



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



Circular Letter (CL) No..	2016 - 59
Date:	10 October 2016
Supplements:	CL No. 2015-32

CIRCULAR LETTER


TO : ALL NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES

SUBJECT : DISCOUNT RATES FOR NON-LIFE INSURANCE POLICY RESERVES AS OF 30 SEPTEMBER 2016

Pursuant to Item 10 of IC Circular Letter No 2015-32 entitled *Valuation Standards for Non-Life Insurance Policy Reserves*, attached hereto are the schedules of **Peso and Dollar Spot and Forward rates as of 30 September 2016** which will be used in discounting the cash flows in the calculation of policy reserves as of 30 September 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 30 September 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	2 0208%	2 0208%	51	5 2145%	4 9484%
2	2 3018%	2 5835%	52	5 2094%	4 9484%
3	3 3575%	5 5019%	53	5 2045%	4 9484%
4	2 9065%	1 5652%	54	5 1997%	4 9484%
5	3 7305%	7 0928%	55	5 1951%	4 9484%
6	3 6156%	3 0430%	56	5 1907%	4 9484%
7	3 5042%	2.8385%	57	5 1865%	4 9484%
8	3 5773%	4 0906%	58	5 1824%	4 9484%
9	3 6519%	4.2506%	59	5.1784%	4 9484%
10	3 7281%	4 4158%	60	5.1745%	4 9484%
11	3 8493%	5.0700%	61	5.1708%	4 9484%
12	3 9735%	5 3495%	62	5 1672%	4 9484%
13	4 1010%	5 6432%	63	5 1638%	4 9484%
14	4 2323%	5 9534%	64	5 1604%	4 9484%
15	4 3677%	6.2827%	65	5 1571%	4 9484%
16	4 5080%	6 6342%	66	5 1540%	4 9484%
17	4 6536%	7 0117%	67	5 1509%	4 9484%
18	4 8054%	7 4198%	68	5 1479%	4 9484%
19	4 9642%	7 8643%	69	5 1450%	4 9484%
20	5 1311%	8 3524%	70	5 1422%	4 9484%
21	5 5959%	15 3358%	71	5 1395%	4 9484%
22	5 5663%	4 9484%	72	5 1368%	4 9484%
23	5.5394%	4 9484%	73	5 1342%	4 9484%
24	5 5147%	4 9484%	74	5 1317%	4 9484%
25	5 4920%	4 9484%	75	5 1293%	4 9484%
26	5 4710%	4 9484%	76	5 1269%	4 9484%
27	5 4516%	4 9484%	77	5 1246%	4 9484%
28	5 4336%	4 9484%	78	5 1223%	4 9484%
29	5 4169%	4 9484%	79	5 1201%	4 9484%
30	5 4012%	4 9484%	80	5 1180%	4 9484%
31	5.3866%	4 9484%	81	5 1159%	4.9484%
32	5 3728%	4 9484%	82	5 1138%	4 9484%
33	5.3600%	4 9484%	83	5 1118%	4 9484%
34	5 3478%	4 9484%	84	5 1099%	4 9484%
35	5 3364%	4 9484%	85	5 1080%	4.9484%
36	5 3256%	4.9484%	86	5 1061%	4 9484%
37	5 3154%	4 9484%	87	5 1043%	4 9484%
38	5 3057%	4 9484%	88	5 1025%	4 9484%
39	5 2965%	4 9484%	89	5 1008%	4 9484%
40	5 2878%	4 9484%	90	5 0991%	4 9484%
41	5 2795%	4 9484%	91	5 0974%	4 9484%
42	5 2716%	4 9484%	92	5 0958%	4 9484%
43	5 2641%	4 9484%	93	5 0942%	4 9484%
44	5 2569%	4 9484%	94	5 0927%	4 9484%
45	5 2500%	4 9484%	95	5 0912%	4 9484%
46	5 2435%	4 9484%	96	5 0897%	4 9484%
47	5 2372%	4 9484%	97	5 0882%	4 9484%
48	5 2312%	4 9484%	98	5.0868%	4 9484%
49	5 2254%	4 9484%	99	5 0854%	4.9484%
50	5 2198%	4 9484%	100	5.0840%	4 9484%

