



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

Circular Letter (CL) No.:	2016 - 29
Date:	16 May 2016
Supersedes:	CL No. 2016 - 21

CIRCULAR LETTER

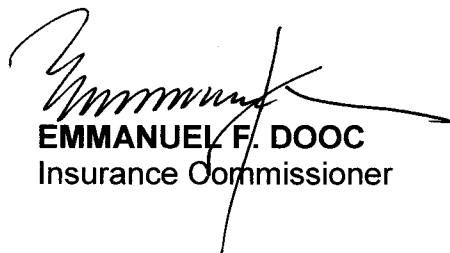
TO : ALL LIFE INSURANCE COMPANIES AND MUTUAL BENEFIT ASSOCIATIONS DOING BUSINESS IN THE PHILIPPINES

SUBJECT : DISCOUNT RATES FOR LIFE INSURANCE POLICY RESERVES AS OF 31 MARCH 2016

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 31 March 2016** which will be used in discounting the cash flows in the calculation of policy reserves as of 31 March 2016.

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 31 March 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	1.7388%	1.7388%	51	5.1565%	5.0933%
2	3.5315%	5.3557%	52	5.1553%	5.0933%
3	3.7549%	4.2032%	53	5.1541%	5.0933%
4	3.2562%	1.7743%	54	5.1530%	5.0933%
5	3.5021%	4.4916%	55	5.1519%	5.0933%
6	3.9339%	6.1201%	56	5.1509%	5.0933%
7	4.3800%	7.0970%	57	5.1499%	5.0933%
8	4.5555%	5.7924%	58	5.1489%	5.0933%
9	4.7372%	6.2024%	59	5.1479%	5.0933%
10	4.9256%	6.6362%	60	5.1470%	5.0933%
11	4.9833%	5.5620%	61	5.1462%	5.0933%
12	5.0445%	5.7199%	62	5.1453%	5.0933%
13	5.1089%	5.8852%	63	5.1445%	5.0933%
14	5.1765%	6.0588%	64	5.1437%	5.0933%
15	5.2471%	6.2417%	65	5.1429%	5.0933%
16	5.3210%	6.4352%	66	5.1421%	5.0933%
17	5.3982%	6.6404%	67	5.1414%	5.0933%
18	5.4788%	6.8592%	68	5.1407%	5.0933%
19	5.5632%	7.0932%	69	5.1400%	5.0933%
20	5.6515%	7.3447%	70	5.1394%	5.0933%
21	5.2470%	-2.5263%	71	5.1387%	5.0933%
22	5.2400%	5.0933%	72	5.1381%	5.0933%
23	5.2336%	5.0933%	73	5.1375%	5.0933%
24	5.2278%	5.0933%	74	5.1369%	5.0933%
25	5.2224%	5.0933%	75	5.1363%	5.0933%
26	5.2174%	5.0933%	76	5.1357%	5.0933%
27	5.2128%	5.0933%	77	5.1352%	5.0933%
28	5.2085%	5.0933%	78	5.1346%	5.0933%
29	5.2046%	5.0933%	79	5.1341%	5.0933%
30	5.2008%	5.0933%	80	5.1336%	5.0933%
31	5.1974%	5.0933%	81	5.1331%	5.0933%
32	5.1941%	5.0933%	82	5.1326%	5.0933%
33	5.1911%	5.0933%	83	5.1321%	5.0933%
34	5.1882%	5.0933%	84	5.1317%	5.0933%
35	5.1855%	5.0933%	85	5.1312%	5.0933%
36	5.1829%	5.0933%	86	5.1308%	5.0933%
37	5.1805%	5.0933%	87	5.1303%	5.0933%
38	5.1782%	5.0933%	88	5.1299%	5.0933%
39	5.1760%	5.0933%	89	5.1295%	5.0933%
40	5.1739%	5.0933%	90	5.1291%	5.0933%
41	5.1720%	5.0933%	91	5.1287%	5.0933%
42	5.1701%	5.0933%	92	5.1283%	5.0933%
43	5.1683%	5.0933%	93	5.1279%	5.0933%
44	5.1666%	5.0933%	94	5.1276%	5.0933%
45	5.1650%	5.0933%	95	5.1272%	5.0933%
46	5.1634%	5.0933%	96	5.1269%	5.0933%
47	5.1619%	5.0933%	97	5.1265%	5.0933%
48	5.1605%	5.0933%	98	5.1262%	5.0933%
49	5.1591%	5.0933%	99	5.1258%	5.0933%
50	5.1578%	5.0933%	100	5.1255%	5.0933%

