%	4.5355%	79	4.5369%	4.5355%
30	4.5391%	4.5355%	80	4.5369%	4.5355%
31	4.5390%	4.5355%	81	4.5368%	4.5355%
32	4.5389%	4.5355%	82	4.5368%	4.5355%
33	4.5388%	4.5355%	83	4.5368%	4.5355%
34	4.5387%	4.5355%	84	4.5368%	4.5355%
35	4.5386%	4.5355%	85	4.5368%	4.5355%
36	4.5385%	4.5355%	86	4.5368%	4.5355%
37	4.5385%	4.5355%	87	4.5368%	4.5355%
38	4.5384%	4.5355%	88	4.5367%	4.5355%
39	4.5383%	4.5355%	89	4.5367%	4.5355%
40	4.5382%	4.5355%	90	4.5367%	4.5355%
41	4.5382%	4.5355%	91	4.5367%	4.5355%
42	4.5381%	4.5355%	92	4.5367%	4.5355%
43	4.5380%	4.5355%	93	4.5367%	4.5355%
44	4.5380%	4.5355%	94	4.5367%	4.5355%
45	4.5379%	4.5355%	95	4.5366%	4.5355%
46	4.5379%	4.5355%	96	4.5366%	4.5355%
47	4.5378%	4.5355%	97	4.5366%	4.5355%
48	4.5378%	4.5355%	98	4.5366%	4.5355%
49	4.5377%	4.5355%	99	4.5366%	4.5355%
50	4.5377%	4.5355%	100	4.5366%	4.5355%

**Annex A.1**

<b>Dollar Spot and Forward Rates as of December 29, 2014</b>					
<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>	<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>
1	0.5197%	0.5197%	51	3.9143%	3.8646%
2	0.8118%	1.1048%	52	3.9133%	3.8646%
3	1.3582%	2.4599%	53	3.9124%	3.8646%
4	1.9148%	3.6031%	54	3.9115%	3.8646%
5	2.2807%	3.7575%	55	3.9107%	3.8646%
6	2.5400%	3.8464%	56	3.9098%	3.8646%
7	2.8291%	4.5807%	57	3.9090%	3.8646%
8	3.1260%	5.2283%	58	3.9083%	3.8646%
9	3.4321%	5.9140%	59	3.9075%	3.8646%
10	3.7492%	6.6469%	60	3.9068%	3.8646%
11	3.8399%	4.7521%	61	3.9061%	3.8646%
12	3.9346%	4.9815%	62	3.9055%	3.8646%
13	4.0330%	5.2214%	63	3.9048%	3.8646%
14	4.1352%	5.4733%	64	3.9042%	3.8646%
15	4.2414%	5.7390%	65	3.9036%	3.8646%
16	4.2041%	3.6463%	66	3.9030%	3.8646%
17	4.1688%	3.6057%	67	3.9024%	3.8646%
18	4.1351%	3.5642%	68	3.9019%	3.8646%
19	4.1028%	3.5220%	69	3.9013%	3.8646%
20	4.0715%	3.4790%	70	3.9008%	3.8646%
21	4.0492%	3.6044%	71	3.9003%	3.8646%
22	4.0276%	3.5752%	72	3.8998%	3.8646%
23	4.0066%	3.5453%	73	3.8993%	3.8646%
24	3.9861%	3.5148%	74	3.8988%	3.8646%
25	3.9659%	3.4836%	75	3.8984%	3.8646%
26	3.9620%	3.8646%	76	3.8979%	3.8646%
27	3.9584%	3.8646%	77	3.8975%	3.8646%
28	3.9551%	3.8646%	78	3.8971%	3.8646%
29	3.9519%	3.8646%	79	3.8967%	3.8646%
30	3.9490%	3.8646%	80	3.8963%	3.8646%
31	3.9463%	3.8646%	81	3.8959%	3.8646%
32	3.9437%	3.8646%	82	3.8955%	3.8646%
33	3.9413%	3.8646%	83	3.8951%	3.8646%
34	3.9391%	3.8646%	84	3.8948%	3.8646%
35	3.9370%	3.8646%	85	3.8944%	3.8646%
36	3.9350%	3.8646%	86	3.8941%	3.8646%
37	3.9331%	3.8646%	87	3.8937%	3.8646%
38	3.9313%	3.8646%	88	3.8934%	3.8646%
39	3.9295%	3.8646%	89	3.8931%	3.8646%
40	3.9279%	3.8646%	90	3.8928%	3.8646%
41	3.9264%	3.8646%	91	3.8924%	3.8646%
42	3.9249%	3.8646%	92	3.8921%	3.8646%
43	3.9235%	3.8646%	93	3.8918%	3.8646%
44	3.9222%	3.8646%	94	3.8916%	3.8646%
45	3.9209%	3.8646%	95	3.8913%	3.8646%
46	3.9197%	3.8646%	96	3.8910%	3.8646%
47	3.9185%	3.8646%	97	3.8907%	3.8646%
48	3.9174%	3.8646%	98	3.8905%	3.8646%
49	3.9163%	3.8646%	99	3.8902%	3.8646%
50	3.9153%	3.8646%	100	3.8899%	3.8646%

