



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

Circular Letter (CL) No.:	2016 - 28
Date:	16 May 2016
Supersedes:	CL No. 2016 - 02

**CIRCULAR LETTER**

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

**SUBJECT : DISCOUNT RATES FOR LIFE INSURANCE POLICY RESERVES AS OF 31 DECEMBER 2015**

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In view of the issuance of IC Circular Letter No. 2016-26 amending the existing *Valuation Standards for Life Insurance Policy Reserves*, attached hereto are the schedules of **Peso and Dollar Spot and Forward rates as of 29 December 2015** which will be used in discounting the cash flows in the calculation of policy reserves as of 31 December 2015.

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. The Peso and Dollar spot and forward rates to be used for discounting cash flows with duration of more than 20 years were determined using the 2-year moving-average of the 20-year government bond yield rate.

Please be guided accordingly.



**EMMANUEL F. DOOC**  
Insurance Commissioner

**Annex A**

Peso Spot and Forward Rates as of 29 December 2015					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	2.3851%	2.3851%	51	5.1270%	5.0656%
2	4.0579%	5.7581%	52	5.1258%	5.0656%
3	3.7041%	3.0001%	53	5.1246%	5.0656%
4	3.9321%	4.6191%	54	5.1235%	5.0656%
5	3.9836%	4.1899%	55	5.1225%	5.0656%
6	4.3577%	6.2484%	56	5.1215%	5.0656%
7	4.7435%	7.0887%	57	5.1205%	5.0656%
8	4.5321%	3.0638%	58	5.1195%	5.0656%
9	4.3260%	2.6920%	59	5.1186%	5.0656%
10	4.1238%	2.3217%	60	5.1178%	5.0656%
11	4.3055%	6.1391%	61	5.1169%	5.0656%
12	4.4917%	6.5620%	62	5.1161%	5.0656%
13	4.6835%	7.0139%	63	5.1153%	5.0656%
14	4.8823%	7.5002%	64	5.1145%	5.0656%
15	5.0891%	8.0280%	65	5.1137%	5.0656%
16	5.3055%	8.6060%	66	5.1130%	5.0656%
17	5.5333%	9.2458%	67	5.1123%	5.0656%
18	5.7746%	9.9622%	68	5.1116%	5.0656%
19	6.0321%	10.7751%	69	5.1109%	5.0656%
20	6.3091%	11.7118%	70	5.1103%	5.0656%
21	5.2147%	-14.4543%	71	5.1097%	5.0656%
22	5.2079%	5.0656%	72	5.1091%	5.0656%
23	5.2017%	5.0656%	73	5.1085%	5.0656%
24	5.1961%	5.0656%	74	5.1079%	5.0656%
25	5.1908%	5.0656%	75	5.1073%	5.0656%
26	5.1860%	5.0656%	76	5.1068%	5.0656%
27	5.1816%	5.0656%	77	5.1062%	5.0656%
28	5.1774%	5.0656%	78	5.1057%	5.0656%
29	5.1736%	5.0656%	79	5.1052%	5.0656%
30	5.1700%	5.0656%	80	5.1047%	5.0656%
31	5.1666%	5.0656%	81	5.1042%	5.0656%
32	5.1634%	5.0656%	82	5.1037%	5.0656%
33	5.1605%	5.0656%	83	5.1033%	5.0656%
34	5.1577%	5.0656%	84	5.1028%	5.0656%
35	5.1550%	5.0656%	85	5.1024%	5.0656%
36	5.1525%	5.0656%	86	5.1020%	5.0656%
37	5.1502%	5.0656%	87	5.1016%	5.0656%
38	5.1480%	5.0656%	88	5.1011%	5.0656%
39	5.1459%	5.0656%	89	5.1007%	5.0656%
40	5.1438%	5.0656%	90	5.1004%	5.0656%
41	5.1419%	5.0656%	91	5.1000%	5.0656%
42	5.1401%	5.0656%	92	5.0996%	5.0656%
43	5.1384%	5.0656%	93	5.0992%	5.0656%
44	5.1367%	5.0656%	94	5.0989%	5.0656%
45	5.1351%	5.0656%	95	5.0985%	5.0656%
46	5.1336%	5.0656%	96	5.0982%	5.0656%
47	5.1322%	5.0656%	97	5.0978%	5.0656%
48	5.1308%	5.0656%	98	5.0975%	5.0656%
49	5.1295%	5.0656%	99	5.0972%	5.0656%
50	5.1282%	5.0656%	100	5.0969%	5.0656%

