



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



Circular No.	: 2018-47
Date	: 13 September 2018
Supersedes	: Amended Rules on Bonds; and Insurance Memorandum Circular No. 1-77.

### CIRCULAR LETTER

**TO : ALL NON-LIFE INSURANCE COMPANIES,  
INSURANCE BROKERS AND GENERAL AGENTS  
DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : AMENDED RULES AND REGULATIONS ON THE  
ISSUANCE OF BONDS**

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#### **A. UPDATED RULES AND REGULATIONS ON THE APPROVED SCHEDULE OF RATES**

The following are the updated rules and regulations for bonds and the approved Schedule of Rates<sup>1</sup>:

1. **Premium rates.** The figures indicated in **Schedule I** are percentage (%) rates per annum which shall be the basis in computing the annual rate of premium to be charged on bonds listed therein.
  - 1.1. Rates indicated in **Schedule I** are for bonds up to P15,000.00 in amount, decreasing by 0.05% for every P5,000.00 increase in amount and subject to the graduated scale shown in **Schedule II** wherein bonds were grouped into five (5) Bond Classifications as shown in **Schedule III**.
2. **Bonds running for less than one year.** The annual premium on bonds that are to run for less than one year according to the covering contract, law or regulation shall not be pro-rated but shall be charged in full at the applicable rate per annum, except for promissory notes.

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<sup>1</sup> 4 March 1985 Letter of the Insurance Commission granting the Philippine Association of Surety Underwriters, Inc. ("PHILASURERS") Petition to upgrade bond rates; 28 August 1995 Letter of the Insurance Commission to the Philippine Insurers and Reinsurers Association ("PIRA") approving the Amended Rules on Bonds; and Insurance Memorandum Circular No. 1-77.