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Dollar Spot and Forward Rates as of 30 September 2016					
Tenor/Term (in years)	Spot Rate	Forward Rate	Tenor/Term (in years)	Spot Rate	Forward Rate
1	1.3848%	1.3848%	51	3.8403%	3.6699%
2	1.4740%	1.5634%	52	3.8370%	3.6699%
3	1.6511%	2.0062%	53	3.8339%	3.6699%
4	1.8382%	2.4016%	54	3.8308%	3.6699%
5	2.0138%	2.7193%	55	3.8279%	3.6699%
6	2.1682%	2.9434%	56	3.8251%	3.6699%
7	2.3249%	3.2700%	57	3.8223%	3.6699%
8	2.4427%	3.2714%	58	3.8197%	3.6699%
9	2.5546%	3.4542%	59	3.8172%	3.6699%
10	2.6768%	3.7829%	60	3.8147%	3.6699%
11	2.7882%	3.9094%	61	3.8123%	3.6699%
12	2.9020%	4.1624%	62	3.8100%	3.6699%
13	3.0185%	4.4258%	63	3.8078%	3.6699%
14	3.1377%	4.7010%	64	3.8057%	3.6699%
15	3.2602%	4.9899%	65	3.8036%	3.6699%
16	3.2640%	3.3211%	66	3.8015%	3.6699%
17	3.2689%	3.3470%	67	3.7996%	3.6699%
18	3.2747%	3.3736%	68	3.7977%	3.6699%
19	3.2813%	3.4008%	69	3.7958%	3.6699%
20	3.2887%	3.4287%	70	3.7940%	3.6699%
21	4.0841%	21.3440%	71	3.7923%	3.6699%
22	4.0653%	3.6699%	72	3.7906%	3.6699%
23	4.0480%	3.6699%	73	3.7889%	3.6699%
24	4.0323%	3.6699%	74	3.7873%	3.6699%
25	4.0177%	3.6699%	75	3.7857%	3.6699%
26	4.0043%	3.6699%	76	3.7842%	3.6699%
27	3.9919%	3.6699%	77	3.7827%	3.6699%
28	3.9804%	3.6699%	78	3.7813%	3.6699%
29	3.9697%	3.6699%	79	3.7799%	3.6699%
30	3.9597%	3.6699%	80	3.7785%	3.6699%
31	3.9503%	3.6699%	81	3.7772%	3.6699%
32	3.9416%	3.6699%	82	3.7759%	3.6699%
33	3.9333%	3.6699%	83	3.7746%	3.6699%
34	3.9256%	3.6699%	84	3.7733%	3.6699%
35	3.9182%	3.6699%	85	3.7721%	3.6699%
36	3.9113%	3.6699%	86	3.7709%	3.6699%
37	3.9048%	3.6699%	87	3.7698%	3.6699%
38	3.8986%	3.6699%	88	3.7686%	3.6699%
39	3.8928%	3.6699%	89	3.7675%	3.6699%
40	3.8872%	3.6699%	90	3.7664%	3.6699%
41	3.8819%	3.6699%	91	3.7654%	3.6699%
42	3.8768%	3.6699%	92	3.7643%	3.6699%
43	3.8720%	3.6699%	93	3.7633%	3.6699%
44	3.8674%	3.6699%	94	3.7623%	3.6699%
45	3.8630%	3.6699%	95	3.7614%	3.6699%
46	3.8588%	3.6699%	96	3.7604%	3.6699%
47	3.8548%	3.6699%	97	3.7595%	3.6699%
48	3.8509%	3.6699%	98	3.7586%	3.6699%
49	3.8472%	3.6699%	99	3.7577%	3.6699%
50	3.8437%	3.6699%	100	3.7568%	3.6699%