**Annex B**

<b>Dollar Spot and Forward Rates as of 29 December 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	0.5678%	0.5678%	51	4.1686%	4.0742%
2	1.1227%	1.6807%	52	4.1668%	4.0742%
3	1.6855%	2.8204%	53	4.1651%	4.0742%
4	2.0940%	3.3294%	54	4.1634%	4.0742%
5	2.2053%	2.6519%	55	4.1618%	4.0742%
6	2.4594%	3.7391%	56	4.1602%	4.0742%
7	2.7188%	4.2891%	57	4.1587%	4.0742%
8	2.9845%	4.8641%	58	4.1572%	4.0742%
9	3.2577%	5.4696%	59	4.1558%	4.0742%
10	3.5063%	5.7706%	60	4.1545%	4.0742%
11	3.6795%	5.4273%	61	4.1532%	4.0742%
12	3.8584%	5.8474%	62	4.1519%	4.0742%
13	4.0438%	6.2942%	63	4.1506%	4.0742%
14	4.2364%	6.7729%	64	4.1494%	4.0742%
15	4.4372%	7.2897%	65	4.1483%	4.0742%
16	4.4001%	3.8451%	66	4.1472%	4.0742%
17	4.3656%	3.8140%	67	4.1461%	4.0742%
18	4.3331%	3.7823%	68	4.1450%	4.0742%
19	4.3023%	3.7499%	69	4.1440%	4.0742%
20	4.2729%	3.7168%	70	4.1430%	4.0742%
21	4.3038%	4.9219%	71	4.1420%	4.0742%
22	4.2933%	4.0742%	72	4.1411%	4.0742%
23	4.2838%	4.0742%	73	4.1402%	4.0742%
24	4.2750%	4.0742%	74	4.1393%	4.0742%
25	4.2670%	4.0742%	75	4.1384%	4.0742%
26	4.2596%	4.0742%	76	4.1376%	4.0742%
27	4.2527%	4.0742%	77	4.1367%	4.0742%
28	4.2463%	4.0742%	78	4.1359%	4.0742%
29	4.2404%	4.0742%	79	4.1352%	4.0742%
30	4.2348%	4.0742%	80	4.1344%	4.0742%
31	4.2296%	4.0742%	81	4.1336%	4.0742%
32	4.2248%	4.0742%	82	4.1329%	4.0742%
33	4.2202%	4.0742%	83	4.1322%	4.0742%
34	4.2159%	4.0742%	84	4.1315%	4.0742%
35	4.2119%	4.0742%	85	4.1308%	4.0742%
36	4.2080%	4.0742%	86	4.1302%	4.0742%
37	4.2044%	4.0742%	87	4.1295%	4.0742%
38	4.2010%	4.0742%	88	4.1289%	4.0742%
39	4.1977%	4.0742%	89	4.1283%	4.0742%
40	4.1946%	4.0742%	90	4.1277%	4.0742%
41	4.1917%	4.0742%	91	4.1271%	4.0742%
42	4.1889%	4.0742%	92	4.1265%	4.0742%
43	4.1862%	4.0742%	93	4.1260%	4.0742%
44	4.1837%	4.0742%	94	4.1254%	4.0742%
45	4.1812%	4.0742%	95	4.1249%	4.0742%
46	4.1789%	4.0742%	96	4.1244%	4.0742%
47	4.1767%	4.0742%	97	4.1238%	4.0742%
48	4.1746%	4.0742%	98	4.1233%	4.0742%
49	4.1725%	4.0742%	99	4.1228%	4.0742%
50	4.1705%	4.0742%	100	4.1223%	4.0742%

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