**Annex B**

<b>Peso Spot and Forward Rates as of June 30, 2015</b>					
<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>	<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>
1	2.4445%	2.4445%	51	4.7783%	4.7052%
2	2.7219%	3.0000%	52	4.7769%	4.7052%
3	3.0641%	3.7522%	53	4.7756%	4.7052%
4	3.8648%	6.3044%	54	4.7742%	4.7052%
5	3.9855%	4.4697%	55	4.7730%	4.7052%
6	3.8786%	3.3455%	56	4.7718%	4.7052%
7	3.7746%	3.1531%	57	4.7706%	4.7052%
8	4.0223%	5.7726%	58	4.7695%	4.7052%
9	4.2768%	6.3352%	59	4.7684%	4.7052%
10	4.5396%	6.9347%	60	4.7673%	4.7052%
11	4.5664%	4.8353%	61	4.7663%	4.7052%
12	4.5956%	4.9172%	62	4.7653%	4.7052%
13	4.6268%	5.0020%	63	4.7644%	4.7052%
14	4.6598%	5.0901%	64	4.7635%	4.7052%
15	4.6945%	5.1817%	65	4.7626%	4.7052%
16	4.7309%	5.2771%	66	4.7617%	4.7052%
17	4.7687%	5.3766%	67	4.7608%	4.7052%
18	4.8082%	5.4808%	68	4.7600%	4.7052%
19	4.8492%	5.5899%	69	4.7592%	4.7052%
20	4.8918%	5.7046%	70	4.7585%	4.7052%
21	4.8829%	4.7052%	71	4.7577%	4.7052%
22	4.8748%	4.7052%	72	4.7570%	4.7052%
23	4.8674%	4.7052%	73	4.7563%	4.7052%
24	4.8606%	4.7052%	74	4.7556%	4.7052%
25	4.8544%	4.7052%	75	4.7549%	4.7052%
26	4.8487%	4.7052%	76	4.7543%	4.7052%
27	4.8434%	4.7052%	77	4.7536%	4.7052%
28	4.8384%	4.7052%	78	4.7530%	4.7052%
29	4.8338%	4.7052%	79	4.7524%	4.7052%
30	4.8295%	4.7052%	80	4.7518%	4.7052%
31	4.8255%	4.7052%	81	4.7512%	4.7052%
32	4.8218%	4.7052%	82	4.7507%	4.7052%
33	4.8182%	4.7052%	83	4.7501%	4.7052%
34	4.8149%	4.7052%	84	4.7496%	4.7052%
35	4.8118%	4.7052%	85	4.7491%	4.7052%
36	4.8088%	4.7052%	86	4.7485%	4.7052%
37	4.8060%	4.7052%	87	4.7480%	4.7052%
38	4.8033%	4.7052%	88	4.7476%	4.7052%
39	4.8008%	4.7052%	89	4.7471%	4.7052%
40	4.7984%	4.7052%	90	4.7466%	4.7052%
41	4.7962%	4.7052%	91	4.7462%	4.7052%
42	4.7940%	4.7052%	92	4.7457%	4.7052%
43	4.7919%	4.7052%	93	4.7453%	4.7052%
44	4.7900%	4.7052%	94	4.7449%	4.7052%
45	4.7881%	4.7052%	95	4.7444%	4.7052%
46	4.7863%	4.7052%	96	4.7440%	4.7052%
47	4.7845%	4.7052%	97	4.7436%	4.7052%
48	4.7829%	4.7052%	98	4.7432%	4.7052%
49	4.7813%	4.7052%	99	4.7428%	4.7052%
50	4.7798%	4.7052%	100	4.7425%	4.7052%

