



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

CIRCULAR LETTER (CL) NO. :	2015 - 50
DATE :	October 5, 2015
AMENDING :	CL No. 2014-42-A

CIRCULAR LETTER

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

SUBJECT : AMENDMENT TO CIRCULAR LETTER CL No. 2014-42-A : VALUATION STANDARDS FOR LIFE INSURANCE POLICY RESERVES

The "Summary of Valuation Results" labeled as Annex B in *Circular Letter No. 2014-42-A: Valuation Standards for Life Insurance Policy Reserves* is hereby amended to include additional data necessary for the evaluation of the impact of change in valuation basis from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) as well as any change in assumptions under GPV. Attached is the revised template for the "Summary of Valuation Results" which can also be accessed through our website.

Please be guided accordingly.


EMMANUEL F. DOOC
Insurance Commissioner

Actuarial Valuation Results
 Life Insurance Policy Reserves in Philippine Peso
 For the period ended dd/mmm/yyyy

Summary of Valuation Results

A. Impact of Change in Valuation Basis

	As of End of Prior Period (A)			As of End of Current Period (B)			Amount of Increase/(Decrease) (B) - (A)		
	Traditional	Variable	Total	Traditional	Variable	Total	Traditional	Variable	Total
Policy Reserves									
Before basis change (to be accomplished during the Transition Period)									
(1)	Net Premium Valuation Reserves with Cash Value Floor (NPV Reserves with CV Floor)								
(2)	Net Premium Valuation Reserves without Cash Value Floor (NPV Reserves without CV Floor)								
(3)	Effect of the Cash Value Floor on the Net Premium Valuation Reserves (1) - (2)			-	-	-	-	-	-
After basis change									
(4)	Gross Premium Valuation Reserves with Margin for Adverse Deviation and with Cash Value Floor (GPV Reserves with MfAD with CV Floor)								
(5)	Gross Premium Valuation Reserves with Margin for Adverse Deviation but without Cash Value Floor (GPV Reserves with MfAD without CV Floor)								
(6)	Effect of the Cash Value Floor on the Gross Premium Valuation Reserves (4) - (5)								
(7)	IMPACT OF BASIS CHANGE (4) - (1)			-	-	-	-	-	-
(8)	IMPACT OF CV Floor on Reserves from NPV to GPV (6) - (3)			-	-	-	-	-	-

B. Impact of Change in Assumptions under Gross Premium Valuation (GPV)

	As of End of Prior Period (A)	Prior to any change in assumptions (B)	Amount of Increase (B) - (A)	As of End of Current Period			
				After any changes in assumptions except Discount Rate (C)	Amount of Increase (C) - (B)	After any changes in assumptions including Discount Rate (D)	Amount of Increase (D) - (C)
Policy Reserves							
(1)	Total Policy Reserves after basis change (2) + (3)						
(2)	GPV Reserves with MfAD with CV Floor						
(3)	Unearned Premium Reserves						
(4)	GPV Reserves with MfAD without CV Floor						
(5)	Impact of CV Floor (2) - (4)						
(6)	GPV Reserves without MfAD without CV Floor						
(7)	Impact of MfAD (4) - (6)						
(8)	Negative GPV Reserves						
(9)	GPV Reserves for Non-Guaranteed Benefits and Policyholder Dividends						

Notes:

1. This summary shall be accompanied by the Actuarial Valuation Report and Actuarial Certification following the format set out in Circular Letter No. 2014-42-A (Annex A).
2. If there are no changes in assumptions except Discount Rate, reserves under column (C) should equal column (B).
3. If there are no changes in Discount Rate, reserves under column (D) should equal column (C).