Annex B

Dollar Spot and Forward Rates as of 31 March 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	0.7323%	0.7323%	51	4.1580%	3.9307%
2	1.0307%	1.3299%	52	4.1536%	3.9307%
3	1.3317%	1.9364%	53	4.1494%	3.9307%
4	1.5984%	2.4027%	54	4.1453%	3.9307%
5	1.8202%	2.7123%	55	4.1414%	3.9307%
6	2.0600%	3.2674%	56	4.1377%	3.9307%
7	2.3042%	3.7822%	57	4.1340%	3.9307%
8	2.5538%	4.3179%	58	4.1305%	3.9307%
9	2.8096%	4.8794%	59	4.1271%	3.9307%
10	2.6930%	1.6494%	60	4.1238%	3.9307%
11	2.8386%	4.3054%	61	4.1207%	3.9307%
12	2.9876%	4.6411%	62	4.1176%	3.9307%
13	3.1405%	4.9934%	63	4.1146%	3.9307%
14	3.2978%	5.3650%	64	4.1118%	3.9307%
15	3.4601%	5.7593%	65	4.1090%	3.9307%
16	3.4774%	3.7361%	66	4.1063%	3.9307%
17	3.4961%	3.7961%	67	4.1036%	3.9307%
18	3.5162%	3.8580%	68	4.1011%	3.9307%
19	3.5375%	3.9218%	69	4.0986%	3.9307%
20	3.5599%	3.9877%	70	4.0962%	3.9307%
21	4.4835%	24.7869%	71	4.0939%	3.9307%
22	4.4583%	3.9307%	72	4.0916%	3.9307%
23	4.4353%	3.9307%	73	4.0894%	3.9307%
24	4.4143%	3.9307%	74	4.0873%	3.9307%
25	4.3949%	3.9307%	75	4.0852%	3.9307%
26	4.3770%	3.9307%	76	4.0832%	3.9307%
27	4.3604%	3.9307%	77	4.0812%	3.9307%
28	4.3450%	3.9307%	78	4.0792%	3.9307%
29	4.3307%	3.9307%	79	4.0774%	3.9307%
30	4.3174%	3.9307%	80	4.0755%	3.9307%
31	4.3049%	3.9307%	81	4.0737%	3.9307%
32	4.2932%	3.9307%	82	4.0720%	3.9307%
33	4.2822%	3.9307%	83	4.0703%	3.9307%
34	4.2718%	3.9307%	84	4.0686%	3.9307%
35	4.2620%	3.9307%	85	4.0670%	3.9307%
36	4.2528%	3.9307%	86	4.0654%	3.9307%
37	4.2441%	3.9307%	87	4.0639%	3.9307%
38	4.2358%	3.9307%	88	4.0623%	3.9307%
39	4.2280%	3.9307%	89	4.0609%	3.9307%
40	4.2206%	3.9307%	90	4.0594%	3.9307%
41	4.2135%	3.9307%	91	4.0580%	3.9307%
42	4.2067%	3.9307%	92	4.0566%	3.9307%
43	4.2003%	3.9307%	93	4.0553%	3.9307%
44	4.1942%	3.9307%	94	4.0539%	3.9307%
45	4.1883%	3.9307%	95	4.0526%	3.9307%
46	4.1827%	3.9307%	96	4.0514%	3.9307%
47	4.1773%	3.9307%	97	4.0501%	3.9307%
48	4.1722%	3.9307%	98	4.0489%	3.9307%
49	4.1673%	3.9307%	99	4.0477%	3.9307%
50	4.1625%	3.9307%	100	4.0465%	3.9307%