**Annex B.1**

<b>Dollar Spot and Forward Rates as of June 30, 2015</b>					
<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>	<b>Tenor/Term (in years)</b>	<b>Spot Rate</b>	<b>Forward Rate</b>
1	0.4986%	0.4986%	51	3.9949%	3.9197%
2	0.9443%	1.3920%	52	3.9934%	3.9197%
3	1.4650%	2.5145%	53	3.9920%	3.9197%
4	1.9952%	3.6026%	54	3.9907%	3.9197%
5	2.2658%	3.3552%	55	3.9894%	3.9197%
6	2.4288%	3.2474%	56	3.9882%	3.9197%
7	2.6886%	4.2619%	57	3.9870%	3.9197%
8	2.9549%	4.8382%	58	3.9858%	3.9197%
9	3.2287%	5.4450%	59	3.9847%	3.9197%
10	3.5112%	6.0894%	60	3.9836%	3.9197%
11	3.6387%	4.9225%	61	3.9826%	3.9197%
12	3.7705%	5.2313%	62	3.9815%	3.9197%
13	3.9068%	5.5562%	63	3.9806%	3.9197%
14	4.0479%	5.9000%	64	3.9796%	3.9197%
15	4.1943%	6.2657%	65	3.9787%	3.9197%
16	4.1904%	4.1317%	66	3.9778%	3.9197%
17	4.1885%	4.1585%	67	3.9769%	3.9197%
18	4.1884%	4.1861%	68	3.9761%	3.9197%
19	4.1898%	4.2145%	69	3.9753%	3.9197%
20	4.1925%	4.2438%	70	3.9745%	3.9197%
21	4.1669%	3.6568%	71	3.9737%	3.9197%
22	4.1423%	3.6277%	72	3.9729%	3.9197%
23	4.1186%	3.5979%	73	3.9722%	3.9197%
24	4.0956%	3.5676%	74	3.9715%	3.9197%
25	4.0732%	3.5366%	75	3.9708%	3.9197%
26	4.0673%	3.9197%	76	3.9701%	3.9197%
27	4.0618%	3.9197%	77	3.9695%	3.9197%
28	4.0567%	3.9197%	78	3.9688%	3.9197%
29	4.0520%	3.9197%	79	3.9682%	3.9197%
30	4.0476%	3.9197%	80	3.9676%	3.9197%
31	4.0434%	3.9197%	81	3.9670%	3.9197%
32	4.0396%	3.9197%	82	3.9664%	3.9197%
33	4.0359%	3.9197%	83	3.9659%	3.9197%
34	4.0325%	3.9197%	84	3.9653%	3.9197%
35	4.0293%	3.9197%	85	3.9648%	3.9197%
36	4.0262%	3.9197%	86	3.9643%	3.9197%
37	4.0234%	3.9197%	87	3.9638%	3.9197%
38	4.0206%	3.9197%	88	3.9633%	3.9197%
39	4.0180%	3.9197%	89	3.9628%	3.9197%
40	4.0156%	3.9197%	90	3.9623%	3.9197%
41	4.0132%	3.9197%	91	3.9618%	3.9197%
42	4.0110%	3.9197%	92	3.9614%	3.9197%
43	4.0089%	3.9197%	93	3.9609%	3.9197%
44	4.0069%	3.9197%	94	3.9605%	3.9197%
45	4.0049%	3.9197%	95	3.9600%	3.9197%
46	4.0031%	3.9197%	96	3.9596%	3.9197%
47	4.0013%	3.9197%	97	3.9592%	3.9197%
48	3.9996%	3.9197%	98	3.9588%	3.9197%
49	3.9980%	3.9197%	99	3.9584%	3.9197%
50	3.9964%	3.9197%	100	3.9580%	3.9197%